



Asia – Europe (ASEM) Education Ministers' Meeting
Vocational Education and Training Initiative

Legislation, administration and institutional arrangements for involvement of industry and employers in VET

Ruta Porneice, Employers' Confederation of Latvia (LDDK)

Riga, Latvia
April 26, 2018

LDDK

Together with the Free Trade Union Confederation of Latvia, LDDK is the social partner to the government

**MEMBERS OF LDDK
EMPLOY**

44%

**of all employees in
Latvia**

LDDK MEMBERS

63

**industrial and regional
business associations**

LDDK MEMBERS

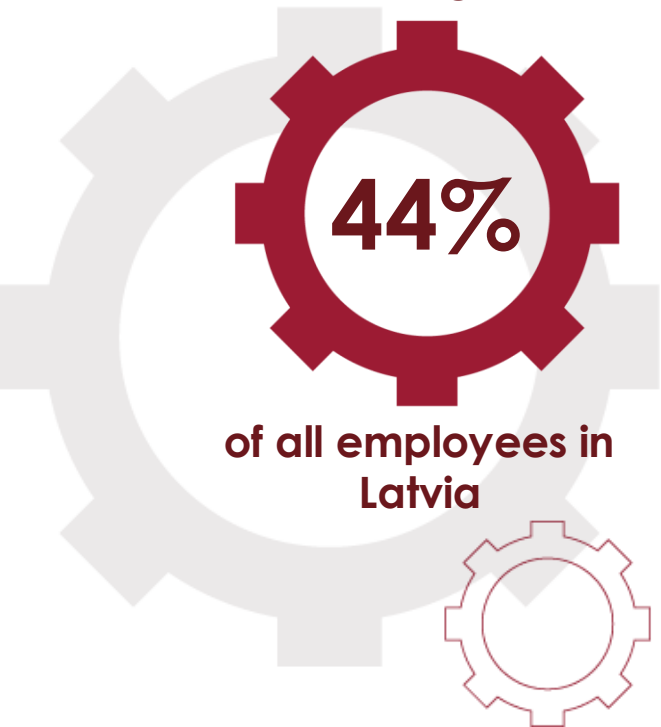
114

industry leaders

**ANNUAL TURNOVER OF
MEMBER COMPANIES**

40

billion euros

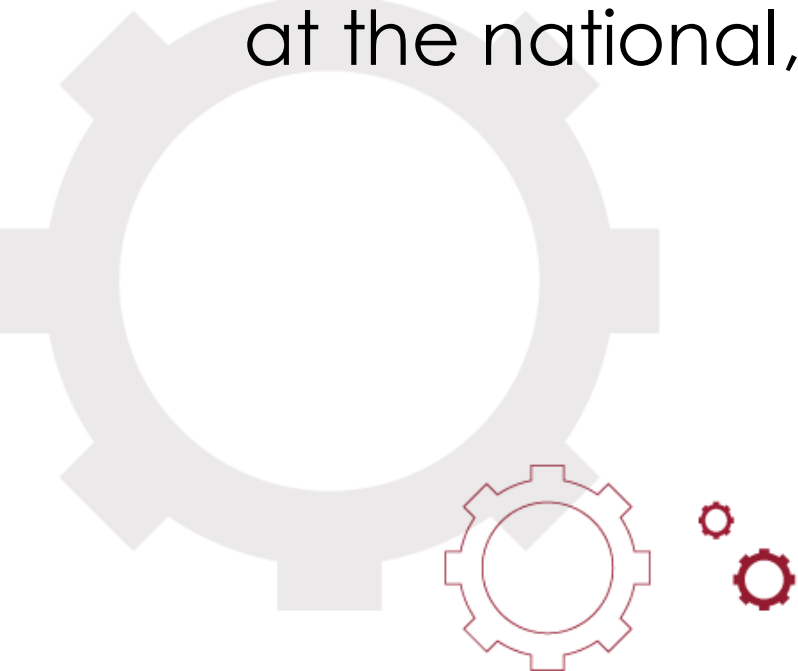


Channel to improve business environment



Mission

- Create an environment that supports entrepreneurship in Latvia
- Facilitate the competitiveness of companies
- Represent employers in the framework of social dialogue at the national, EU and international level



Priorities 2018/2019

EMPLOYER
COMPETITIVENESS

AVAILABILITY OF SKILLED
LABOR FORCE

ELECTRICITY PRICE
COMPETITIVENESS

HEALTH CARE SYSTEM
REFORM

SOCIAL DIALOGUE

1.

