ABSTRACT

The development of higher education is amongst topical issues. The modern society realizes that the most valuable capital is a human being with his/her intellectual potential and this has become the main resource for social and economic development. Over the last decade, all developed countries have introduced national education system reforms, which have received significant financial support. National development strategies attempt to focus on the development of adequate education system supported by state policies because it is becoming more and more evident that the quality of education determines further development of a country. The development of a strategy for the sustainable development must presuppose the identification of the mission and aims for short-term and long-term activities. The purpose for this article is to analyse the main trends of higher education in Latvia in order to identify the mission and strategy for sustainable development of higher education institutions in Latvia. There were applied such research methods as analysis and synthesis of scientific literature, normative acts and documents that regulate the development of higher education in Latvia and EU, methods of grouping, comparisons, classification, summarizing, description and prediction.

KEYWORDS: higher education, Bologna process, mission and strategy of development.

JEL CODES I210, I230

Introduction

It is generally known that education, which is the domain that generates new knowledge, transforms into a strategic resource for economic growth and strengthening of competitive positions of a country in the world. Issues in the development of integration processes in education should be thoroughly considered at the national rather than transnational level. This is determined by certain factors. Firstly, in accord with the Maastricht Treaty (Article 149), education is the responsibility of national regulatory bodies. Secondly, strengthening of the competitiveness of the education system of a country is predominantly a responsibility of the government of a country; in contrast, international organizations are supposed to support governmental actions if these actions comply with the overall goals of these international structures. European integration proceeds in accord with the idea that each EU country must develop its education system in compliance with the EU and Bologna Process principles.

Year 2013 will mark the 14-year long participation of Latvia in the Bologna process, the beginning of which was set by ministers of education and sciences of the Baltic States (Latvia, Lithuania and Estonia) who...
signed and ratified the Lisbon concept. One important question pertains to the issues of development of the Latvian education system, its achievements and prospects of future development.

The purpose of the research is to analyse the main trends of higher education in Latvia in order to identify the mission and strategy for sustainable development of higher education institutions in Latvia.

The main objective of the research is to attain the aim, and in order to achieve the task, the following objectives have been set:

- Consider global higher education tendencies and their effect on the education system of Latvia.
- Analyze the outcomes of reformation of the Latvian higher education system in the context of the Bologna process.
- Identify inner factors, affecting the development of the higher education market in Latvia.
- Identify the main strategies for the sustainable development of higher education institutions in Latvia.

The object of the research is the higher education system in Latvia.

The methods of the research include a whole array of methods, including methods of economic and statistic analyses, methods of the analysis and synthesis of economic information, methods of grouping, comparisons, classification, summarizing, description and prediction.

1. Global Tendencies in Higher Education

The new stage in the civilization development is consistent with the type of the economy in which the source of the economic growth lies in the generation of knowledge, which becomes even more important than natural resources and means of production. The information economy is determined by new tendencies in education development that represent the response to topical demands of the society:

- The time framework of the educational process is changing. A new system of continuous education is being formed and aims at the renewal and acquisition of new areas of knowledge during the entire life. Life-long education is becoming a necessity and an increasingly more important component in contemporary education systems.
- The practical focus in education, linked to the acquisition of a set of skills, is also becoming more salient.
- The financial model of education is also changing as the participation of the private (personal) capital, aimed at obtaining education, is expanding.
- The relationship of education institutions with business structures is also changing – the integration with them is also increasing.
- The role of modern marketing approaches in the management of education institutions is increasing.

Recently, the system of financing of education has been undergoing significant changes, which have affected the vector of development of the higher education sector overall. To begin with, financial participation of the state in supporting education has decreased. At the same time, however, there has been an increase in demand for education as the economy is increasingly relying on knowledge. This has resulted in the increase of the number of private higher education institutions.

The increased participation of the market forces in domestic affairs and at the international level as well as the decrease in financial support have led to considerable changes in aims, methods and scale of state interference into the higher education sector. On the one hand, education is becoming a strategically important resource for the state development, which determines its economic and political position in the world arena. From this perspective, at this stage of development of the education system, the state faces the following two tasks: support of development, based on knowledge, and support of quality, efficiency and equality of access to the higher education system (Мустафьев, 2011).
On the other hand, if the state is unable to provide required financial support for education, it must create the environment that will be able to attract private national and international financial flows into the existing education sector. The transformation of the role of the state in regulation of integration processes in education is based on the flexible stimulation of any type of higher education institutions as well as stimulation of any activities of these institutions that are beneficial for the state without the direct administrative control executed by the state. The factors of flexible stimulation include the development of state regulatory acts of the education system, the regulation of establishment of new higher education institutions, particularly private, the mechanism securing the quality provision for all types of higher education institutions etc.

