New Models in Work-based Learning

SWOT analysis of Latvian WBL system

Work package: 2, Collecting evidence from industry
Deliverable: D2.1 - Summarizing all information in SWOT analysis
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Date: 08.05.2016.

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1. Abbreviations

CEDEFOP – European Centre for the Development of Vocational Training
EQF – European Qualifications Framework
EU – European Union
GDP – gross domestic product
LBAS – Free Trade Union Confederation of Latvia
LDDK – Employers’ Confederation of Latvia
PINTSA - National tripartite sub council for cooperation in vocational education and employment
VET – Vocational education and training
VETI – Vocational education and training institution
VISC - National Centre for Education

2. Latvian Demographic and Economic Background Information

Latvia has a population of 2,001,468 inhabitants (2014) and a territory of 64,573 km². The population has decreased in the past two decades due to a negative natural increase and emigration of people in search of employment abroad. Most people reside in urban areas (67.8%), of which 47.4% in the capital. The urban/rural ratio has not changed significantly since 2009, but an inland migration from rural areas to Riga continues. Most social and economic facilities are concentrated in the cities. (CEDEFOP, 2015)

After a rapid economic growth in 2005-2007 when the average annual GDP growth rate almost exceeded 10%, in 2008 due to the global financial crisis the Latvian economy experienced recession. During the crisis the GDP declined by 22.5%, falling to its lowest point in mid-2010.

From 2011 to 2013 growth of the Latvian economy on average reached 4.4% annually, which was among the best growth indicators in the EU. In 2014, the GDP growth was slower – 2.4 per cent.

In 2015 the GDP grew by 2.7%, which is regarded as a very good result, given the geopolitical situation in the region. Despite the fact that during the past few years quite a rapid increase was observed in the Latvian economy, the GDP still lags behind the pre-crisis level of 2007 by 4.9%.

In 2010-2012 exports of Latvian goods and services increased very sharply, serving as the main driving force for the development of the national economy. Export volumes in 2012 exceeded the pre-crisis level by almost 22%. Since 2013, due to the low demand in external markets, export dynamics has become more moderate. Slower than expected growth in the EU countries and weakening of the economic situation in Russia had a notable effect on the Latvian exports in 2014. Export volumes rose by 3.1 per cent. (Ministry of Economics of the Republic of Latvia, 2016)
From 2011 to 2013, most employees worked in the service and trade sectors. The share of employees in manufacturing was approximately 14% (see Figure 2 GDP growth and employment by sector, 2011-13 (%) GDP (CEDEFOP, 2015)).

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</thead>
<tbody>
<tr>
<td>Agriculture, forestry and fishing</td>
<td>-1.1</td>
<td>-0.9</td>
<td>-0.7</td>
<td>2.4</td>
<td>2.5</td>
<td>2.5</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>11.7</td>
<td>9.3</td>
<td>0.0</td>
<td>13.5</td>
<td>13.6</td>
<td>13.6</td>
</tr>
<tr>
<td>Other industry</td>
<td>-1.3</td>
<td>-2.6</td>
<td>-3.3</td>
<td>2.8</td>
<td>2.8</td>
<td>2.8</td>
</tr>
<tr>
<td>Construction</td>
<td>11.0</td>
<td>14.5</td>
<td>7.4</td>
<td>6.3</td>
<td>6.6</td>
<td>7.0</td>
</tr>
<tr>
<td>Trade</td>
<td>9.4</td>
<td>7.4</td>
<td>4.4</td>
<td>20.2</td>
<td>20.3</td>
<td>20.1</td>
</tr>
<tr>
<td>Transport</td>
<td>8.1</td>
<td>3.6</td>
<td>1.3</td>
<td>8.5</td>
<td>8.7</td>
<td>8.7</td>
</tr>
<tr>
<td>Public services</td>
<td>0.6</td>
<td>-0.6</td>
<td>5.3</td>
<td>26.7</td>
<td>25.4</td>
<td>25.0</td>
</tr>
<tr>
<td>Other commercial services</td>
<td>2.7</td>
<td>4.3</td>
<td>7.0</td>
<td>19.6</td>
<td>20.1</td>
<td>20.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5.3</strong></td>
<td><strong>5.2</strong></td>
<td><strong>4.1</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
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Situation in the labour market keeps improving. As compared to the 2014, in 2015 the number of the employed had increased by 1.3%, and unemployment rate dropped to 9.9 per cent. In 2013, the employment rate of the 15 to 64 age group was 65.0%. It is above the EU-28 average of 64.1%. (CEDEFOP, 2015)

3. THE NATIONAL VET SYSTEM AND THE PLACE OF WBL IN IT

3.1. The national VET system

The Latvian education system’s main elements are:

1) pre-school education (obligatory for 5-6 years old children);
2) integrated primary and lower secondary education (hereafter basic education);
3) upper secondary education (hereafter secondary education);
4) higher (tertiary) education.

