

WELL-EDUCATED BALTIC STATES

MERGERS HAVE BECOME A NECESSITY

by **Påhl Ruin** illustration **Ragni Svensson**

In order to ascend another rung on the development ladder, all three Baltic countries are engaged in higher education reform. Latvia has the furthest to go.

As the resurrected nations in the Baltic region began their journey to catch up with the West more than 20 years ago, higher education was not a top priority. It was more important to create a market economy and build democratic institutions. And as the common wisdom had it, even back in the Soviet years, “the Balts are poor – but well-educated”. There is a longstanding academic tradition in the region, which is home to some of the oldest universities in Northern Europe. The university of Tartu was founded as early as 1632. As far back as 1897 in Tsarist Russia, for example, 96.7 percent of Estonians could read and write – a considerably higher literacy rate than in many independent nations in Western Europe at the time.

Clearly, the education system sustained serious injury during the Soviet era. First came the deportations: In Lithuania alone, 1,200 teachers were sent to Siberia between 1945 and 1948. The next blow was the ban on independent research, especially in the social sciences, where teaching suffered under the pressure of state ideology. Not all teaching was substandard; the Soviet Republics were among the elite in mathematics and hard sciences like physics. For this reason, what happened in higher education after the liberation was less about the actual knowledge content of education than about setting it free. Let all the flowers bloom, the message seemed to be, and a host of new institutions of higher learning saw the light of day – far too many, according to most estimates today.

Latvia has more than 60 institutions of higher learning, Lithuania 45, and Estonia 30. Resources were diluted and spread among too many academic institutions, and the quality of both research and teaching suffered. The inability to concentrate resources at a few leading universities has put all three countries behind in the education race with other countries in Europe.

“The mistakes made in the 1990s have caused greater damage to higher education than all the years of Soviet rule”, is the scathing criticism delivered by Latvia’s new Minister of Science and Education, the Cambridge-educated philosopher Robert Kilis.

The ability to reverse the trend and reform education has differed markedly among the three countries. As in so many other social dimensions, Estonia has taken the lead. The reduction in the number of institutions – goal number one in all three countries – is a good illustration. In 2002, Estonia had 49 institutions of higher learning; today, that number has been cut to about 30. The turnaround did not come to Lithuania until 2008, and so far only a handful of institutions have been eliminated or merged with others. There has been no reduction in Latvia, but at least the proliferation has been stopped.

HOW THINGS STAND: Estonia has made the most progress, followed by Lithuania, with Latvia last of all. There are several factors underlying Estonia’s lead. Unlike the other two, Estonia started with a cleaner slate in several social dimensions after the liberation. Everyone in leading positions was new, young, and extremely focused on creating ties with the European Community. There was also less faith in authority and hierarchies in Estonia than in Catholic Lithuania. The proximity to Finland made it easier to quickly modernize the country, including higher education. The Estonians realized sooner than the other Balts that mistakes had been made in the crazy years of the 1990s when new institutions of higher learning started rolling off the assembly line, even as coffers were drained and the course offerings grew beyond control.

This led to a backlash and the introduction of standards, regulations, and quality controls. Some believe the regulation of higher education in Estonia has simply gone too far and is impeding universities in their efforts to develop unique profiles and adapt their course offerings to their particular student bodies.

“We have standardized education to the point that

it is stifling creativity and innovation”, says Krista Loogma, head of the Centre of Educational Research at Tallinn University.

The effort to cut the number of institutions – perhaps the most important change to higher education in the Baltic region – is still proceeding in Estonia, but it is even more important that progress on this front be made in Lithuania and Latvia. Attempts to get university rectors and teachers to go along with their schools being merged with others or closed down entirely, however, are not entirely easy. The ministries of education in Riga and Vilnius are also facing opposition from local politicians and other powerful interests who do not want to lose “their university”. As is so often the case, higher education policy becomes regional policy. The ministries are using both carrots and sticks to persuade the reluctant. The smaller institutions that agree to mergers can count on funding from the EU Structural Funds.

The governments hope that fewer institutions will lead to a smaller overall course offerings and that the most glaring anomalies will be eliminated. Students in Latvia can take courses in “banking”, for instance, which in somewhat simplified terms is about counting the cash. In most Western European countries, courses like this would be offered in secondary school. Lithuania has made a bit more progress in weeding out the programs. Once numbering about 1,000, they are now down to 700.

To a certain extent, declining student populations will put a natural end to the problem of too many institutions of higher learning. Birth rates in the Baltic region have been among the lowest in Europe for many years, so the cohorts reaching student age are diminishing. In addition, immigration is low and emigration high – and families with children make up a growing percentage of emigrants.

REDUCING THE NUMBER of institutions is only one of several aims of the higher education reforms currently underway in all three countries. Another goal

is to change how degree programs are funded. For a long time, funding for institutions of higher learning was based on the number of students enrolled the previous year. This is now being rethought, and Lithuania is in the forefront. For the past couple of years, all institutions, private and public, have been allocated funding based on how many students choose a particular school.