Global economic transformations lead to the establishment of new transnational connections in the higher education system and direct dependency on world processes.

2. Reformation of the Latvian Higher Education System in the Context of the Bologna Process

2.1. The Bologna Process and the Formation of the Unified Education Space

The Bologna process is an initiative of the EU states aimed at the formation of the unified education space. The Bologna process is a process aimed at convergence and harmonization of the education system of the EU states aimed at the development of the unified European space for higher education. The accepted official date for the beginning of the process is 19 June 1999, when at a special conference in the city of Bologna the ministers of education of 29 European states accepted the declaration The Bologna Process: The European Space for Higher Education, or else is known as the Bologna declaration. The aim of the Bologna declaration was to establish the European space for higher education and to activate the European system of higher education on the international scale.

Initially, the Bologna declaration highlighted the following 6 main areas of activities:

- Introduction of clear, comparable degrees and supplements to diplomas.
- Transition to the higher education system consisting of 2 cycles (Bachelor’s and Master’s studies).
- Introduction of credits as a means of development of mobility of students (ECTS).
- Development of mobility of students, academic, research and administrative staff, (ERASMUS, SOCRATES, TEMPUS programs).
- Development of cooperation in the area of quality sustainability aimed at the development of comparable criteria and methods.
- Formation of the European space for higher education with a particular focus on study programs, inter-university collaboration and integrated programs of training and research.

Subsequently, the following areas were added to the document:

- Introduction of the third cycle into the unified higher education system (Ph.D. studies).
- Assigning the European value to higher education (its focus on common European values) and increasing its attractiveness and competitiveness.
- Introducing the social focus into higher education.
- Offering life-long learning opportunities.

According to the Bologna declaration, by coordinating tools, standards, principles and mechanisms of education processes, the given structural transformations are called to enhance the quality of education, and consequently, competitiveness and prestige of European education.

The Bologna declaration made it obligatory for the countries that had signed it to implement these transformations into their national higher education systems by 2010. By joining the Bologna process in 1999, Latvia accepted the responsibility to reform the higher education system according to these unified standards.
2.2. Stages in Reformation of the Latvian Higher Education System

Transformations in the higher education system, reflected in the Latvian Education Law of 1991, began after Latvia had regained its independence and prior to its joining the Bologna process. Some of these transformations focused on the provision of higher education institutions with autonomy. Academic and professional higher education domains became separated. Academic programs were divided into Bachelor’s and Master’s programs, and thus, the Bachelor’s and Master’s degrees were awarded to students upon graduation. Graduates of professional programs received their respective professional qualifications. Another component of these transformations provided an opportunity to establish a non-state (private) higher education institution. Thus, by the beginning of the 2000–2001 academic year there were already 14 non-state higher education institutions in Latvia, which were attended by 14 % of all the students of Latvia. Thus, a transition from a completely state financing of higher education to mixed financing has taken place (Rauhvargers, 2003).

According to European legislation, the autonomy of higher education institutions presupposes the responsibility for the outcomes of activities, which undoubtedly entails the provision of certain guarantees for the quality of offered education to the parties involved (state, society, employers, students and their parents). However, in accordance with the Latvian law, the autonomy was offered unconditionally. Therefore, the provision of autonomy to higher education institutions stimulated widespread discussions amongst those concerned. This marked a time gap of 4 years between the passing of the Latvian Education Law of 1991 and the Latvian Law on Institutions of Higher Education of 1995, which clarified a number of aspects (organization and maintenance of study programs, authorization and separation of responsibilities etc), outlined in the Law of 1991.

2.3. Quality of Education in the Context of the Bologna Process

At the current stage of development of the higher education system in Latvia one of the main priorities is the provision of quality for education. According to Dr J. Dzelme, the director of the Center for Assessment of the Quality of Higher Education, “Currently, we witness the partial repetition of the situation that took place at the beginning of 1990ies, when a transition from the higher education for the elite to masses took place and when areas of higher education significantly expanded, when the mobility of students and staff increased and when the systems for diploma recognition and quality control for higher education were established. These changes were mentioned in the Bologna process. Currently, new changes are taking place in the entire world and consequently also some changes are taking place in higher education […] and in this context particular focus should be placed on the changes of aims as well as provision of quality in education” (Dzelme, 2012).

