



## Higher Education in Latvia on the Threshold of Reforms

**Ilga Kreituse, Simona Gurbo**  
 Rīga Stradiņš University (Latvia)  
[ilga.kreituse@rsu.lv](mailto:ilga.kreituse@rsu.lv), [simona.gurbo@rsu.lv](mailto:simona.gurbo@rsu.lv)

### 1. Introduction

Ján Figel member of the European Commission responsible for Education, Training, Culture and Multilingualism, when evaluated the role of higher education in the member states of the European Union, pointed out that it is an important factor in the formation of knowledge society. Through enhanced mutual growth, welfare and social integrity this education level must considerably improve the achievement of the aims of the Lisbon Treaty. On 10 May 2006, the European Commission asked member states to accelerate the modernisation of universities, to increase the contribution of universities on the formation of new workplaces and improvement of work quality. Irrespectively of the different political solutions in the various EU states, there are several common mid-term goals, one of which is the increase of financing for higher education. The Republic of Latvia is one of the EU states, which differs from other EU countries based on how public financing is dealt for higher education. Partially this is linked with the historic heritage of a financing model.

After Latvia split away from the Soviet Union and established itself as a democratic state in 1990, education, and higher education in particular became one of the most radically reformed spheres. One of the first things to change was the classification of higher education programmes, by making a distinction between academic and professional education, and splitting them into two levels – bachelors and masters level. The credit point system along with many other important reforms was introduced. However, the financing model remained the same.

### 2. Financing of Higher Education Institutions in Latvia

Since higher education in the Soviet Union was free of charge, the state determined the number of students in each faculty, and the number of students was determined based on the requirements of professionals in each field, which in turn was determined by respective ministries. Upon graduation, the so called “state dispensations” took place, where graduates were assigned to a workplace for three years. Through this procedure the state tried to retrieve the financial contribution made to higher education. Admittedly, higher education institutions had a very narrow field of specialisation, and there was only one higher education institution that had the status of a university, therefore it was also reasonable to have the higher education institutions (hereafter – HEI) linked to specific ministries.

However, as a result of educational reforms, nowadays there are hardly any HEI specialising in one field. Several universities exist now offering a wide array of study programmes, thus e.g. Riga Polytechnic Institute became Riga Technical University, Latvian Academy of Agriculture became Latvia University of Agriculture, Daugavpils Pedagogical Institute became Daugavpils University, and Medical Academy of Latvia became Rīga Stradiņš University. However, the reorganisation of these higher education institutions did not include the reorganisation of the financing model of these universities – on the contrary – the old Soviet financing model was retained and universities continue to be linked to various ministries who have retained one of the most important factors – determining the growth and development of HEI, and distribution of the financial budget per study place. As a result, according to Soviet traditions, the University of Latvia, Riga Technical University and Daugavpils University are subject to the Ministry of Education and Science; Latvia University of Agriculture is subject to the Ministry of Agriculture; Rīga Stradiņš University is subject to the Ministry of Health. Annually, each ministry receives a specific amount of the budget for the realisation of higher education under their subordination. However, contradictions become apparent at the outset of financial distribution. In the budgets of Ministry of Education and Science, and Ministry of Agriculture there is a section titled “resources for the funding of higher education”, in the budget of Ministry of Culture – “for cultural education”, and in the case of Ministry of Health there is a reference stating “for medical education” and “for the training of residency students”, with respective financial distribution (see Table 1).

Table 1. Ministry budget for higher education in the Republic of Latvia in 2012

Ministry	Sum in LVL	Equivalent sum in EUR
Ministry of Education and Science	39 889 926	56 758 574
Ministry of Culture	19 970 629	28 415 807
Ministry of Health	10 980 301	15 623 650
<i>for residency students</i>	5 227 038	7 437 447
Ministry of Agriculture	528 039	751 336

In the public sphere it is almost impossible to find an explanation and justification for this distribution of the budget. On 12 December 2006, the Cabinet of Ministers of Latvia passed regulations No 994 “Procedure on how HEI and colleges are financed from the state budget”, which stated that financing from state budget is to be



determined based on “performance indicators”. In 2007, when carrying out an audit in the Ministry of Education and Science, State Audit Office of the Republic of Latvia concluded that the system of financial distribution in higher education is not transparent, because financing is allocated from several state budgeted programmes and sub-programmes, and there is no information on HEI programme realisation. Neither is there an effective control mechanism available to make sure that resources are used purposefully and rationally [1].

Therefore, one of the basic principles of financing distribution is violated, because “performance indicators” are not taken into account. Section 12 of the Education Law of the Republic of Latvia states that “state covers the expenses of higher education in higher education programmes for a specific number of study places, based on state order for that year.” “State order” is the primary problem in this case, as it does not allow the implementation of the principles stipulated by law. If HEI are subordinated under specific ministries, but at the same time continue to provide similar programmes then there is no higher mechanism that would distribute the potential state order among HEI. This situation causes notable interpretations of budget allocation options, thus causing serious contradictory and questionable actions. One of the most notable problems in terms of budget allocation has affected the popular social science sphere. The most drastic situation may be observed between two ministries – the Ministry of Education and Science, and the Ministry of Health – University of Latvia and Rīga Stradiņš University respectively. Both universities provide study programmes in medicine and social sciences, however financing is allocated as shown in table no 2.