Basic education is mainly general, however, vocational education is offered in its later stages. Secondary education can be acquired through general or vocational programmes. Higher (tertiary) education includes both academic and professional study programmes. (See Figure 4 VET in Latvia’s education system (CEDEFOP, 2015)

Most vocational education is offered at secondary level. In 2013, most of approximately 31 000 VET learners were in secondary vocational education (see Figure 3 Share of students in VET programmes (excluding higher education) in 2013/14 (CEDEFOP, 2015)).

The most popular programmes are in engineering, manufacturing and construction (39.2% in 2013), services (25%), and social sciences, business and law (13.7%).

Vocational education and professional higher education programmes are mainly school-based, with practical learning periods at schools or enterprises. Students are admitted to public vocational schools according to annual enrolment plans. The Ministry of Education and Science collects, adjusts and transforms all school requests into enrolment plans with sectoral expert councils. The plans are then endorsed by the PINTSA.

Number of state education institutions offering VET programmes had been reduced significantly since 2010: from 69 in 2010 to 33 in 2016. The goal of optimisation programme of VET institutions was to create a sustainable network of institutions and to ensure the efficient investments into renewing VET infrastructure.
Regulation of content of VET
The Vocational Education Law (1999) states that content of vocational education is regulated by national vocational education standards, occupational standards and vocational education programmes. (Saeima, 1999) Occupational standards define the respective key tasks and duties and requirements (including knowledge, skills, competences) for VET qualifications. Ministry of Education and Science (for European qualifications framework (EQF) levels 5-7) and the National Centre for
Education (Valsts izglītības satura centrs) (VISC) (for EQF levels 3-4) coordinate design of occupational standards and cooperate with social partners (PINTSA).

To acquire a qualification, VET students have to take a State qualification exam at the end of the education programme. The government defines how exam content is developed for basic and secondary education levels. (CEDEFOP, 2015)

**Financing**

State funding for vocational education is allocated based on numbers of students. The amount per student is approved by the government and covers vocational education staff salaries, student allowances, practical training (including accident insurance) costs, maintenance of dormitories and expenditure for culture and sports.

3.2. **WBL pilot activities**

Latvia developed cooperation with Germany, Austria and Switzerland in order to exchange with information and experience on how to develop WBL. A memorandum for cooperation in VET was signed in 2012 with Germany. (Latvijas Republikas Izglītības un zinātnes ministrija, 2014)

In 2013/2014, WBL pilot projects were started in six VET institutions in order to test WBL learning approach in Latvian context. In 2014/2015 academic year there were 23 pilot projects (see Figure 5 Education institutions which implemented WBL pilot projects in 2013/2014 and 2014/2015 academic years (Aptauju centrs, 2015))

![Figure 5 Education institutions which implemented WBL pilot projects in 2013/2014 and 2014/2015 academic years (Aptauju centrs, 2015)](image-url)

Figure 5 Education institutions which implemented WBL pilot projects in 2013/2014 and 2014/2015 academic years (Aptauju centrs, 2015)
There was a great interest in WBL from VET institutions confirmed by survey (Aptauju centrs, 2015): all schools which were implementing pilot projects until 2015, claim that they will do it again, and 85% of the rest of the schools were interested in carrying it out in 2015/2016 academic year.

Employers who have been or are involved in the implementation of WBL (27% of those polled), consider their experience successful, 20% of them - very successful. The main reasoning for such assessment mentioned in almost all cases is the fact that within WBL an enterprise can attract new, potential employees, and this learning process serves as a kind of mechanism to recruit employees.

It’s interesting and worthy of notice that the majority (75%) of the educational institutions, which have asserted that they are or have been involved in the implementation of WBL, declare to have encountered particular difficulties in this process. The particular problems most often indicated by the educational institutions are as follows:

- confusing legal regulations,
- uncertainties about wage issues,
- specific conditions for the implementation of WBL for companies and educational institutions.

