Where is demography leading Latvian higher education?

Zane Cunska

1. Introduction

Higher education in Latvia in the last two decades has been characterized by major expansion, often referred to as the “massification” of higher education. Thus by the early 2000s the number of students per 10000 population had more than tripled as compared to the early 1990s. So far the growth in enrolment rates has been associated with both positive demographic trends and increasing accessibility of higher education (via access to study loans, wide selection of study forms and programmes). However, demographic development poses growing concerns about the future of higher education in all developed countries. Most European countries are facing an unprecedented ageing of their populations, with ageing and depopulation hitting the Eastern European countries, including Latvia, especially hard. In the years to come, significant expansion of the younger population is not projected in any European country (Eurostat, EUROPOP2008). Quite the opposite – the younger cohorts are decreasing in size. As a consequence, an impact on the education system is inevitable.

Little seems to have been done to investigate the consequences of demographic decline on the higher education system and to identify the actual scope of the problem. The aim of this article is to analyze the demographic potential of higher education in Latvia and to sketch the most likely enrolment volume in the medium term future. Associated policy issues are described.

This paper is organized as follows. The second section gives background information – demographic facts and enrolment trends in recent years. The third section presents enrolment projections for Latvia, suggesting three scenarios that represent a set of plausible alternative outcomes based on changing environment and circumstances. The fourth section outlines policy issues arising for higher education and recommendations for addressing them. The last section concludes.

2. Facts and figures

The demographic situation in Latvia is characterized by a negative natural rate of increase and by ageing. Depopulation started in the early nineties and still continues. In particular, the size of younger age cohorts has decreased. This is connected to the fact that at the beginning of the nineties the birth rate fell sharply. Eighteen to twenty years later the smaller youth population is about to enter the higher education system and the labour market. As evident

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from the population projections (Figure 1), the population aged 15-24 will fall by about 40% in the coming 10 years, and will remain low in the foreseeable future. This fact has to be seen in the context of previous experience of a rising younger population associated with high birth rates in the nineteen eighties.

**Figure 1.** Youth population (15-24 years) projections for Latvia

Latvian higher education has already started to experience this decline. In the 2009/2010 academic year the Latvian HE system for the first time experienced a significant fall in numbers of students. Total enrolment decreased by 10%, with the number of first year bachelor students down by 26% compared to the year before.

According to statistics on the number of students per 10 thousand inhabitants – 492 in 2009/2010 (Figure 2), Latvia is among the highest in the world together with Finland, the UK, and Canada. There were as many as 566 students per 10 thousand inhabitants in 2006/2007,
and this indicator has been increasing since 1993 when the expansion of HE started. Some decrease was seen in the 2008/2009 school year, but a significant decline is clearly visible in 2009/2010.

This HE expansion motivated creation of a great number of HE institutions, both public and private. There are now 60 HE institutions in Latvia (2009), which is very high for just 2.2 million inhabitants (27 per 1 million inhabitants). This compares with Estonia (29) and Denmark (32), which are also small countries, but significantly exceeds the US (14), the UK (15), the Netherlands (10) and Germany (8), which, in contrast to Latvia, host many foreign as well as home students.

From age specific enrolment ratios, i.e. the ratio of students in the respective age population group in Latvia, we see that naturally the highest proportion of students is in the 19-24 age cohorts² (see Figure 3). Starting from age 23 and older, age specific enrolment rates gradually decrease with every older cohort – for the 25-28 age cohorts it is in the 8-13% area, for 29-39-year-olds the ratio is 5%, but in the older age groups 40-plus – slightly above 1%. The observed expansion of HE has happened in both the younger groups, and the older groups. In particular, the 29-39-age cohort that started as low as 1% in 1998 (there were virtually no adults above 30 in HE) has grown to 5% in 2010. Additionally, the number of students over

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² The changes in the 18-year-old enrolment rate are connected to structural changes in the secondary education system and the transition from 11 to 12 years schooling (primary + secondary) starting in 1991. As a consequence, schooling before tertiary education takes longer, and the number of 18-year-old students has decreased.
40 has risen from 0.3% in 1998 to slightly above 1% in 2010, but still very few students are over 40.