2.

3.

4.

5.



Availability of skilled labor force

- Moving towards **flexibility in the employment relationship** and employment regulation
- **Employer involvement in reforming vocational education content and work-based learning (WBL) and practical training (practical part of learning curricula)**
- Competitive labor **taxation**
- Balanced immigration policies



Views on sustainable labour market

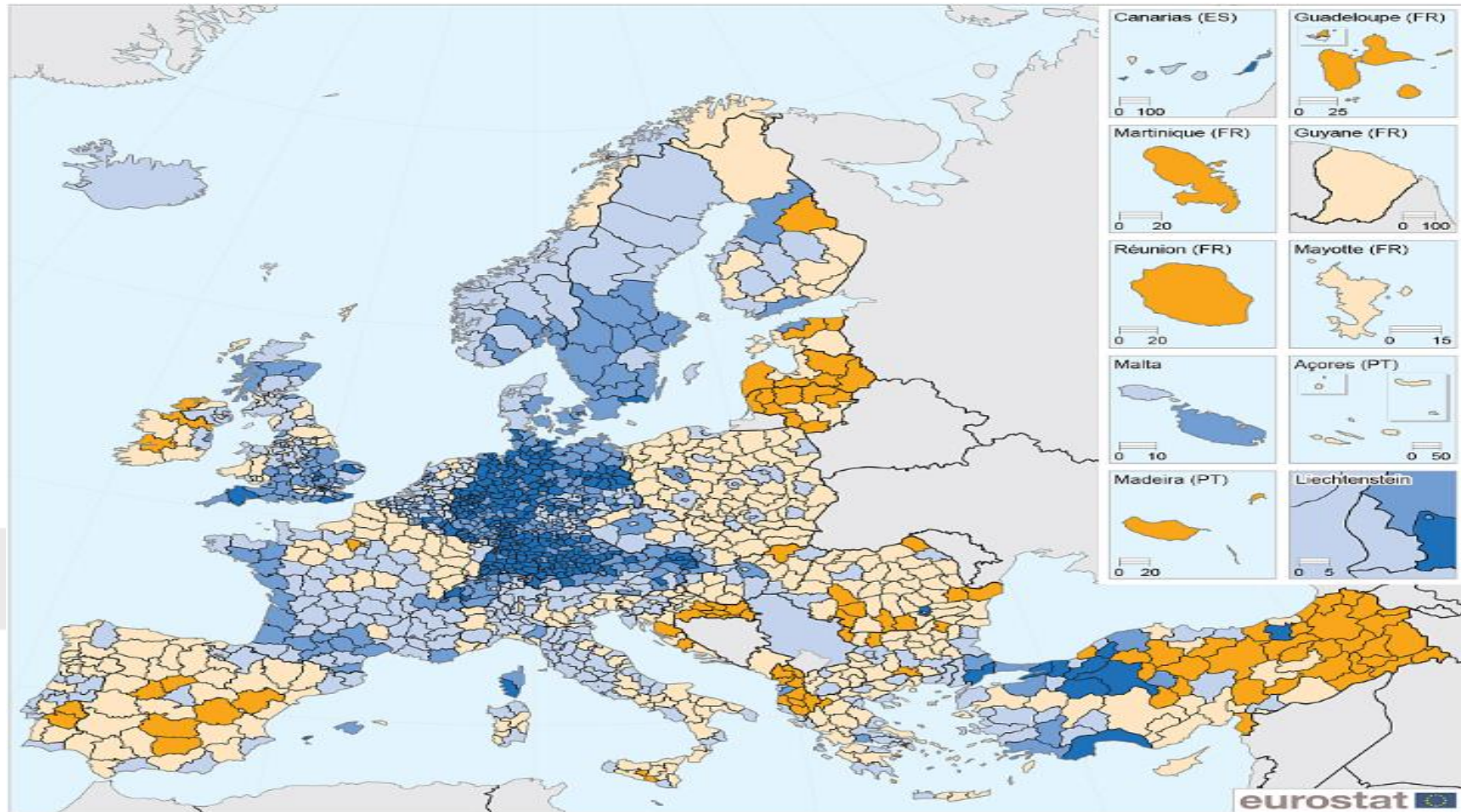
Linkage between education and labour
market needs