It reaffirmed the need for more extensive interpretative work on the nature of WBL and also its specific aspects and conditions. At the same time absolute majority (94%) evaluated their experience in this process as successful, and the main positive aspects mentioned were:

- possibilities of young people to learn their future profession in a real work environment;
- WBL increases students’ motivation.

Although the majority of the enterprises involved in the implementation of WBL evaluate their experience as successful, nevertheless, in total 13% of the target group were no longer interested to get involved in the implementation of WBL during the next academic year by indicating a lack of human resources as the main reason for the implementation of such training.

The awareness of entrepreneurs on the process of WBL can be evaluated as ambiguous - 42% were of the opinion that conditions for the implementation of WBL were clear, while 58% believe they are unclear. Most of those who have rated their awareness as insufficient indicate that they fail to understand the nature of the WBL process as a whole; and they also often mention that uncertainties are related to financial arrangements and terms of the training. Exactly the financial aspect has been most often pointed out by entrepreneurs. When asked what improvements should be made in the implementation system of WBL in order to motivate employers to participate in it, the entrepreneurs indicate both the need to provide tax allowances to companies engaged in the learning process and also the need to allocate a separate funding for the implementation and organisation of the learning process in enterprises along with other aspects. (Aptauju centrs, 2015). Importance of financial incentives was also confirmed by the survey of the Employers’ Confederation of Latvia (Klāsons & Spurinš, 2015) in which employers were asked what would motivate them to provide practical placements:

- tax exception or tax relief for paying remuneration to trainees;
- motivated trainees and
- ability to influence educational programmes.
3.3. Proposed WBL regulation

In 2015, amendments to the Vocational Education law were approved which provided legal basis for WBL as one of the types of implementing VET programme (in addition to full time VET education, part-time VET education and self-education). (Saeima, 1999)

The Ministry of Education and Science set up a group of experts¹ (hereinafter – Expert working group) to develop a proposal for detailed WBL regulation – the Regulations of the Cabinet of the Ministers, taking into account previous experience from pilot project results. Currently the draft version of these regulations has been published by the Meeting of the State Secretaries, and is being discussed with the ministries and social partners.

Proposed WBL regulation and the main features of WBL in Latvia

According to the draft Regulation of the Cabinet of the Ministers on WBL (Latvijas Republikas Izglītības un zinātnes ministrija, 2016b), the WBL is defined as:

»Form of obtaining vocational education and training in which learning theoretical part and practical part of VET programme takes place alternately in company and school.«

In comparison to practical placements, WBL is a form of learning itself, not just the (mainly) final part of VET programme as in the case of practical placements. In practical placements, only practical part of VET programme could take place in company, however in WBL, also theory could be learned at company. Moreover, it learning should take place in alternating way which requires permanent cooperation between company and school.

The main differences between practical placements and WBL

The main differences between practical placements and WBL according to the proposed WBL regulation (Latvijas Republikas Izglītības un zinātnes ministrija, 2016b) and the current regulation of practical placements (Ministru kabinets, 2012) are summarised in the table:

<table>
<thead>
<tr>
<th>WBL</th>
<th>Practical placement</th>
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<tbody>
<tr>
<td>A way to learn VET programme (both)</td>
<td>Practical placements – a part of VET learning programme.</td>
</tr>
<tr>
<td>WBL is a form of learning programme.</td>
<td>Only practical part of VET programme, and it could be rather called as »gaining experience«.</td>
</tr>
<tr>
<td>Company teaches both practical and theoretical content of the VET programme</td>
<td>Learning (gaining experience) takes place mainly during the final part of VET programme.</td>
</tr>
<tr>
<td>Learning takes place in alternating way, in parallel in VETI and in company</td>
<td>Learning takes place in alternating way, in parallel in company and school.</td>
</tr>
<tr>
<td>Learning time spent in company is longer than in case of practical placements.</td>
<td></td>
</tr>
<tr>
<td>Learning in company takes place according to the »Individual plan« designed for every learner, every company.</td>
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VETI checks whether company is capable of providing quality training

VETI is responsible for ensuring a **methodological support** to company.

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<tr>
<th>Company has to evaluate learner's achievements <strong>every month</strong> and to provide results to VETI.</th>
<th>Company has to evaluate learner's achievements only <strong>at the end</strong> of practical placement.</th>
</tr>
</thead>
</table>

**Accident insurance has to be provided learners** in all occupations.

**Liability insurance** has to be provided for all learners (by company).

VETI organise **transport and dormitory** for all learners who need it.