Between 1998-2008, enrolment trends showed unambiguous stable growth both in absolute and relative terms. In the 2009/2010 academic year the situation has changed – enrolment has fallen in all age groups. Naturally, this raises the question of what developments to expect in the future.

3. Evidence from elsewhere

According to World Bank estimates (Chawia, 2007), by 2025 in Latvia the number of pupils in primary schools will shrink by 25%, in secondary schools by 20%, but the most significant fall is expected in the number of students in higher education – by 40%. Mizikaci (2007) has examined the phenomenon of the shrinking youth population in Europe and the associated effects on higher education. She notes that the severest declines will be observed in Estonia, Latvia, and Slovenia, where more than half of the 18-23 age group in 2005 will disappear by 2050. For those countries, immigration would not be enough to compensate for the natural decline, especially because currently they record negative net migration (i.e. emigration for Latvia, Lithuania, Poland, zero net migration for Estonia). In all former Eastern bloc countries, higher education is at risk because of low fertility rates and emigration, as well as failure to enrol significant numbers of foreign students. Following discussions at the Salzburg seminar on the future of higher education, Baumgartl (2007) states that due to shifting demographics in Europe some HE institutions will suffer from lack of students in the very near future, and that “the present and future body of HE population should be examined”.

Before 2009 the effects of demography on the tertiary education system in Latvia had not been explicitly studied. Within the EU Structural Funds funded Ministry of Welfare labour market research programme (2005-2006) one project studied graduate life paths and study outcomes, another project modelled labour market developments, while another project studied conformity of HE programmes with labour market requirements, but no explicit attention was paid to investigating demographic impacts. In the spring of 2009, the Ministry of Education and Science communicated that in the nearest seven to ten years the number of students will continue to diminish, and in the 2015/2016 academic year the number of students will decrease by a third compared to recent years (LETA, May 26 2010).

Occasionally the issue of demographic effects on the higher education system has been mentioned in the media, where (most often) university representatives are cited expressing concerns about the falling number of secondary school graduates. Overall, these are the same higher education establishments where the issue is raised and discussed, usually in the form of guessing, since it is crucially important for their development strategies. In the context of writing the Latvian sustainable development strategy, some analytical discussions on the issue have taken place over 2008-2010. None of them has been based on or resulted in a research paper.

The most comprehensive analysis of tertiary education demography has been performed by the OECD, which in a report (OECD, 2008) concludes that “demography has only recently become a concern in debate on higher education policy, and past growth of systems in OECD
countries has had little to do with demographic changes. The increase in rates of admission to higher education has been of greater importance than the size of age cohorts.” (Teichler and Bürger, OECD 2008, Chapter 5). Among other things, the report concludes that: (1) student participation will continue to expand and will in most cases be evident from growth in the size of higher education systems. Contraction will affect only a small number of countries; (2) women will be in the majority in the student population; (3) the mix of the student population will be more varied, with, e.g., greater numbers of international students, older students, and those studying part-time; (4) the social base in higher education will probably continue to broaden. Latvia, not being an OECD country, is not analyzed in the report. With domestic knowledge about the Latvian HE system, we have reason to think that Latvia may be among the countries affected by contraction, but this will be analyzed later in the paper.

4. Methods

For projecting future developments, the approach taken in this paper is the enrolment-ratio method, which is common for estimating sub-populations and uses two components—readily available population projections and enrolment rate development trends both (1) extrapolated from statistically observed ratios, and (2) estimated based on expert opinions and peer experience. For discussion regarding choice of projection method, see Cunska (2010).

The OECD (2008) report on the future of higher education uses similar trend extrapolation methodology and argues that it is the turning points that in fact play the most important role in demographic trends, concluding that demographic trends cannot be extrapolated directly, but only explored through forward-looking scenarios incorporating political and economic factors. The projection approach used in the OECD report uses UN population projections as a basis and calculates enrolment with the extrapolated trends.

Ahuja and Filmer (1995) adopted a very similar approach by taking existing UN population projections and superimposing onto them an educational distribution estimated for two broad age groups (ages 6-24 and 25+) from a given set of enrolment ratios and UNESCO projections.