Key Indicators of Economic Development

	2011	2012	2013	2014	2015	2016
GDP per capita, %	56	60	62	64	64	65
Real GDP growth rates, %	6.2	4	2.4	1.9	3	2.2
Resident population at the beginning of the year, in thousands	2074.6	2044.8	2023.8	2001.5	1986.1	1968.9
Economically active population, in thousands	1028.2	1030.7	1014.2	992.3	994.2	980.3
Employment rate (20-64 years), %	66.3	68.1	69.7	70.7	72.15	73.5
Unemployment rate (15-74 years), %	16.2	15	11.9	10.8	9.9	9.6
Average monthly wages and salaries, gross, EUR	660	685	716	765	818	859

Source: Eurostat, Central Statistical Bureau of Latvia.

Crude rate of net migration (plus statistical adjustment), by NUTS 3 regions, 2015
(per 1 000 inhabitants)



(per 1 000 inhabitants)

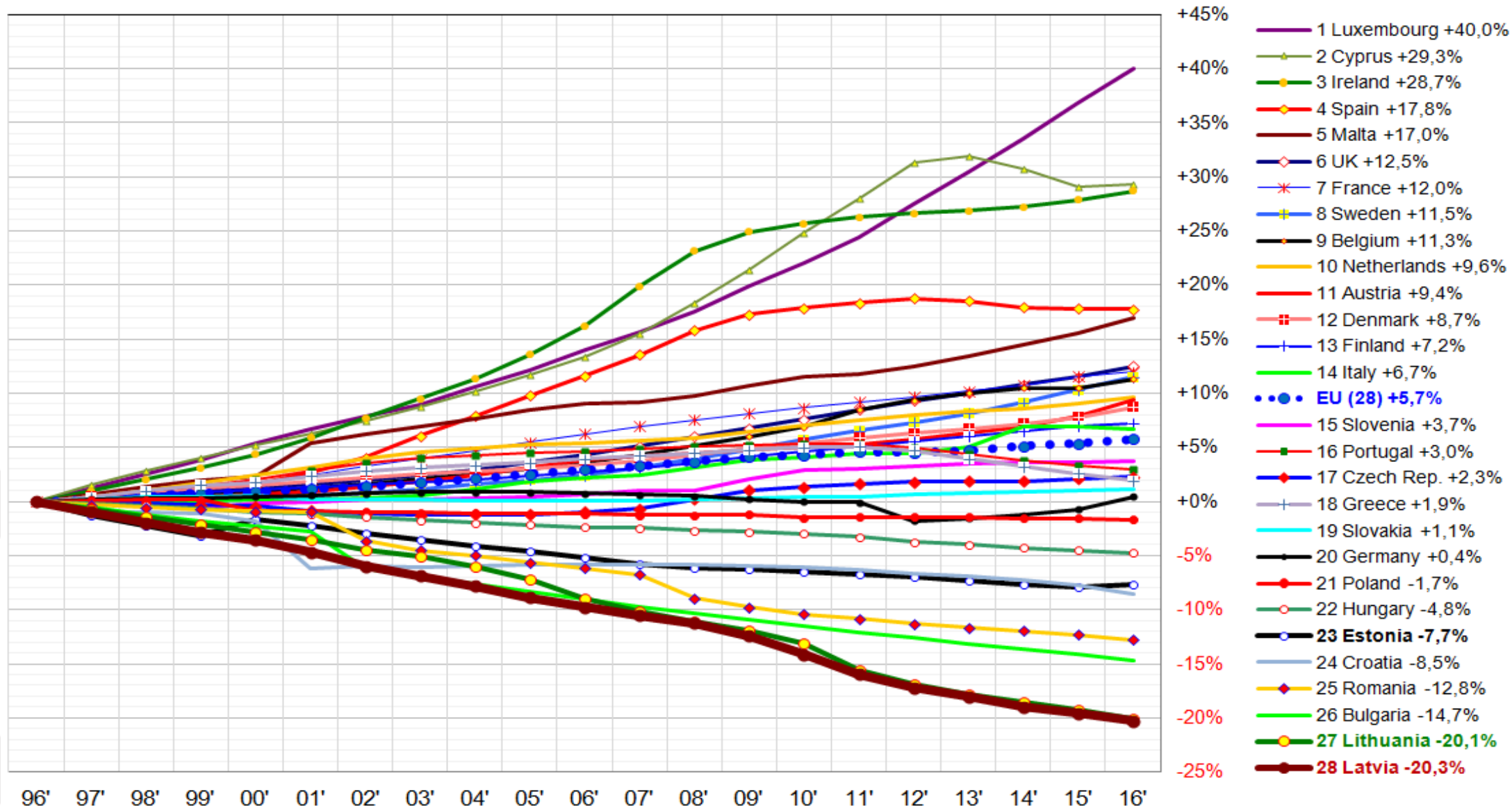
EU-28 = 3.7



Administrative boundaries: © EuroGeographics © UN-FAO © INSTAT
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Cartography: Eurostat - GISCO, 07/2017