Learning in company should be according to all occupational health and safety requirements, fire safety and sanitary-hygienic norms (both).

The company provides students with personal protective equipment, as well as the necessary facilities and equipment.

Company has to designate a **mentor** for every learner (both)

There are qualification requirements for mentors in WBL: **relevant pedagogical competence** and:

1) Relevant vocational education or
2) Qualification obtained through training system of Chamber of Crafts
3) Relevant work experience of at least 5 years.

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<th>No special requirements for mentor.</th>
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There is a **tripartite agreement** between VET, learner and company (both).

Company and learner has to sign **employment contract**:

a) At least 8 months before qualification exam (in case of 4 years long VET programme);

b) At least 4 months before qualification exam (in case of 1-1.5 years long VET programme);

c) At least 2 months before qualification exam in case of continuing VET programme).

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**Key stakeholders in WBL and their roles and responsibilities**

Responsibility assignment matrix (RACI)\(^2\) table summarises the roles and responsibilities of different stakeholders involved in WBL according to the developed new regulation (adapted from the Experts working group and complemented by the author).

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\(^2\) RACI stands for: Responsible, Accountable (also Approver or final approving authority), Consulted, and Informed.
Training of WBL mentors

Requirements for the qualification and competence development of vocational education teachers are regulated by Cabinet of Ministers “Regulations on required teachers’ education and professional qualification and procedure of teachers’ professional competence development” (Ministru kabinets, 2014). They must have at least vocational secondary or tertiary education in a relevant field (or master of crafts certificate) complemented by the pedagogical course (at least 72 hours). The requirement for a pedagogical course does not apply to supervisors of practical placements with less than 240 teaching hours per year.

Mentors in companies are not mentioned as «vocational education teachers» in regulations so these qualification requirements do not automatically apply to them. However, as according to the new WBL regulation mentors in companies are supposed to teach also theory of VET programme and their workload most probably will exceed 240 teaching hours, it can raise a discussion whether the same qualification requirements shouldn't be applicable to them as are to VET teachers.

Currently, draft WBL regulation states that the requirements for WBL mentors in companies are: relevant pedagogical competence and
1) Relevant vocational education or
2) Qualification obtained through training system of Chamber of Crafts
3) Relevant work experience of at least 5 years.

However, the necessary »pedagogical competence« is not defined and explained yet and it should be the task of the Ministry of Education and Science and the Social partners in the coming months.

On 13 January 2016, the Ministry of Education and Science of Latvia and the LDDK organised a discussion of experts on training requirements for WBL trainers. The main conclusions and recommendations were the following (Līce, 2016):

- WBL mentors in companies should not be considered teachers and the same qualification requirements should not apply to them as to teachers;
- There is a need for training of WBL mentors to support their work and to improve quality of training;
- Majority of participants agreed that it is acceptable to require a »pedagogical minimum competences« however it should be defined according to the needs of companies: practial, simple and focused on improving effectiveness of company.
- Training should not exceed 1-2 days, and it should include »pedagogical minimum«, they could be complemented by useful methodological material (printed or online) including situation simulations.
- Training should be implemented in cooperation with VETI.

### 3.4. Financial support measures

A long discussion is taking place in Latvia regarding systemic measures to support companies who offer practical placement of WBL opportunities to learners.

In 2014, the Cabinet of the Ministers asked the Ministry of Education and Science to develop proposals for motivating companies to engage in WBL. The informative report was adopted in 21 October 2014³ offering three main proposals:

- To allow companies to pay lower wage to learners than minimum wage;
- To allow companies to pay scholarship to learners, which is not subject to tax on labor;
- To cover the main expenditures for supporting learners during practical placements/ WBL (transport compensation, liability insurance etc.) (Līce, 2015)

The Ministry of Economics was charged with the task to evaluate fiscal impact on state budget of these solutions. In its report (Latvijas Republikas Ekonomikas ministrija, 2015), the Ministry of Economics offered three different systemic support measures for WBL, arguing that the model of scholarships would be the most effective in terms of achieving national target to promote attractiveness of VET and WBL and to reach 50% of young people choosing VET (see Figure 6 Models for supporting WBL proposed by the Ministry of Economy (2015), author's translation).