Three development trend scenarios are developed here: a stable enrolment ratio scenario, a global education trend scenario, and a crisis scenario. The different scenarios represent a set of plausible alternative outcomes based on changing environment and circumstances. The first two variants can be thought of as rather statistical, whereas the third scenario relies mostly on expertise and knowledge in the area.

For cohort size, the Eurostat population projections (EUROPOP2008) convergence scenario is used. This describes possible future demographic developments assuming that across European countries fertility and mortality converge to those of the “forerunners” by 2150. The period for projections used is 2010 – 2020. The projections already take account of birth, death, and migration rates, and we assume rates equal for population in and outside tertiary education. The model inherits all the assumptions made for the projections.
5. Scenarios

The stable enrolment ratio (SER) scenario represents a situation in which tertiary education develops smoothly into the future. The only changes arise from differences in cohort size. Observed trends over the years 1998-2010 are extrapolated for the following 10 years, assuming that:

- The proportion of students in the respective age cohort will continue to change at the same average speed and direction as previously.
- Transition rates and dropout rates will change as previously.
- Growth converges to zero when time converges to infinity.

All calculated trends are positive or virtually constant (Appendix, Figure A1). Growth is expected in the ratio of younger students (20-23) and of the non-traditional age group, (29-39). The proportions of students in the 24-28 and 40-plus age groups are assumed to remain stable at their 2010 levels.

Figure 4. Observed (1998-2010) and projected (2011-2020) number of students in tertiary education – stable enrolment ratio scenario

This scenario suggests that the total number of students in tertiary education will decrease from 113 thousand in 2010 to 92 thousand in 2020, while enrolment in 2020 would be 80% of that of 2010 (Figure 4). The most severe decline will be observed in the traditional student age groups (17-24) – by 44%, whereas the size of older student age groups (29 plus) will remain stable and would even slightly increase compared to the 2010 level as a result of positive enrolment ratio trends and slightly increasing cohort size. The share of older students (over 29) will increase from 24% to 44%.
The global education trend (GET) scenario takes into account schooling patterns across European countries and assumes that:

- In the years 2010 – 2020 the enrolment ratio age structure in Latvia converges to the EU-27 average.
- The speed of convergence depends on the size of the difference between the rate in the previous period and the target value (EU-27 average).

Enrolment ratios in the EU-27 have been gradually rising during 1998-2005, and have stabilized since 2005. They are generally lower than the Latvian 2010 rates, so that all but 25 and 26 year-old rate trends are negative (Figure A2 in Appendix).

Figure 5. Observed (1998-2010) and projected (2011-2020) number of students in tertiary education – global education trend scenario

According to the GET scenario, a decline in higher education participation at all ages is expected (Figure 5). Total enrolment in 2020 is expected to approach the level of 1998 at around 70 thousand students – a decline of 38% compared to 2010 enrolment. It also entails a reduction of over 50% in traditional age student numbers. The older cohorts (29 plus) are not yet declining by 2020, and the fall in enrolments is only affected by convergence to the lower EU enrolment rate assumption. This results in a 13% fall in enrolment. As a result, the student population will be older and the proportion of non-traditional students in the total student population will increase to 50% in contrast to 36% in 2010.

The crisis (CRI) scenario is designed to capture possible other effects that do not follow from statistics but can be concluded from the literature on historical development in other countries, the author’s observations of the situation, and suggested developments by experts. This
scenario is the most subjective of the three and is intended to sketch general developments on top of those directly flowing from data.

During recession, some individuals invest in graduate education to position themselves for a better job when the economy revives. Often people change their life plans to apply for Master or PhD programmes earlier than planned because of unfavourable labour market conditions and because alternatives to schooling are less attractive. This behaviour can be observed from two relatively recent historical trends for recessionary periods in the global economy: 1991-1993 and 2000-2002. It was observed that enrolment grew more rapidly during and after recessions, while the largest dips happened in boom years. However, a slowdown in enrolment was observed at the very beginning of recession (Moody’s International Public Finance (2009), data on Canada, France, Italy, Spain, the UK, and the US).

In its report, Moody’s outlines that universities are expected to experience some stress but be more sheltered than other sectors from the global recession. “This is due to their counter-cyclical business aspects, government support, and growing role in economic development and rebuilding.” However, many face the conflicting pressures of rising demand for their services while also needing to adjust to a weaker funding outlook.