This special focus on the issues of quality in higher education can be explained by a number of factors. Firstly, there is a growing tendency for states in many countries of Europe to depart from active interference and regulation in higher education. Secondly, recently a new paradigm of education is being implemented in the majority of national education systems in Europe. This paradigm is based on the competence approach, in which the transition of focus from control of “input” to monitoring and control of “output” of education process occurs.

In other words, the main assessment of efficiency of activities of higher education institutions is becoming not the planning and implementation of the education process (content of education plans, study duration etc), but the outcomes of education, specifically, knowledge, competences and skills acquired by students, including those acquired by students through independent studies and self-expression. The focus is gradually shifting from the very education process itself (study programs, academic progress) to the competence-based approach with a strong focus on professional and personal preparedness, which in the first place centers on the employment of graduates and which should become a criterion for the assessment of the outcome of study process.
Additionally, the external assessment of quality is now widely used in the process of the formation of national systems of the provision of quality of higher education. Latvia has established a Center for the Assessment of Quality for Higher Education to fulfill these goals. This center cooperates with the European Network for Quality Guarantee (ENQA). One of the main functions of the center is to conduct accreditation of higher education institutions and new study programs, which is one of the components of the European approach to guarantee of the quality in higher education. Accreditation officially confirms the compliance of a study program with the standards used in the country. The center bases its activities on the following principles: 1) independence of higher education institutions from the state and attracting external experts, 2) the initial assessment of higher education institutions and study programs is conducted by themselves, 3) the external assessment includes attendance of higher education institutions and joint expertise, 4) publication of reports.

2.4. General Characteristics of the Higher Education System of Latvia

Today, the higher education system in Latvia consists of both academic and professional education. Academic programs focus on theoretical knowledge and prepare students for scientific and research activities, whereas professional programs focus on acquisition of practical knowledge and skills. Professional higher education proceeds at several levels:

- The 1st level of professional higher education can be obtained at colleges; the duration of studies is 2–3 years. Upon graduation, students receive the 4th level professional qualification, which allows them to conduct complicated work, organize and manage work of other specialists.
- The 2nd level of professional higher education is offered by higher education institutions and the duration of studies is the minimum of 4 years (a college diploma shortens the duration of studies up to 1–2 years). Upon graduation, a professional qualification of the 5th level and a Bachelor’s degree or a professional qualification of the 5th level are awarded. These qualifications authorize their holders to plan and conduct scientific and research activities in a respective field of specialization.

Academic higher education is also offered by higher education institutions and the duration of training is 3–4 years. Upon graduation students receive a Bachelor’s degree.

The next level of higher education is Master’s studies. In professional programs, training lasts for the minimum of 1 year and upon graduation a professional qualification of the 5th level and a Master’s degree or a professional qualification of the 5th level in a respective professional domain are awarded. In academic programs, the duration of studies is 1–2 years and upon graduation students obtain their Master’s degree.

Graduation from a Master’s study program, be it professional or academic, offers an opportunity to further continue education in a doctoral program (3–4 years), upon the graduation of which a student is awarded with a doctoral degree. This structure of higher education is consistent with the Bologna process.

*Table 1. Compliance of Levels of Latvian Higher Education System with International Standards of Classification of Education (ISCED)*

<table>
<thead>
<tr>
<th>ISCED Levels</th>
<th>Latvian Classification</th>
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<tbody>
<tr>
<td>4th level: non-higher post-secondary education</td>
<td>1st level of professional higher education (college)</td>
</tr>
<tr>
<td>5th level: 1st level of higher education</td>
<td>Academic higher education + Master’s studies</td>
</tr>
<tr>
<td>6th level: 2nd level of higher education</td>
<td>2nd level of professional higher education (higher education institution) + Master’s studies</td>
</tr>
<tr>
<td>5th level of higher education</td>
<td>Doctoral studies</td>
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</tbody>
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The provision of quality is secured by a number of laws, including the Latvian Law on Regulated Professions and Recognition of Professional Qualifications. Qualification frameworks for the assessment of
outcomes of education have also been developed. Prior to passing the law, requirements for obtained qualification were described mainly in the content of study programs, which mentioned neither the outcomes of the study process nor acquired competences (overall knowledge, skills and abilities necessary for professional performance in accord with the standards of a given qualification) and which, therefore, did not provide employers and students with sufficient information.