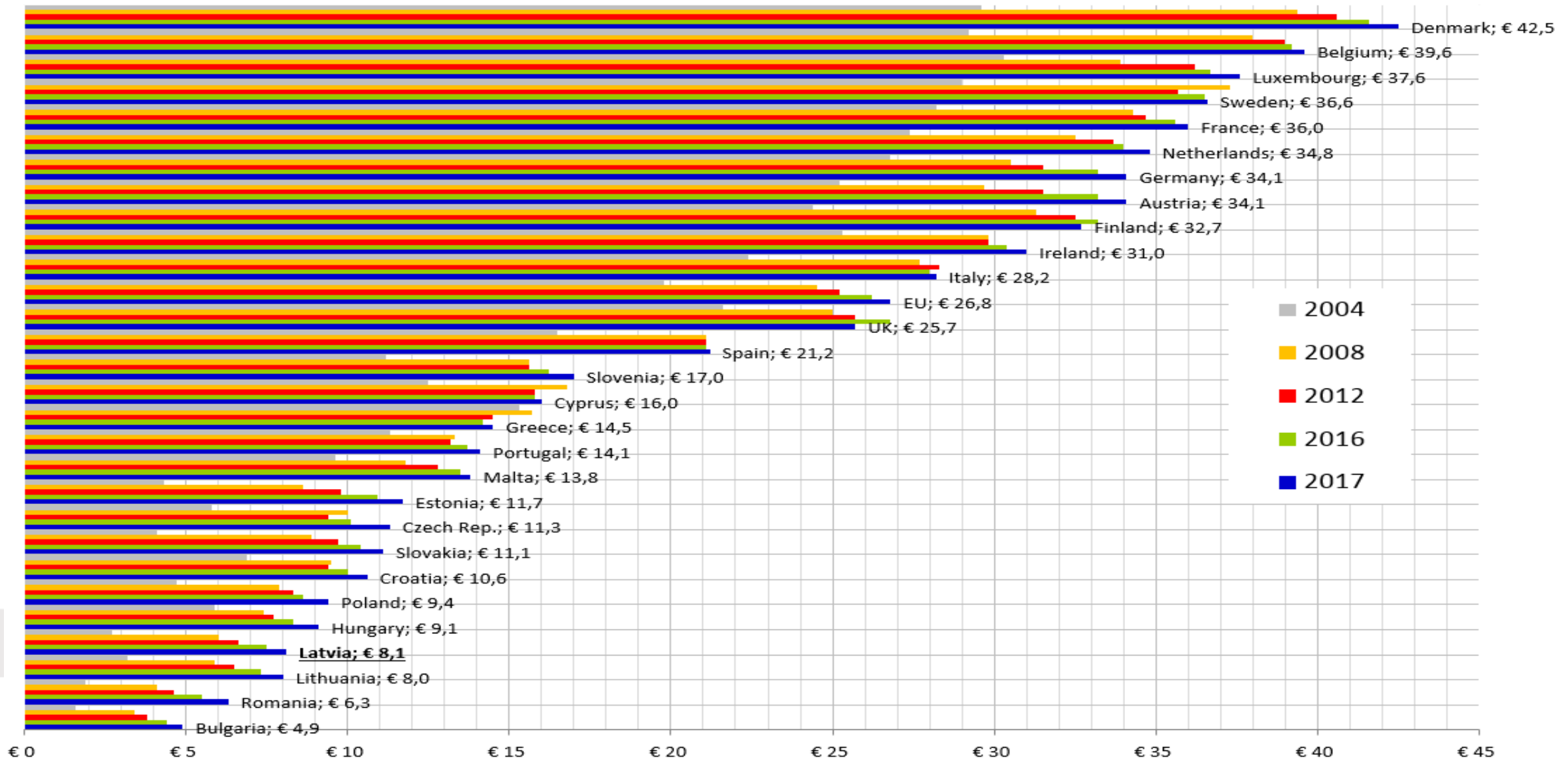


Population change, % from 1996



Source: Eurostat

Labour costs per hour, whole economy (excl. agriculture and public administration, in enterprises with ≥ 10 employees)