Hazarika (2002) investigated the effects of regional recessions on enrolments in the US and found that wealthier students are more likely to attend college in a recession, whereas those from less wealthy families are affected by credit constraints and less likely to attend college. Access to financing therefore plays a role in enrolment decisions. In Finland in the 1990 crisis period, applications for higher education grew by about 25%, and participation in entrance examinations by 42% (Kivinen and Rinne, 1996). The increased interest, though, was not supported by a sufficient increase in the supply of study places so actual enrolments remained stable.

The impact on a particular country and particular institutions may vary. In the Latvian situation some additional institutional and behavioural aspects would play a role:

- Participation in tertiary education will be a function of people’s beliefs on the speed of recovery of the economy. If people believe in a fast recovery (2-3 years), i.e., believe they will have job, they are willing to invest in education and probably even bear considerable personal cost. In the opposite situation, where people believe in slow recovery or stagnation, they may leave the country for study or work. The emigration alternative is relatively easy given the open EU labour market.

- Completion of some degree of tertiary education is already a minimum standard for certain types of employment (government sector, schools), and therefore enrolment (and graduation) rates were very high by international standards even before the recession. There is hardly more room for growth in enrolment rates due to a saturated local market.

- In Latvia, simultaneous work and study practice is common (Auers, Rostoks, Smith, 2007), often resulting in prolonged study time (academic breaks, longer programmes). With loss of employment or fewer working hours, study time may actually shorten, so that total enrolment will be lower.

- Reasons for not continuing studies are financial problems and inability to pay study fees; shortage of money can also prolong study time as students may be forced to take study
breaks because of inability to pay tuition fees.

- A popular view among the Latvian general public is that an increase in qualifications and skills levels does not significantly contribute to economic growth and hence people may not be willing to invest in education under budgetary pressure (DnB NORD Latvijas barometrs, March 2010).

We take into account that individual behaviour is affected by changes in the labour market in a recession – a loss of job can serve as a catalyst for career decisions. Unchanged education policy in the country is assumed in this scenario: higher education still relies on local demand and active foreign student attraction does not take place; no further significant cuts in financing to HE take place, but also no new investment. We assume people believe the economy will return to growth in three years. In this scenario, projections are made for more aggregated age groups (Table 1).

According to this scenario, the crisis would have a short-term positive impact on enrolment rates, which will slightly increase above the 2010 level and stay there between 2011 and 2013 (Figure A3 in Appendix). A rise would be expected in the 25-28 age group. After 2013 enrolment rates will start to fall to the EU-27 level.

The total number of students in the period 2011-2013 would increase compared to 2009 and 2010 levels, but would not reach the 2006 peak of 131 thousand students. The 25-28 year student group would remain roughly the same size throughout the entire period 2000-2020. After 2013 enrolment rates are expected to converge to the EU average, and the demographic

**Table 1.** Summary of reasoning and assumptions regarding educational behaviour for separate age groups

<table>
<thead>
<tr>
<th>Age</th>
<th>Rationale</th>
<th>Assumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>17-24</td>
<td>Most mobile of all groups, also the most free in terms of family commitments. Under crisis: the highest proportion leaving the country (for study and/or work) compared to other groups. Employment (traditionally popular among students in Latvia) increasingly difficult to find for younger people without experience and degree. People staying in Latvia invest time in education in the belief of recovery, may be more selective regarding the study area and more demanding.</td>
<td>The two effects (emigration and difficulty in finding a job) offset each other, enrolment rate is at the pre-crisis level (2008) for 3 years, converges to EU-27 average after 2013, i.e., falls.</td>
</tr>
<tr>
<td>25-28</td>
<td>More commitments (family, social, work), consequently emigration is more complicated. More prone to stay and use all local opportunities. In case of loss of job, ready to invest in education but selective regarding the programme. Could choose good quality business education, probably looking for shorter 2-3 year executive education. Those who have dropped out could go back and finish their degree. Those who postponed a decision on second level higher education may start now.</td>
<td>For the first three years enrolment rate increases by 15% compared to 2008, converges to EU-27 average after 2013.</td>
</tr>
<tr>
<td>29 plus</td>
<td>This group is most settled of all. They may see little return on investment in a degree, but are probably more likely to attend qualification courses to build on previous education. Some proportion may consider second level tertiary education but with emphasis on professional skills.</td>
<td>Enrolment rate remains constant (for different reasons than for 17-24 population) over the first 3 years, converges to EU-27 average after 2013.</td>
</tr>
</tbody>
</table>
Figure 6. Observed (1998-2010) and projected (2011-2020) number of students in tertiary education – crisis scenario

