
10 Latvia

Rita Kaša

10.1 THE NATIONAL AND HIGHER EDUCATION CONTEXTS

The National Context

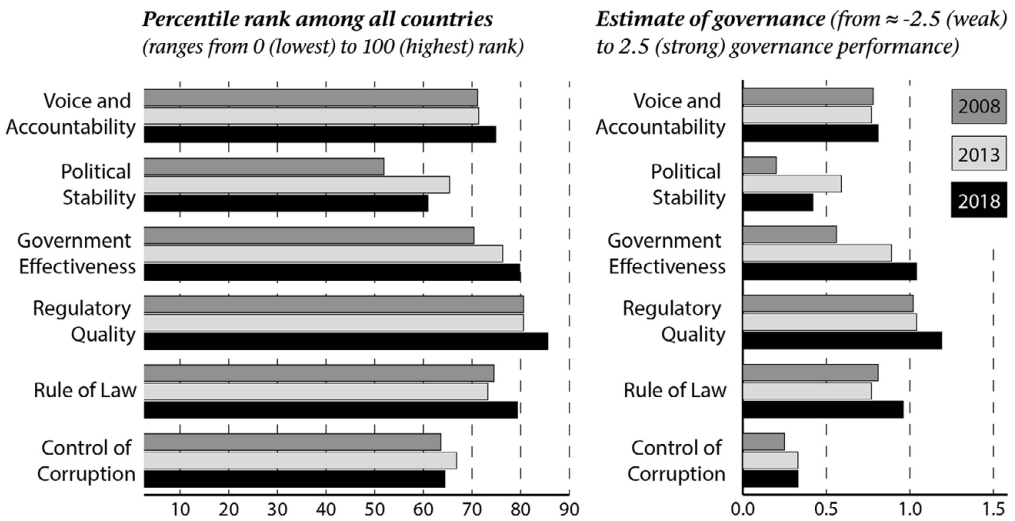
Latvia, a country of almost two million people, is in northern Europe by the Baltic Sea and is one of the Baltic countries. Latvia's neighboring country to the north is Estonia; to the east, Russia and Belarus; and to the South, Lithuania. Since 2004, Latvia has been a member of European Union (EU) and NATO. In 2014, it joined the Euro zone and in 2016 became a member of OECD.

Latvia is a high-income country (World Bank, 2019b). The percentage of people at risk of poverty and social exclusion decreased from 2008 to 2016 from slightly above to slightly below 30 percent of population (Eurostat, 2018). This percentage, however, is one of the highest country poverty levels in EU. Today the service sector dominates the economy. In 2017, services contributed about 74 percent, agriculture about 5 percent, and industry about 22 percent of the country's GDP (CIA, 2019d). Top service fields include retail, transportation, and construction (Central Statistics Bureau, 2020).

A substantial risk for economic development of the country is population decline (LSM, 2019). There was 17 percent population decline between 2000 and 2013; one-third of this was caused by declining birth rates and two-thirds by emigration (Hazans, 2016). Latvia remains a country with the highest expected migration potential in the EU.

Latvia is a parliamentary democracy where 100 members of the parliament are elected every four years in direct general elections. All recent Cabinets of Ministers, the highest executive body in the country formed by political

Figure 10.1 Worldwide governance indicators for Latvia



parties elected to the parliament, have been coalition governments typically representing more than three political forces. Parties not represented in the government form political opposition (Kažoka, 2010; Pabriks & Štokenberga, 2006). Every four years, the parliament elects the president of the country who is the head of state and commander-in-chief, with high representative and more limited legislative and veto powers.

The national legislation defines governance structures and processes, which have been evolving since regaining the country's independence. The World Bank Governance Indicators provide a summary view on the characteristics of this national governing context. The trend suggests an improving governance context over time. Except for political stability, all of the governance indicators were above the 50th percentile in 2008. Over the next ten years, all of the indicators for the most part have grown stronger, with regulatory quality, rule of law, and voice and accountability – all factors important to higher education – above the 75th percentile (Figure 10.1).