Today, all higher education institutions in Latvia have adopted an academic credit system, which allows for the transfer of students to other higher education institutions in Latvia and abroad. The Bachelor’s program is spread across 8 semesters (2 semesters per academic year). Each academic year is allocated 40 Latvian credit points, which equals 60 European credits (ECTS) a semester and 120 ECTS a year. The overall number of credit points for the entire duration of studies is 160 credit points (240 ECTS). Credit points are awarded for the successful completion of a discipline (the award of the number of credit points depends on the duration of a study course), practical coursework papers and a diploma project.

The introduction of the credit points in Latvia at higher education institutions has contributed to the development of mobility of students and academic staff. For example, from 2000 to 2011 within the ERASMUS program approximately 10,000 Latvian students received an opportunity to study or obtain an internship abroad; more than 4,000 academic staff was able to enhance their professional qualifications by acquiring new teaching experience at foreign higher education institutions (Figure 1). During the same period, more than 3,000 foreign students were enrolled in higher education institutions of Latvia.

The higher education system in Latvia consists of two sub-systems – state and non-state (private) education. Irrespective of the legal status, activities of higher education institutions are regulated by laws of the Republic of Latvia on education (Latvian Education Law), higher education institutions (Latvian Law on Institutions of Higher Education), scientific activities (Latvian Law of Scientific Activity) and other regulatory acts. All forms of higher education are mostly controlled by the state. These institutions function within various frameworks of regulatory acts, developed by the state. These frameworks are divided into the following types:

- Qualification framework (the structure of degrees and its requirement, the scheme for provision of quality).
- Autonomy framework (laws, securing the autonomy of higher education institutions and compliance with certain procedures and regulations of higher education).

Figure 1. Dynamics of Mobility of Students and Academic Staff in Latvia within the Framework of the ERASMUS Program (from 2000–2001 to 2010–2011)

Source: European Statistic Source Eurostat
• Equal access framework (laws, securing equality of access to studies to all wishing to pursue education).
• General legal framework (norms of employment, health service, security etc).

3. Overview of the Higher Education Market in Latvia

Currently, there is 61 accredited higher education institution on the education market in Latvia and of those 36 are state schools and 25 are non-state schools (Figure 2). The vast majority of higher education institutions is located in Riga, the capital city of Latvia.

![Graph showing the number of state and non-state higher education institutions and the number of students enrolled in them from 2000/01 to 2012/13.]

Figure 2. Dynamics of the Number of Latvian Higher Education Institutions (Divided into Groups Based on Their Legal Status) and the Number of Students, Enrolled in Them (from 2000–2001 to 2012–2013)

Source: Ministry of Education and Science, the Republic of Latvia

Figure 3 demonstrates the dynamic of childbirth rates in Latvia from 1980 to 2012.

![Graph showing the dynamics of childbirth rates in Latvia from 1980 to 2012.]

Figure 3. Dynamics of the Childbirth Rates in Latvia from 1980–2012

Source: Central Statistical Bureau of the Republic of Latvia

Having analyzed the graphic representation of the data, it is possible to conclude that the higher education market in Latvia has been developing in a steady manner. The declining tendencies, which have been
affected by a set of factors, the most significant of which are outlined below, have been observed only in recent years. These factors are the following:

- The demographic factor. The sharp reduction in childbirth rates in the beginning of the 1990ies, which 20 years later caused a demographic gap, has led to the reduction in the number of prospective students at higher education institutions.

- The economic factor. The decline in the economy has been negatively affecting not only education but also other domains of human activities and is reflected in unemployment, inflation and the decrease in the size of incomes of the population. Such economic development does not contribute to the intellectual development because the physical survival becomes prioritized. Figure 4 demonstrates the dynamics of the number of the officially registered unemployed in Latvia in 1992–2010. Considering insignificant increase in unemployment figures from 80,000 to 110,000 over the period of 1993–2008, the sharp increase in the number of the unemployed in recent times is evident – in 2009 there were 179,000 registered unemployed and in 2010 these were 162,000 unemployed. According to some experts, the official data, possibly representing understatements, might differ from the real-life figures.