Figure 7. Comparison of estimated trends – total number of students in tertiary education according to the three alternative scenarios
In comparison, all variants indicate a very similar future enrolment situation despite relying on different assumptions about enrolment rate future development. All variants suggest a significant fall in total enrolment – by 18% in SER, by 38% in GET, and by 28% in the case of the CRI scenario compared to 2010 (Figure 7).

The crisis scenario is the only case where enrolment is expected to increase in the short term, and it may turn out to be the ‘best’ case for the higher education system in the nearest future. The other common characteristic concerns changes in student age structure. The number of traditional age students will decrease to somewhere between 44% and 50%. Consequently the traditional age students would be a minority in the student population. In contrast, the proportion of adult students will rise from 24% in 2010 to somewhere between 33% and 44% in 2020 (by a factor of three or four compared to 11% in 1998).

Table 2. Comparison of scenarios: total number of students and proportions of wider age groups

<table>
<thead>
<tr>
<th>Year</th>
<th>1998</th>
<th>2010</th>
<th>2020 SER</th>
<th>2020 GET</th>
<th>2020 CRI</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Actual</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17-24</td>
<td>73%</td>
<td>64%</td>
<td>44%</td>
<td>50%</td>
<td>47%</td>
</tr>
<tr>
<td>25-28</td>
<td>16%</td>
<td>13%</td>
<td>12%</td>
<td>16%</td>
<td>17%</td>
</tr>
<tr>
<td>29 plus</td>
<td>11%</td>
<td>24%</td>
<td>44%</td>
<td>33%</td>
<td>36%</td>
</tr>
<tr>
<td>Total</td>
<td>70233</td>
<td>112555</td>
<td>92152</td>
<td>69434</td>
<td>80841</td>
</tr>
</tbody>
</table>

Source: Eurostat, author’s calculations

6. Implications for policymaking

The higher education system has to adjust to two imminent changes arising from demographic changes – a decrease in total enrolment volume and a change in the age structure. In its current form the present size of higher education system is not sustainable. Clearly, there are no solutions to increase the size of cohorts as a way to rescue the higher education system, at least not in the nearest future. Demographic processes are inert compared to financial markets and the economy, so there are no quick solutions in demography.

The first question to be asked is: Should the current system be rescued by preserving the current volume of higher education? Furthermore, is it a problem that there are fewer students, there would be fewer universities, fewer academic staff, less taxes paid, but also less public expenditure on education? Not necessarily. Higher education may be viewed as a service that is in less demand and therefore over-supplied, analogous to photo film development services with the introduction of digital cameras, or typewriting when computers appeared. In other words, the higher education sector is like any other sector of the economy be subject to a demand side shock reducing the demand for its services to where it was in the 1990s. Among other things this would also imply cost savings to the state budget or alternatively the spending per student can increase without increasing the overall higher education budget.

An obvious way to adjust would be to cut the supply, i.e. to reduce the number of higher education institutions. Here it makes sense to distinguish between private and state institu-
tions, respectively. The private institutions, being to a large extent directly subject to the market mechanisms, might adjust by itself when some might go out of business due to lack of students whereas others might develop new programmes or targeting non-traditional students. The state-funded institutions, on the other hand, are not directly affected by the market mechanisms since their development to a large extent is determined by political decisions. Based on the demographic changes the state-funded should be restructured, with the lowest performing programmes and institutions simply being closed down. From a political point of view, this might be easier said than done since higher education policy usually are considered as an integral part of other policy programmes, e.g. regional development. Furthermore, the current financing model of state-funded higher education institutions might further complicate the necessary restructuring. Given the financial incentives provided by the current system where each student enrolled represent a substantial source of income, there is a great risk that the institutions will lower standards in order to enrol and keep as many students as possible.