The Global Competitiveness Index of the World Economic Forum (WEF) regarding public sector performance ranks Latvia 79th out of 141 countries with a score of 47.0 out of 100 and the burden of regulations ranked 67th for 2018–2019 (Schwab, 2019). It scored the future orientation of the government at 59, ranked 50th. For the Skills pillar, most closely related to higher

education quality, WEF scored Latvia 53.9 out of 100 for the skillset of graduates and a score of 48.7 on the ease of finding skilled employees indicators. This ranked the country 58th and 100th respectively on those indicators out of a total of 141. Regarding corporate governance, which arguably is different from public University governance, WEF ranked Armenia 49th with a score of 64. Given the population decline, one can see the challenges related to finding skilled employees. Public sector performance is approximately at the median as is the future orientation of the government. While the governance capacity seems high, the economic competitive indices are middling. Thus, there may be significant governance capacity in the system, but with some constraints that permit it to underperform.

Shape and Structure of Higher Education

Prior to 2021, the higher education sector in Latvia consisted of six universities, twenty-one non-university type institutions offering bachelor's degrees, two branch institutions of foreign HEIs, and twenty-five colleges that offered first-level or short-cycle higher education (Ministry of Education and Science, 2021). Of all higher education providers, 60 percent were public institutions and 40 percent were private. In total, the higher education sector enrolled almost 76,000 students. Of all students acquiring bachelor's degree and higher, 84 percent attended public HEIs. In the college sector, public institutions enrolled 62 percent of students (Ministry of Education and Science, 2021). Two public universities – University of Latvia and Riga Technical University – enrolled 42 percent of all students pursuing higher education beyond college level; 14,769 and 13,535 students respectively (Ministry of Education and Science, 2021). Enrollments nationally declined by about 40 percent from 2005 (131,072 students) to 2020 (76,282) due to low birth rates and emigration, including for the purpose of education (Kaša, 2015).

In 2020, approximately 60 percent of enrolled students paid tuition fees. In public higher education, there is a dual track tuition policy (Johnstone, 2006) where students are admitted to publicly funded or tuition-free institutions based on their average grade, while other students are admitted to tuition-funded institutions (Ait Si Mhamed, Vārpiņa, Dedze & Kaša, 2018). Fully publicly funded study places are available only to students at public institutions of higher education. Students at private institutions pay tuition unless there are institutional grants available.

In 2021, amendments to the Law on Higher Education Establishments (Saeima, 1995) came into effect, stipulating a new typology of higher

education institutions and distinguishing between research universities, universities of arts and culture, universities of applied sciences, and non-university types of institutions of applied sciences. The type of institution is identified by the founder based on the characteristics of the institution. The Law stipulated that research universities need to specialize in at least three areas of sciences and offer doctoral level study programs. While changes in the higher education sector due to the new law were not observed at the time of writing, such changes might occur in a longer period of time.

Higher Education Governing Context

Latvia had a well-developed higher education system prior to Soviet occupation in 1941. After Soviet rule was imposed, the country's higher education system was reorganized to reflect the tenets of the Soviet-style centralized higher education system. When Latvia regained its independence in 1990, the higher education system consisted of ten state higher education institutions. Five were under the supervision of the Ministry of Education, and others were operating under the auspices of the ministries of healthcare, culture, and agriculture (Ait Si Mhamed et al, 2018).

Liberalization, democratization, and modernization were processes that ensued after 1990, generating reforms in the higher education sector as well. The national political priority of integration into European structures provided the direction for higher education reforms. Accession to the EU and acquired global openness strengthened the Europeanization and internationalization of higher education in Latvia (Kaša & Ait Si Mhamed, 2013). Latvia became a strong supporter of the Bologna Process started in 1999, aimed at creating a European Higher Education Area. In addition to its European orientation, a liberal market perspective dominated the underlying steering philosophy of Latvia's post-independence higher education reforms, leading to one of the largest private higher education sectors in the region and public universities with rather high levels of institutional autonomy (Ait Si Mhamed et al., 2018).