Source: Eurostat

Average hourly labor costs in Latvia in 2017 reached € 8.1, which is the 4th lowest among EU countries and is 30% of the average level in the Member States

Labour market in Latvia (1/2)

- Since 2004, **population of Latvia has decreased by 14%**, mainly due to free movement of workers within the EU
- **Unemployment decreases slowly** (9.4% in 2017 1Q), youth - 17.3%, long term – 38.4%, regional differences (Riga and Valmiera 4.4%, Latgale district 17.1%)
- **Unemployment rate** for workers with higher education is 3.8% while for **low-skilled 20.3%**
- **Monthly gross average wage** - 920 EUR, in public sector – 927, in private – 917 in 2017 M03
- **Hourly labour productivity** – 55,7% of the EU 28 average in 2016 (target – 59% in 2020 from EU)



Labour market in Latvia (2/2)

- Participation in **life long learning** – 7.5 % 2017 (target – 15% by 2020)
- **High proportion with** secondary education and **no professional qualification**
- Principle “**Money follows student**”
- 30% secondary school graduates do not continue education
- Insufficient **knowledge of STEM**
- **Labour shortages exist for low-paid jobs** and jobs with specific skills – ICT specialists, engineers, top managers etc.
- High **drop out rates**, inter alia, VET, Higher education



VET Reform

- **Attractiveness of VET rises** - target 50/50
- ERAF investment – 7 out of 41 VET schools are fully modernized and 27 by 2023
- **Sectorial expert councils** – Vocational education law (2015), Cabinet regulations (2016)
- **Reform of content** (2011-2021) – occupational standards, modular VET programs, qualification exams etc.
- **Work based learning** – 2013/2014 pilot projects, from 2016 according Cabinet regulations, ESF support 2017-2023



VET according labour market needs



Functions of Sector Expert Councils, Tripartite Sub-council for Vocational education and employment **set by Vocational education law**

Regulation on Sector Expert Councils establishment, and adopted in 15 July 2016

Regulation of WBL established and adopted in 15 July 2016

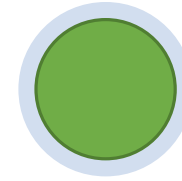
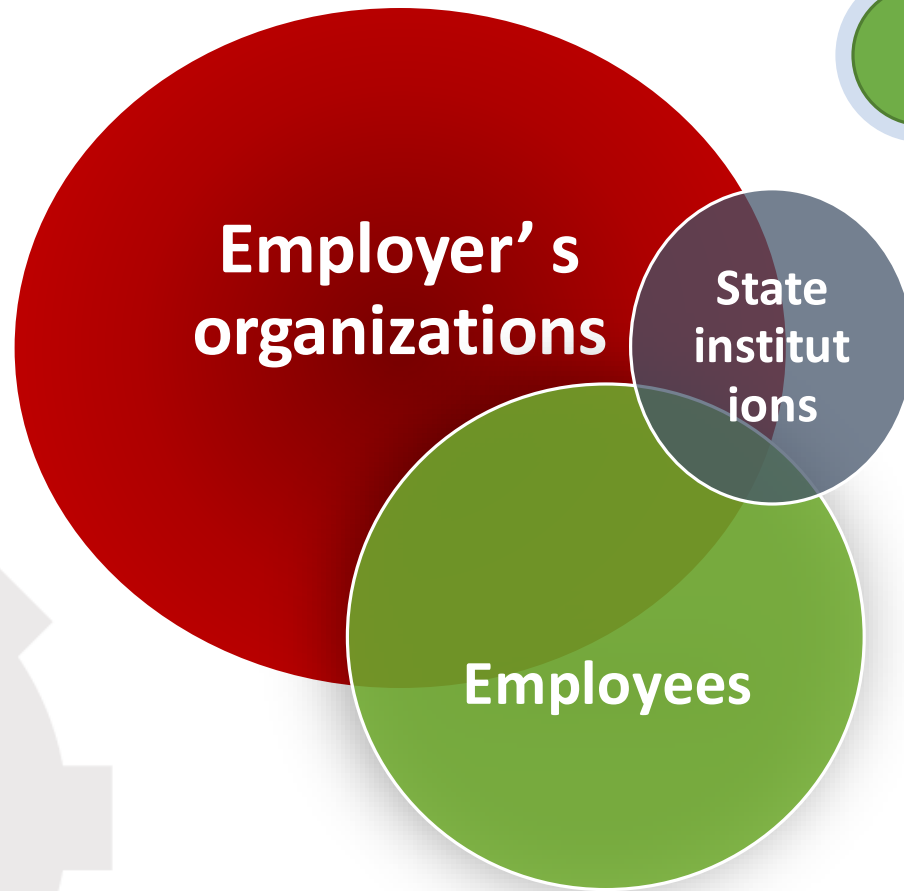
Sector Expert Councils are **coordinated by Employer's Confederation of Latvia (LDDK)**, except Food processing and agriculture Sector Expert Council