The alternative approach to cutting the supply would naturally be to find ways to increase the demand for the services that could be provided by the Latvian higher education sector. This require somewhat of a change of the mindset of policy makers as well as university leaders – to stop thinking of higher education as a cost to bear, but perceive it as a productive and competitive sector of the economy, capable not only of educating people for the Latvian labour market, but also of exporting its services and possibly also educating foreign young people for the Latvian labour market. The demographic decline not only affects the student population, but also the labour market, and working age people will be needed to cope with an increasing old-age dependency problem where opening up the Latvian labour market to foreigners could be at least part of the solution.

The issue of increasing the demand for higher education in Latvia is partly addressed in the work of a specially established group which in December 2009 published an Informative Report on the structural reforms in higher education and science needed to increase Latvian international competitiveness (Ministry of Economics, 2009). The proposed reforms have three aims: (1) to produce internationally competitive graduates, (2) to supply education that corresponds to the needs of the economy, and (3) to ensure that internationally competitive scientific results are successfully transmitted to the Latvian economy. According to the Report, one of the indicators of successful structural reforms is “proportion of foreign students exceeds 10% of student numbers” by 2015 (p15). This seems to be a very ambitious target in the light of international experience. In this context an Action Plan was developed by the Ministry of Education and Science in the spring of 2010 to implement the above reforms. One of the four main action directions is “internationalization of higher education and increasing its export capacity”, i.e. directly related to increasing the demand. It recognizes the importance of and need to attract foreign students as a way to improve the situation in the higher education sector. The Action Plan is less ambitious than the Report and aims for just a 3% share of foreign students (p15). Is even this target realistic? In 2009/2010 there were 1715

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3 Informatīvais ziņojums par nepieciešamajām strukturālajām reformām augstākajā izglītībā un zinātnē Latvijas starptautiskās konkurētspējas paaugstināšanai, Ministry of Economics, Riga, December 2009.
registered foreign students in Latvia (1.5% of the total number of students). Of those, 816 - or 48% - held Russian, Ukrainian, or Lithuanian passports. Clearly, the biggest proportion of those students is likely to be Latvian residents who have lived all their lives in Latvia and acquired a secondary education in Latvia. The term ‘foreign student’ is therefore somewhat inappropriate. Some 400 Erasmus students studied in Latvia in 2009/2010. These of course are genuine foreigners, but do not bring income to Latvian institutions. The real ‘de facto’ foreign student number is therefore much less than reported.

Even nominally (in contrast to real foreigners arriving to study), reaching the goal of 10% or even 3% foreign students may be tricky. In European Higher Education Area countries (Bologna countries) on average there are 3.5% foreign students, and 6.6% is the EU-27 average. Countries with the highest proportion and total number of foreign students are those with historically established university traditions (2006: UK – 18.3%, Austria – 15.6%, France – 14.6%, Belgium – 14.3%, Germany – 12.8%) and where education is in global languages (English, French, German). Other countries are lagging behind, and there is none except Sweden where the proportion of foreign students exceeds 10%.

It seems that the call for the necessity for English language programmes is finally being heard, as this is a tool to make studies in Latvia accessible to foreigners (see report and action plan mentioned above). Currently there is at least a discussion that provision of programmes and courses in English should be expanded. But is it enough? As noted earlier, shrinking generations is not a uniquely Latvian problem. Similar developments can be observed throughout Central and Eastern Europe. Other countries (like Estonia) are acting fast. For example, while in Latvian Bachelor programmes only basic English is taught, the University of Tartu, from academic year 2010/2011, has launched a new bachelor study programme in Business Administration that is entirely taught in English, and there are twelve master degree programmes in English (including joint degrees). Estonians have also been active in promoting Estonian education in China. As a result, the proportion of foreign students in Estonia already exceeded 4% in 2008. It is entirely possible that Tartu will attain a critical mass of foreigners and become a regional education centre leaving no space for an alternative centre in Riga. For economics and business studies Latvia is, with few exceptions, already far behind.