In its evaluation of University autonomy by the European Universities Association (2017), Latvia was ranked 22nd in organizational autonomy (medium low at 56 percent) across the twenty-six countries evaluated. It was 2nd in financial autonomy (high at 93 percent); 7th in staffing autonomy (high at 89 percent); and 23rd in academic autonomy (medium low at 50 percent). The report on Latvia notes that universities "operate in a legal framework that gives them significant autonomy in financial and staffing

matters. However, there are considerable limitations in practice in these two dimensions” due to financial constraints (EUA, 2017, p. 119).

Even though the Ministry of Education and Science (MoES) is responsible for higher education policy in the country, reminiscent of the Soviet era, several universities and colleges remain under the supervision of other ministries. The Law on Higher Education Establishments (Saeima, 1995) stipulates that a higher education institution has the right to:

- (1) develop and adopt its constitution;
- (2) develop and adopt its development strategy;
- (3) determine directions for its scientific and artistically creative work, in the case of universities for arts and culture;
- (4) independently decide on the content and form of study programs;
- (5) determine organizational and governance structure of the HEI;
- (6) build human resources at the HEI;
- (7) public HEIs have the right to develop and adopt their annual budget;
- (8) use HEI’s non-financial and financial resources to achieve goals stipulated in its development strategy;
- (9) engage in other activities which do not contradict the principles for higher education institution’s operations set by its establisher and the Law on Higher Education Establishments. (Saeima, 1995)

This country case focuses on the governance structure and procedures at higher education institutions, excluding colleges. The current case study presents only the description of the national legislative framework at the time of publication, public universities in Latvia were rewriting their institutional governing documents to fit with the new higher education governance structure introduced in the country in 2021.

10.2 GOVERNING BODY PROFILE

Governance Overview

Amendments to the Law on Higher Education Establishments (Saeima, 1995) of 2021 introduced boards as the primary authoritative body at HEIs. According to the new stipulation, a board became one of the HEI’s governing

bodies along with the Senate, rector, and, if established by the constitution of the HEI, the Constitutional Assembly and Academic Arbitration Court. The new law especially outlined the role of boards at public HEIs. Given the prevalence of the public higher education sector in Latvia, the governance structure at public HEIs will be the main focus of this country case description.

Before proceeding, it is relevant to mention the important role of the constitution of the HEI in the legal governance framework of HEIs. Each HEI in Latvia needs to develop a founding document – a constitution – which lays out the name of the HEI, its judicial status, profile, procedures of determining the structure of the HEI, and procedures for selecting and electing its leadership, as well as stipulating its approach to addressing other questions at the organization. Amendments to the HEI's constitution can be proposed by the Board, the Senate, the rector, at least 10 percent of all members of the Constitutional Assembly of the HEI, an academic department, and the student government. The first instance of review of these amendments is within the Senate. Upon the Senate's approval of the amendments, they are reviewed by the Board. If the HEI also has a Constitutional Assembly, the amendments to the constitution, after they are approved by the Board, need to be approved by this collective decision-making body. The final say, however, about approving amendments to a public HEI's constitution rests with the Ministry of Education and Sciences and is contingent upon the compliance of the amendments with the national legislation.

The Constitutional Assembly

The largest governing body at a public HEI is its Constitutional Assembly. The number of its representatives is allowed to reach 200 people. Its representatives need to be elected every three years from among employees and students of the HEI. Whether an HEI has this governing body or not is determined by the constitution of the HEI. While the constitution of the HEI will stipulate the exact terms of office for the members of the assembly as well as their election procedures, the national law stipulates that at least 60 percent of all assembly's members need to be faculty and at least 20 percent must be students.

The Constitutional Assembly elects its chairperson, one or more vice-chairpersons, and a secretary. The Constitutional Assembly is convened by its chairperson. The assembly's meetings can also be initiated by one-third of its members, the Senate, or the rector. In a newly founded institution of higher

education, the Constitutional Assembly is convened by the acting rector. It is the Constitutional Assembly that elects and removes the rector of the institution; the rector reports to this body of the University. The Constitutional Assembly also elects the Senate and the Academic Arbitration Court.