Sector skills councils(SEC)



1. Chemical industry and related branches
2. Construction
3. Timber industry (forestry, wood processing)
4. Energy
5. Metalworking, machine building, mechanical engineering
6. Textile industry, leather and leather products producing
7. Tourism and beauty industry
8. Transport and logistics
9. Printing and publishing industry, paper and products production, computer design
10. Manufacturing of electronic and optical equipment, ICT
11. Entrepreneurship, finances, accountancy, administration
12. Food processing and agriculture

2018



In 11 SEC = 239
representatives
from:

132 - employer's
organizations, big
companies

28 - trade unions

51 - state institutions

28 - schools

62,6% Employer's representatives



Main functions of SEC*



Labour market demand:

- Sector qualification system – qualifications, NQF, EQF
- Evaluation of sector enrolment plan in IVET
- Carried out short term prognosis –proposals for raining of unemployed and working adults

Improving content of VET - occupational standards and curricula, exams.

Quality assurance in IVET

Improved cooperation of employers for practical training and work based learning (WBL)

Actualization of problems of sector VET

*Vocational Education Law, 2015

Sector expert councils' competence in WBL*



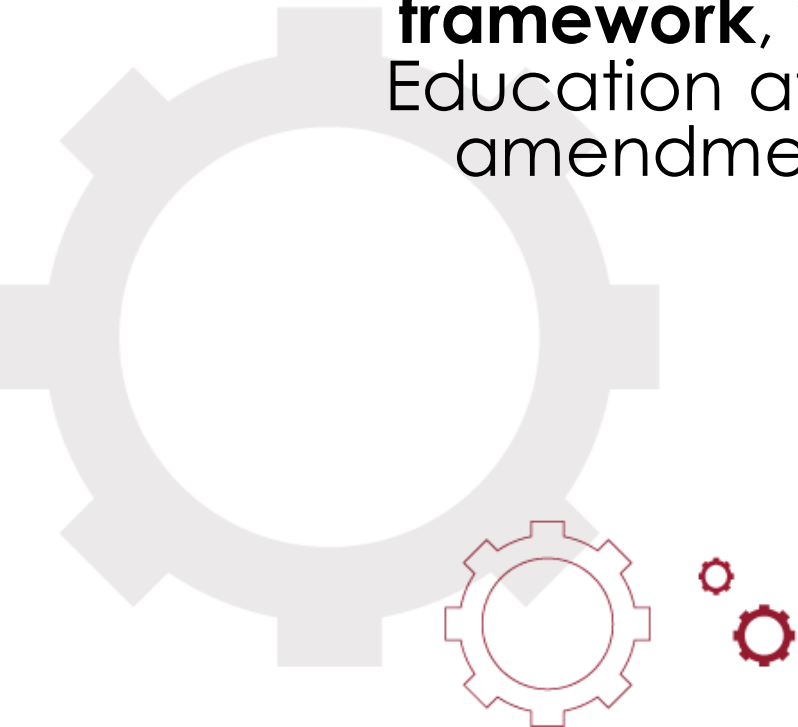
- **promote of cooperation between companies and VET institutions** on issues related to implementation of VET programmes, including support of WBL and work placements;
- **evaluate** and collect information about **the companies involved in WBL**;
- consult companies on issues related to WBL;
- **evaluate the implementation of WBL** and to propose improvements to the WBL system;
- **evaluate the compliance of the company** with the individual plan of WBL and to make conclusion (verdict) which gives rights for company to participate on WBL.