“We wanted to send an unmistakable signal to the universities: your funding is entirely dependent on how good you are”, says Lithuanian education and science minister Gintaras Steponavicius.

The effect has been that giants like Vilnius University have attracted more students, while smaller institutions have gained fewer. The new funding model becomes another way to reduce the number of institutions of higher learning. The hope is, of course, that this will lead to higher quality in education when the institutions drop their least popular programs.

THE THREE COUNTRIES

believe quality can also be improved by reviewing how students are personally financing their studies. For many years, financial aid has been so low that almost all students have been forced to work their way through school, sometimes in full-time jobs. As a result, it has taken students a long time to complete their degrees and the quality of education has declined.

This in turn has made ambitious students reluctant to study at institutions in their own country. The Stockholm School of Economics satellite school in Latvia, SSE Riga, demands a completely different pace from its students. I asked a few SSE students about their friends’ studies at the country’s own university.

“Do they actually study there? I hadn’t noticed. My friends who go to the state university just study for tests a few times every term”, says student Ramona Ornovska. “They don’t seem interested in actually learning anything, they just want their diplomas.”

Lithuania has now introduced a student loan system that has quickened the pace of education. The system has encountered criticism, as loan repayment terms have been considered too onerous. Latvia has an eye on the model, and Estonia is in the process of

introducing a similar system, which sparked vociferous student protests last winter. Students say the loans are not sufficient to live on without having to work, which in turn makes it difficult to manage the new, stricter time frames.

Research is another area where all three countries are reviewing their funding models. As in many small European states, it is hard to amass adequate research funds. State budget appropriations declined during the financial crisis of 2009–2010, and the countries are not home to many large corporations with in-house R&D resources. Support for R&D and innovation from the EU Structural Funds has been critically important – but these programs also require co-funding, and finding money has not always been a simple matter.

Latvia came last in the latest EU Innovation Union Scoreboard for “innovation performance” and Lithuania was just a couple of steps higher. Ranking is based on indicators including the size of public sector R&D expenditure, the amount of venture capital available, the number and performance of researchers, and the number of patents.

The countries anticipate that having fewer institu-

tions of higher learning will free up new resources. Further hopes are pinned on an increased partnership with business, particularly in Silicon Valley – like clusters where new research-intensive enterprises will be able to grow and flourish. However, Finnish higher education expert Tero Autio, a professor of curriculum theory at Tallinn University, cautions against making research too dependent on the needs of business: “The outcome is very strong focus on science and technology and on short-term needs. What happens then to the independent, long-term basic research, particularly in the humanities and social sciences?”

This conflict shows up clearly in a third goal of higher education reform in the Baltic countries: educating people for occupations for which there is actually a need.

The Estonian Human Development Report came out last summer. This year’s edition takes an overall look at development since independence in a large number of social dimensions in all three countries. The verdict on education is harsh: “None of the Baltic countries has found the best way to create synergy between higher education, science and innovative economic development.”

To put it bluntly, higher education has not been adapted to the needs of the knowledge society. As Reuters reporter Nerijus Adomaitis in Vilnius puts it, “We are educating slews of business managers while business is crying out for engineers.”

A degree in business management has conferred high social status, especially in Lithuania. However, there have not been enough companies where

people with these degrees could put their skills to use. The social sciences and humanities have also been popular choices, especially since the subjects finally have cast off their ideological shackles. But again, the employment opportunities were just not there. The effect has been that many companies have had to hire people whose qualifications were far too high – but wrong – for the job.

AS MANY COUNTRIES – not just Latvia, Estonia, and Lithuania – have learned, adapting higher education to labor market needs is a balancing act. There is always a risk that a particular industry for which there had been high hopes will be hit by a crisis just as hundreds of hungry recruits are churned out of the university factory. “Listening anxiously to the needs of business all the time can steer you wrong”, says Estonian academic Krista Loogma, whose main research interest is the relationship between education and the labor market.

Yet the problems businesses face finding competent, university-educated employees concern not only the subjects of education, but also its quality. Architect



Lukas Narutis was educated in Lithuania, England, and Holland. He found there were tremendous differences: “The program in Lithuania did not correspond to the demands put on architects today. I worked harder there than at the foreign schools, but I studied things I would have no use for, such as advanced mathematics.”

Minister of Education and Science Kilis has spoken to many employers. He says, “When they hire highly educated staff, they often have to give them further training before they can start working. We simply cannot have that.”

On the subject of education and the labor market, it should be noted that one area where all of the Baltic countries are far behind the rest of Europe is adult education, or, as the EU prefers to call it, lifelong learning. And that applies to both advanced education at the tertiary level and purely vocational training. This kind of further education is four to five times more common in the neighboring countries of Sweden and Finland – even though it is perhaps even more important in the Baltic countries, considering that so many young people are leaving the countries for points west to seek their fortunes, while older people with their inadequate educations stay behind. Kilis says, “I believe continuing education for adults could be a crucial future niche for institutions of higher learning. And technology is making distance learning easier all the time.”