The Board

The Board is the highest decision-making body at a public HEI. It is responsible for the HEI's sustainable development, the strategic and financial supervision of the institution, and ensures that the HEI works toward its strategic development goals. The HEI Board is expected by law to respect and defend academic freedom. The order of business for the Board is determined by its bylaws and the HEI's constitution. The Board's representation varied by the type of the HEI.

The Board of a research University consists of eleven members. Five of them are internal staff nominated by the Senate. The president of the country nominates one representative with excellent academic credentials who is not linked to the respective University. The remaining five members of the Board are external (not University employees) nominated by the Ministry of Education and Science based on input from alumni of the University, professional associations, employers, and other public stakeholders. The government provides the final nomination of these remaining Board members at a research University. The goal is to achieve that the majority of Board members hold a PhD.

The Board at a University for arts and culture consists of five members. Two are from the University nominated by the Senate. The president of the country nominates one outstanding professional in arts and culture. The remaining two board members, who are external, are selected by the ministry overseeing the HEI in the process of societal engagement representing alumni, professional associations, internationally renowned artists, and other stakeholders.

The Board at the University of applied sciences consists of seven members where three are internally nominated by the Senate. One representative of the sector who is not linked to the University is nominated by the president of the country. Three members to the Board who are external are nominated by the ministry overseeing the HEI following the recommendations from societal stakeholders representing academic, industry, and public sector.

The Board at the non-university type of applied sciences HEI consists of five members. Two are internally nominated by the Senate, one by the

president of the country, and two external members, based on the societal recommendation, are selected the ministry overseeing the HEI and nominated by the government.

The external candidates to the Boards nominated by the government are vetted by a special committee for their reputation, professional credentials, competencies in the areas of risk management, strategic development, international collaboration, and the like. The goal is to establish a Board that represents competencies essential for a strategic leadership of the HEI.

The law stipulates that the nominee to the board should not have at least a year prior to the appointment to the board been an elected member of the parliament or the government (Saeima, 1995). While the Board members nominated by the HEI's Senate can be affiliated with the respective University, those nominated by the State president and the government should not have been employed at the HEI for at least one year prior to the nomination. While on the Board, those nominated by the Senate cannot fulfill the duties of the member in the Senate, be a rector, a pro-rector, a dean, or a vice-dean at the HEI. The Board members can be appointed for no more than two four-year terms. The Board member can be recalled by its nominating body in the case of the loss of confidence.

The Board chairperson is elected from among the members of this body. According to the law, when convening for the first time, the Board chair needs to be elected from among those nominated by the State president and the government (Saeima, 1995). The chair of the Board is elected for up to four years and no more than twice. The Board members are compensated for their work in the amount of the monthly average wage of academic personnel nationally. The chair of the Board receives salary 50 percent higher than other Board members.

The Board has a broad range of tasks. It approves the constitution of the HEI and its amendments, it sets the strategic development plan of the HEI and oversees its implementation, it approves the HEI's annual budget and oversees all financial matters, approves HEI's governance policies, and, based on the rector's suggestion, the Board makes decisions about the structure of the HEI and other governance-related questions. The Board nominates candidates for the rector's position, sets the procedure for the elections, and elects the rector if there is no Constitutional Assembly at the HEI. The Board can initiate the removal of a sitting rector. In decisions that concern tuition fees, directions of studies, and stipends, the Board needs to request a statement on the position of the student government at the HEI.

Senate

The Senate of a HEI is a collegial decision-making body composed by the staff and students of the HEI. The mission of the Senate is to protect the academic freedom of students and staff. The size of the Senate cannot exceed fifty people at research universities and twenty-five people at universities of arts and culture and applied universities. Of these representatives, at least 75 percent need to be faculty and at least 20 percent must be students. The election process of senators is stipulated by the constitution of the HEI. A senator can be elected for the maximum term of three years. Student representatives to the Senate are elected by the student self-governance body at a HEI.