*Regulation of WBL, 2016

What is work-based learning (WBL)?

Cabinet Regulation No. 484 approved on July 15, 2016 in Riga (prot. No. 36, § 42) "The Procedure for Organizing and Implementing Work Environment-Based Learning"

- **Sectoral representatives and social partners were involved in the process of elaboration** and negotiation of the Cabinet of Ministers Regulations «The Procedure for Organizing and Implementing Work Environment Training (DVB)»
- We already see what **improvements are needed in the legal framework**, we plan to discuss them with the Ministry of Education at the end of this academic year and submit amendments to the Cabinet of Ministers regulations



ESF funding is used to support implementation of WBL, work placements



ESF PROJECT «VET STUDENTS PARTICIPATION IN WBL AND WORK PLACEMENTS»

Project implementer: Employers' Confederation of Latvia (LDDK)

Implementation period: 27 Jan 2017 – 31 Aug 2023

Objective: **to increase the number of qualified VET** students by participating in work-based learning (WBL) and work placements



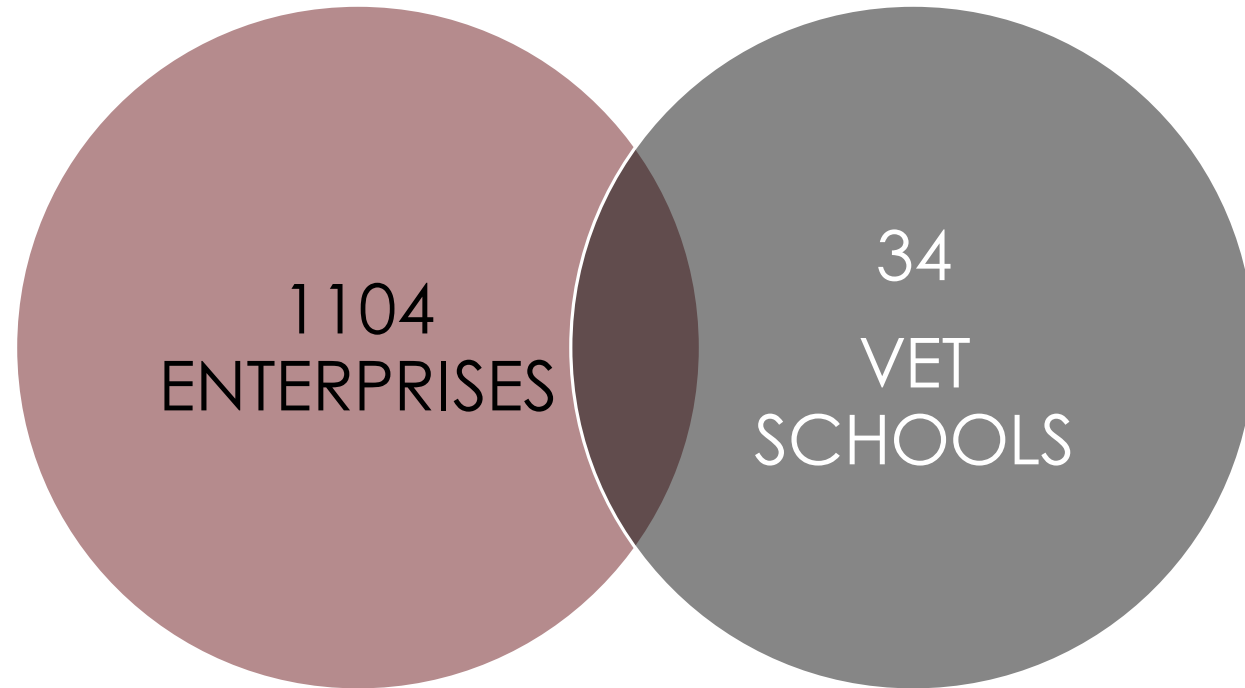
NACIONĀLAIS
ATTĪSTĪBAS
PLĀNS 2020