Little attention has been paid to addressing the other demographic effect – the ageing population and the following old age-dependency problem. Here the demographics at least to some extent work in favour of higher education. An ageing population will most likely increase the demand for further higher education during an individual’s work life, i.e. Life Long Learning, since there will be less young people entering the labour market bringing in the most recent knowledge etc. Furthermore, an ageing population will most likely put pressure on the policy makers to increase the retirement age and thereby increasing the number of years an individual is active in the labour market, which in turn should further increase the demand for higher education among the non-traditional groups. In the analysis of the different scenarios above, it was assumed that the enrolment rate for the group “29 plus” would converge to the EU 27 average after 2013. However, this is something that could definitely be influenced through policy making. An active Life Long Learning policy with the aim, not to ‘rescue’ higher education, but with the aim to strengthen the competitiveness of the Latvian economy in the light of its rapidly changing demographics, would certainly increase the enrolment rate among the non-traditional (29 plus) cohorts. One immediate consequence would be that the
student body will not be dominated by young kids fresh out of school. They will be mature people, probably more confident and demanding, looking for more practical and applicable knowledge. Needless to say, this will require rethinking the curricula as well as of the way studies are organized. If successful, the concept of Life Long Learning will acquire real meaning and substance. A key issue is whether the state funded institutions have the flexibility to accommodate this new ‘market’ or whether the lion’s share of it will be captured by the private institutions with their more flexible organisations and governance structures.

7. Conclusion

This paper discusses the implications for higher education in Latvia arising from changing demographics. So three possible variants based on different assumptions were presented. Higher education in Latvia is facing big changes due to the rapidly changing demographics in the years to come. Exact predictions are impossible given the number of different non-demographic impact factors and the unclear economic situation. All the analysis suggests that under any development scenario the total enrolment will fall. Enrolment will in the foreseeable future never be as high as it was in the early 2000s. By 2020 the number of students in higher education will decrease by 18-38 percent under the alternative scenarios. This implies that the current number of higher education institutions cannot be sustained.

Most likely, tertiary education will continue to rely on local demand for education. Even if the export of higher education is stimulated via accessible programmes (especially the language of instruction), legislation changes and marketing, keeping the present enrolment level is unlikely to be feasible. To illustrate, in order to compensate for shrinking local demand (for example as given by the Stable Enrolment Scenario), by 2020 Latvia would have to attract some 20 thousand foreign students. This means that the number of foreigners in universities would have to rise by a factor of 12 as compared with 2009.

Nearly all developed countries are experiencing the ageing of their populations and shrinking youth cohorts (although at a less dramatic rate than in Latvia); therefore the competition for students internationally is becoming more severe. The real issue therefore is not about competition between universities in Latvia, but about the competitiveness of Latvian higher education internationally in order to keep talented Latvian students in Latvia (to prevent a brain drain) and to attracted talented foreign students.

Informed policy decisions will be required in order to cope with the foreseen oversupply of higher education. There will, for example, be a need to restructure higher education by closing down certain universities, merging programmes, and concentrating resources to attain better quality. There is no (fast) medicine for treating the effects stemming from the rapidly diminishing cohorts. However, there are ways to prevent the higher education system from total collapse following the rapid fall in the demand for its services. A natural way would be to consider the higher education sector beeing a service sector like any other and hence try to identify new markets and services (programmes) to be provided by the educational sector. In this case the ageing population provides an opportunity since it most likely will put more of a policy focus on Life Long Learning. However, Life Long Learning as such is not the remedy – it has to be accompanied by insightful and forward looking policy making accompanied by a willingness from the side of the higher education institutions to adopt to the new
demographic environment and hence to the demands of the ‘non-traditional’ students whose share of the student body will increase in the future.

References


Higher Education to 2030, Volume 1, Demography, Centre for Educational Research and Innovation, OECD, 2008


A view of Lithuania 2001-2008
Appendix

Figure A1. Observed (1998-2010) and projected (2011-2020) age-year specific enrolment ratios in Latvia – SER scenario

Source: Eurostat, author’s calculations

Figure A2. Observed (1998-2010) and projected (2011-2100) age-year specific enrolment ratios in Latvia – GET scenario

Source: Eurostat, author’s calculations
Figure A3. Observed (1998-2010) and projected (2011-2020) age-year specific enrolment ratios in Latvia – CRI scenario

Source: Eurostat, author’s calculations