³ Minutes of the Cabinet of the Ministers are available: [http://likumi.lv/doc.php?id=269832](http://likumi.lv/doc.php?id=269832)
None of these support measures had been approved yet. At the same time, subsidy-type support measures, financed by EU ESF, were developed (Latvijas Republikas Izglītības un zinātnes ministrija, 2016a), which are supposed to be implemented in 2016 – 2022 by the LDDK. Within this project, it is planned that the companies will be able to apply for financial support for offering either practical placements or WBL for learners of secondary VET programmes:

1. Planned support for practical placements:
   - Fixed costs per learner - 225 EUR (all insurances, health checks, personal protective equipment);
   - Variable costs – 80 EUR/ learner/ year (transport compensation, dormitory);
   - Compensation (subsidy) to employer – 95 EUR / learner / year

2. Planned support for WBL:
   - Fixed costs per learner – 225 EUR (all insurances, health checks, personal protective equipment);
   - Variable costs – 70 EUR/ learner for only 100 learners/year (transport compensation, dormitory);
   - Compensation (subsidy) to employer – max.270 EUR / learner.

It is planned that 3 150 learners will receive support for participation in WBL and 25 671 – for participation in practical placements during 7 years.

3.5. SWOT analysis of proposed WBL regulation

The stakeholders’ conference was organised by LDDK on 28 April 2016. The following feedback was received from 45 participants (mainly employers, but also education institutions, state representatives, trade union representative):

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4 Photos are available: [https://www.flickr.com/photos/129480281@N05/albums/72157665388892433](https://www.flickr.com/photos/129480281@N05/albums/72157665388892433)
Feedback from stakeholders’ conference on key stakeholders of WBL:

Strengths:
- Employers will be able to educate qualified workforce with better skills
- Employers can select best learners
- There are strong and well established employers which can offer quality WBL
- It is possible to coordinate learning schedule according to the working schedule (in comparison to practical placements which all take place at the same time), especially important in ICT field, as well as seasonal jobs
- It is possible to have terminated employment contracts
- Quality of VET will improve, as programmes and individual learning plan will be developed in cooperation between VETIs and employers
- Tripartite cooperation
- Learner → employee (education that connects both)
- Learners will get better learning in work environment, in practical way
- Learner will understand earlier whether the occupation is suitable/interesting
- Learner will see perspective and learn with different motivation
- Learner will learn faster more useful skills for labour market

Weaknesses
- Still (in many cases) quite undeveloped cooperation and communication between VETIs and employers
- Employers lack information about:
  i. How WBL practically work
  ii. What's the difference with current VET system?
  iii. How much of the theory and practice would be planned in the programme?
  iv. How many learners per employer should be to ensure quality education?
- Not all learners continue their education or career in selected occupation, therefore a lot of resources are wasted and employers loose their investments
- Lack of time for WBL mentors in the company to provide good feedback for learners
- Mandatory employment contract will discourage companies to provide WBL
- Requirements for WBL mentors in companies are too high
- Difficult to influence learning content
- No guarantees that the learner will stay at the company to work
- Lack of resources to pay scholarships or wages
- Companies do not offer wide opportunities for learning, but rather only those skills needed in this company
- Mandatory requirement to sign employment contract even if there are no vacancies at that moment
- Many school learning programmes are irrelevant to labour market
- High additional workload for the mentors

Opportunities
- Opportunity to influence learning process
- Cooperation will improve between school - company, learner - mentor at the school/company, mentor in the school and in the company
- Opportunity for companies to select best learners and best potential employees
- Learners are so well educated that companies are ready to employ them immediately on the last day of training
- Possibility to develop learning programmes in cooperation between the VETI and companies
- VETIs will be helped to develop new programmes and to implement new technologies
- It is possible to adjust learning programmes to employers’ needs
- Further education/development of teachers (through cooperation with companies)

Threats
- If too young learners start to work (under 18), they might have difficulties to finish secondary school
- Too few young people interested in VET and WBL
- Respecting confidentiality conditions
- If only best learners are selected, what will happen to the rest of the learners?
- Investments of companies will not pay-off due to learners deciding not to work there
- It might be difficult for companies to “switch” from practical placements to WBL
- Labour legislation – fully applicable also to VET learners
- Too high training costs for employers
- The learner does not pass the qualification exam
- If there is no restriction on the number of learners per mentor/company, EU ESF support might be used only by some companies
- How the quality of learning will be guaranteed in the companies?
- Educational standards can limit opportunities to adjust education programmes to employers’ needs

4. LITERATURE