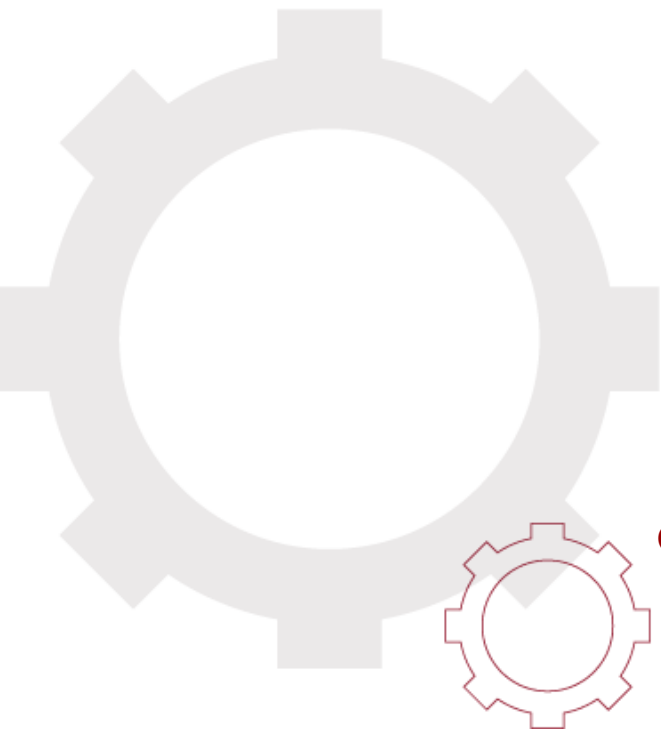
EIROPAS SAVIENĪBA
Eiropas Sociālais
fonds

IEGULDĪJUMS TAVĀ NĀKOTNĒ

Project cooperation partners:
vocational education institutions/
schools and entrepreneurs



COOPEARTION PARTNERS, concluded cooperation agreements by March 15, 2018



PEDAGOGICAL KNOWLEDGE

32 hours training = 333 representatives of enterprises

2017

- 68 representatives of enterprises

2018

- 265 representatives of enterprises

PEDAGOGICAL KNOWLEDGE

72 hours = 280 representatives of enterprises

2017

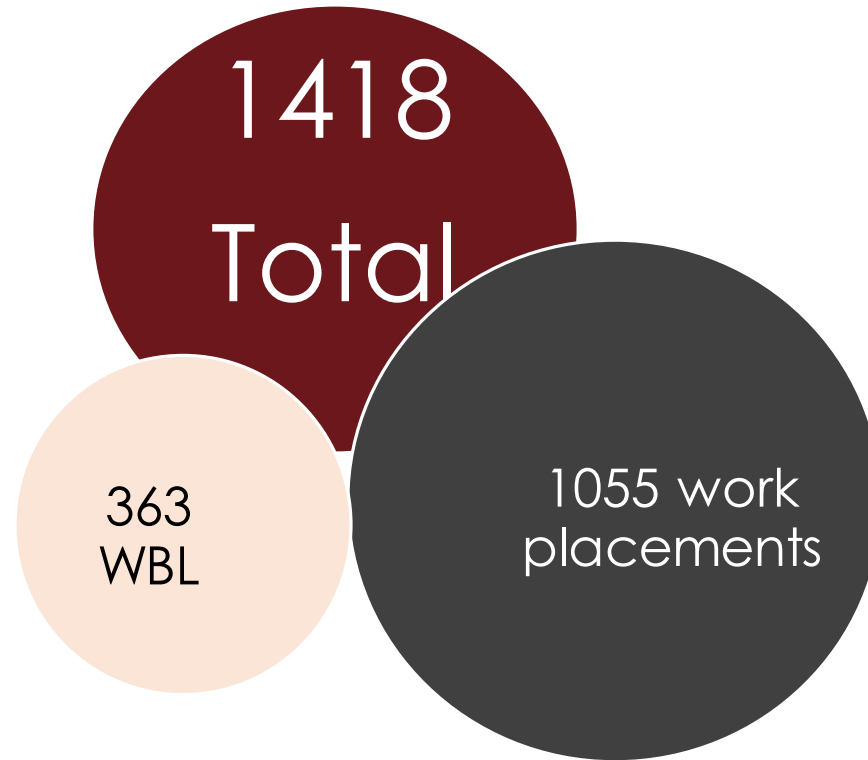
- 97 representatives of enterprises

2018

- 176 representatives of enterprises

Performance INDICATORS

by 15 March 2018



Main challenges for sector expert councils



Commitment and capacity of social partners

Involvement of **main actors of sectors** (different associations, trade unions, chambers) and willingness of cooperation between them

Allocation of sufficient financial resources


Achieving of planned results:

- Improved results in quality of VET
- Increased attractiveness of VET
- Qualified workforce

Thank you!

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