The Senate is responsible for ensuring that the constitution of the HEI corresponds to the directions of institutional development as well as other legislative documents. It recommends to the Board which study directions need to be developed. Based on the suggestions from the rector, the Senate decides about opening new and closing existing study programs, sets the criteria for academic ranks at the HEI, and establishes academic ethics standards. The Senate nominates representatives to the Board and can initiate recalling the rector. The Senate's approval is required for documents related to the HEI's development and management prior to their approval by the Board. If the Senate does not agree with some of the documents for more than one month, the Board makes the final decision, reviewing the Senate's objections.

The Advisory Convention

The Advisory Convention is an optional institutional body. If created, its purpose is to consult the Board, the Senate, and the rector in strategic matters of an HEI's development. The Advisory Convention may recommend issues for a discussion at the Board and the Senate. Creation of the Advisory Convention can be initiated by a joint decision of the Board and the Senate of a HEI. Decisions of this advisory body have only consultative function to the HEI.

The Rector

The rector is the highest official at an HEI. The Constitutional Assembly or the Board, if there is no Constitutional Assembly, elects the rector for a

maximum term of five years. The same rector can be elected for the maximum of two consecutive terms. At research universities, universities of applied sciences, and non-university types of applied sciences institutions, the rector needs to hold a PhD degree. At other universities for arts and culture, a Rector can hold a PhD, professional doctoral degree in arts, or be an elected professor of arts in Latvia or abroad.

The rector is responsible for leading the HEI and implementing steps toward achieving the goals for the HEI's strategic development, including advancing successful personnel policies. The rector appoints pro-rectors and determines their scope of work. The head of the HEI is responsible for developing the plan for the development of research and studies and the overall institutional strategy and submitting these documents for the approval to the Senate and the Board.

The Academic Arbitration Court

The Academic Arbitration Court reviews complaints from students and faculty regarding infringement of academic freedoms stipulated in the constitution of an HEI. It reviews disputes between administrators or structures of an HEI, rules of an HEI, and it may address other questions as stipulated in the constitution of the HEI. Decisions of this court are binding on the administration of the HEI. Representatives of a HEI administration are not allowed to serve in the arbitration court. Members of this court can only be faculty who are elected by the Constitutional Assembly in a secret ballot. The representation of students in this court needs to be at least 20 percent. These representatives are elected by the student self-governance body at an HEI. Members of the Academic Arbitration Court report to the Constitutional Assembly.

Commentary

The 2021 amendments to the Law on Higher Education Establishments (Saeima, 1995) shifted the decision-making power balance at public institutions of higher education from the HEI-based structure of insiders, such as the Constitutional Assembly, to the Board, a body composed mostly by members nominated from the outside of the HEI. While the current system of public HEI governance still allows for some variation in the institutional structure, for example, by deciding to have a Constitutional Assembly or not,

the law has assigned the decision-making powers relevant for institutional development to the Board. It stipulates the structure and conditions for the selection of the Board for each type of HEI.

The governance structure of higher education established in 2021 has removed the principle of checks and balances between the rector and the Senate within the institution, where the rector used to not chair the Senate and the Senate had veto rights over the rector's decisions. Now the final decisions on all strategic questions regarding the institutional development rests with the Board. Although the Senate retains its role at the HEI, the Board, which is designed to also represent broader societal interests in higher education, has become the pivotal decision-making body at the institution.

The role of the Ministry of Education and Science now is defined in relation to organizing the negotiations with societal stakeholders for the nomination of 40 percent of the Boards members at an HEI. The government's formal influence does not extend beyond that of organizing the process for selecting societal representatives to the Board. Prior to 2021, universities would appoint their rectors and the government would need to appoint this elected rector to the post to formally assume the duties. Now the government is not involved in the matters of appointing rectors. All these decisions rest with the boards of public HEIs.

As the new University governance structure will root itself in the public sector of higher education, it will be important to examine the impact it has had on the environment of academic work and outcomes.