Table 2. Number of state budgeted study places in Medicine and Social Sciences in the academic year 2011/2012

Programme	University of Latvia	Rīga Stradiņš University	Latvia Academy of Agriculture	Daugavpils University
Medicine	50	250	-	-
Pharmacy	15	25	-	-
Political Science	25	0	-	-
Communications	25	0	-	-
Sociology	25	0	15	15

Additionally there is a difference between the financing of bachelor’s and master’s degree students. The University of Latvia receives 20 state budgeted places in each master’s programme, whereas Rīga Stradiņš University receives none at all. The issue of the availability of master’s study programmes for students became more acute after the introduction of the Bologna process in Latvia. The transfer from the 4-year bachelor’s degree programme to the 3-year programme changed the attitude of students and competition in the labour market after graduation. A master’s diploma is vital to be a full-fledged player in the labour market, which means that currently the study length is 5 years, which not only is longer in terms of time, but also requires additional finances from the student.

### 3. Suggestions for Change of the Financing Model of HEI

When analysing rules and regulations regarding the realisation of higher education one must conclude that the subordination of HEI under specific ministries has become one of the obstacles for a qualitative development of various fields and a successful integration in the common sphere of European education. Section 7 of the Law on Higher Education in Latvia states that higher education and science policy is to be determined by the Ministry of Education and Science. Additionally, Ministry of Education and Science must ensure the preparation of laws and other rules and regulations affecting higher education and science. Thus it is unclear why the normative and legal basis is determined by the Ministry of Education and Science, when the realisation of education and practical aspects as well as budget places is determined by other ministries.

The same contradictions may be observed in the practical evaluation of quality and accreditation of higher education realised programmes. Higher Education Council of the Ministry of Education and Science is the one institution that is responsible for all higher education study programmes. Evaluation of work quality is carried out by Higher Education Quality Evaluation Centre, which functions as a structural unit of the Ministry of Education and Science.

Thus the financing model of higher education through various ministries causes problems in the implementation of an important part of the Bologna process – academic freedom of students. In Latvia, this is also stipulated in Section 4 of the Law of Higher Education – the student may change his/her study programme, programme type and place throughout the study period. However, if a student during his study process at the University of Latvia in the study programme Political Science decided to transfer to the International Relations programme in Rīga Stradiņš University, he would lose his state funded place of study and would have to pay the stipulated tuition fee. This situation also applies when a student wishes to implement the rights stipulated in Section 6 of the Higher Education Institution Law, which allows him or her to participate in lectures in other HEI and receive a respective amount of credit points for it. Thus it must be concluded that the reform of the old financing model is necessary, and since the Ministry of Education and Science oversees the policy of higher education in Latvia, it should also take care of the allocation of funds.



#### 4. Conclusions

Tuition fees covered by private persons vs. state funded places became a hot topic along with the economic crisis and the economising policy determined by the state, which primarily manifested itself as a decrease of the state budget. In 2011, approximately 30% of employees in Latvia received a monthly net salary of LVL 200.00, which is approximately EUR 285.00, and in the academic year 2011/2012 the tuition fee in a social science programme was approximately LVL 1000.00 or EUR 1425.00 per year. In Medicine, it was approximately four times greater than that. Therefore, the availability of state funded places becomes one of the most important factors in the choice of study programmes, leaving personal interests and desires for professional occupation sometimes in the background, or forgetting about them altogether.

This problem needs a solution, because economic growth, which without any changes would allow all HEI and students to have equal rights, will not ensure it. According to Eurostat data state development level in Latvia is considerably lower than that of average EU countries. As can be seen in table no 3, GDP per person adjusted for Purchasing Power Parity (PPP) in Latvia has reached only 51% of the average EU level.

Table 3. Purchasing Power Party in the EU

Country	PPP (EU average = 100%)
Luxembourg	170
Estonia	64
Poland	63
Lithuania	57
Latvia	51
Romania	46
Bulgaria	44

In fact, in the last three years the gap between Latvia and other developed EU countries has actually increased, because PPP in 2008 was 56% [2]. Latvia is in an equally bad situation in terms of unemployment rates, having the fourth highest unemployment rate in the EU – 14.8% vs. 9.9% [2]. Thus it is apparent that also the funding of higher education in Latvia is in dire need of serious reforms. Currently, several models are being discussed – including the liquidation of state funded study places, or the provision of study credit. These ideas have encountered a lot of criticism on part of those currently studying in state funded study places, without offering an alternative solution. However, these reforms do not address the issue of universities being subordinated to different ministries, which have taken an inert position in the discussion of the educational reforms.

#### References

- [1] LR Valsts Kontrole. „Revīzijas ziņojums: Augstākās izglītības sistēmas realizācija atbilstīgi izvirzītajiem mērķiem”. 19.03.2009., 11. lpp.  
[http://www.lrvk.gov.lv/upload/Rev\\_zin\\_19032009\\_IZM.pdf](http://www.lrvk.gov.lv/upload/Rev_zin_19032009_IZM.pdf)
- [2] Ir.lv, „Eurostat”: Latvijas tuvināšanās bagātajām zemēm apstājusies.” 13.12.2011. Ir.lv  
[www.ir.lv/2011/12/13/eurostat-latvijas-tuvinasanas-bagatajam-zemem-apstajusies](http://www.ir.lv/2011/12/13/eurostat-latvijas-tuvinasanas-bagatajam-zemem-apstajusies)