- The migration factor. This factor is considered a consequence of the economic factor, specifically, the inability to find well-paid employment compels prospective students to emmigrate to other countries.

![Figure 4. Dynamics of the Number of the Officially Registered Unemployed in Latvia in 1992–2011](image)

*Source: Central Statistical Bureau of the Republic of Latvia*

![Figure 5. Dynamics of Migration of Latvia’s Inhabitants in 1991–2011](image)

*Source: Central Statistical Bureau of the Republic of Latvia*
Figure 5 demonstrates the dynamics of migration of inhabitants of Latvia from 1991 to 2011. It is evident that the number of Latvian inhabitants who have left the country is significantly higher than those who have arrived here. The peak of emigration occurred in 1992 when 59,673 residents abandoned the state. In contrast, the lowest number of 2,210 emigrants was reported in 2003. In recent years there is a tendency for the emigration from the country to increase – in 2010, these were 10,702 inhabitants who left Latvia. Undoubtedly, the emigration process is affected by the economic development of Latvia, including increasing unemployment rates, which are the result of the shrinking employment market, inflation and reduction in incomes of the population.

In recent years there has also been observed a sharp increase in the number of students enrolled in service provision (hotel, tourist and transport industries) and health service, social security study areas, this being 3 and 2.5 times respective increase for the studied period (Figure 6).

![Graph showing the number of students in study areas at Latvian Higher Education Institutions and Colleges from 2000–2001 to 2011–2012](image1)

*Figure 6. The Number of Students in Study Areas at Latvian Higher Education Institutions and Colleges (from 2000–2001 to 2011–2012)*

*Source: Central Statistical Bureau of the Republic of Latvia*

![Pie chart showing the ratio of students and areas of studies at Latvian Higher Education Institutions and Colleges in 2011–2012](image2)

*Figure 7. The Ratio of Students and Areas of Studies at Latvian Higher Education Institutions and Colleges in 2011–2012*

*Source: Central Statistical Bureau of the Republic of Latvia*
Although the interest in professions alters annually, the most prolific popularity has been enjoyed by professions associated with social, commercial and legal sciences – 44% of the overall number of students enrolled in all study areas attend such courses (Figure 7).

Conclusions

The tendencies in the development of the higher education system shape the objective prerequisite for the application of new approaches in management not only at the state level but also at the level of an education institution. In the rapidly-evolving environment of today’s world, higher education institutions must focus not only on inner state of affairs but also on the development of a long-term activity strategy, which should secure timely adjustment to continuous changes in the surrounding environment. Adaptation to the external environment is the main condition for the successful functioning of any system.

The development of a strategy for the sustainable development must presuppose the identification of the mission and aims for short-term and long-term activities. Considering internal and external factors of influence, the analysis of tendencies in the education system in Latvia allows to identify two areas of strategic development - main (education and scientific) and supporting, linked to various resources, not only financial.

Currently, the education strategy is connected not only to the formation of the unified European education space, but also to securing its quality, based on the competence approach. Both the function and the objective of the state are to create the conditions and flexible stimulation of any higher education institution. Flexible stimulation factors include the development of regulatory acts of the education system, regulating accreditation, licensing, establishment of new higher education institutions, mechanisms for provision of quality for all types of higher education institutions etc. These procedures must be clear, transparent and should not be used as a tool in competition amongst institutions.

With reference to higher education institutions, the main current strategic aim is to provide the conditions for training of a specialist in compliance with European standards of quality. The objective of the financial strategy of a higher education institution is to provide financial security for both current and long-term activities in order to create a base for capital growth and investment of this capital into innovative activities. Undoubtedly, continuous implementation of innovation in education is the only path to support dynamic development of a higher education institution and secure its profitability.

Considering the demographic, migration and economic factors of influence, one aspect that can boost financial stability might be attracting foreign students for studies in the country by offering them the European quality of education, and participation in international grants, innovative business-projects, development of the life-long-learning and training courses.

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PAGRINDINĖS LATVIJOS AUKŠTOJO MOKSLO INSTITUCIJŲ PLĖTROS TENDENCIJOS

ZHANNA CHERNOSHTAN, ANDZHIELIKA GRICIVA
Tarptautinė Baltijos akademija (Latvija)

Santrauka


PAGRINDINIAI ŽODŽIAI: aukštasis mokslas, Bolonijos procesas, misija ir vystymosi strategija.

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