A fourth goal for higher education in the Baltic countries is to improve quality in the teaching profession, especially in Latvia. There are many skilled and highly motivated university teachers in the country, of course, but many of the older teachers, educated during the Soviet era, have had a hard time learning to think in new ways. They were fostered in a hierarchical education system where authority is meant to be obeyed. A common teaching approach is for 200 students to sit and listen to a lecturer whose theories are not open to discussion. “The teachers act too much like lecturers and too little like coaches. They should not only transmit knowledge, they also need to organize seminars and group projects and coach the students to become critically thinking individuals”, says Kilis.

It is obvious that students have been schooled in traditional hierarchical education when they enroll at university, according to Rector Anders Paaltzow of SSE Riga. To date, he has experienced twelve co-

hort years of secondary school graduates from the three countries, most of them Latvians. “They are talented and highly motivated”, he says. “They complete their degrees faster than the Swedish students at SSE in Stockholm. But they still question too little and do not take enough personal initiative.”

The authority-bound education system is not only a legacy of the Soviet years. In Lithuania, the Catholic Church and the

Jesuits have had strong influence on education. Sarunas Radvilavicius, who teaches at Vilnius University and has spent extended periods teaching in Norway, sees a great difference between the students: “My students in history and Nordic society are talented, but they never challenge me. They seldom ask the critical questions I became accustomed to in Norway.”

IN ORDER TO improve teaching, teachers must help students develop critical thinking skills. They must tell them about new research that turns old theories upside down. Yet, this is difficult if they do not conduct their own research alongside teaching – and far too few of them do. There are only about 6,000 teachers in Latvia with PhDs. “That is no more than at a single medium-sized European university”, sighs Kilis. “Far too many of them are leaving academia. I have at least five friends with PhDs who are working in banking. It is absurd. You don’t need a PhD to work at a bank!”

One of the biggest challenges is raising the status of university teachers – and their pay. This is no easy task in an economy that is only now starting to recover after the free fall during the financial crisis, a tumble that could not be stopped without a bailout from the EU and the IMF. Kilis, however, believes the money can be found if priorities are rearranged: “Too much money has been spent on shiny new buildings, administration, and functions that have nothing to do with the actual teaching or research. Why should a university have 12 people in a PR department?”

One way to increase the skills of the teaching profession is to expand the university’s international networks and get stimulus from the outside, which is a fifth goal for higher education in the Baltic countries. The quality of research being conducted at Baltic universities varies, of course, as in many other European countries. One obvious problem, at least in Latvia and Lithuania, is that some research lacks any international outlook. Anders Paaltzow at SSE Riga, who keeps abreast of the economic literature, notes that “academics refer far too rarely to current international research reports. A great deal is written in Latvian only, and as a result, the system reproduces itself. Professors who learned the old way are passing this on”.

Kilis thinks the situation has improved, but much remains to be done. “Some teachers are leery of international competition. In some places, being able to speak fluent Latvian is a requirement, which precludes these important outside stimuli”, he says. “But I still see that people are beginning to think anew.”

The internationalization of higher education is progressing in Lithuania too – but not to universal acclaim. Publication in international journals is not especially prized, according to a young academic who wants to remain anonymous to avoid offending his older colleagues. “Getting published here in Lithuania is considered more important. And people who talk about their international scholarly networks are met with envy rather than appreciation”, he says.

CONCERN ABOUT protecting the national language is one explanation for the resistance to allowing English to make inroads in academia. Estonian, Latvian, and Lithuanian were threatened by the tidal wave of Russian during the Soviet era. In Lithuania, Polish has also been considered a threat, considering that Vilnius and large parts of southern Lithuania were part of Poland

during the interwar years. However, the desire to attain international status will probably outweigh these concerns in the long run. These days, protecting the language is something of a non-issue in Estonia. Lithuanian education and science minister Steponavicius says that Lithuania is not at risk and his ministerial colleague in Latvia says – in perfect British English – that the capacity to attract foreign students and researchers is a matter of survival for universities.

Today, only 1–2 percent of students in all three countries are foreign, which translates to about 2,000 students in Lithuania, the largest of the three. The target is at least 10 percent, which means they must expand the number of courses taught in English. “If the Nordic universities can internationalize without any harm to their languages, we should be able to also”, says Steponavicius. He believes that most foreign students could be drawn to the Baltic region from countries in the east, such as Kazakhstan, Azerbaijan, Armenia, Ukraine, and Belarus.

The Erasmus program has brought students from elsewhere in the EU to the Baltic countries since they became member states in 2004, and not only from the neighboring Nordic countries. There are 70 Spanish Erasmus students in Latvia this year, for example. More teachers are coming to the Baltic countries as guest lecturers, and more Baltic teachers are spending time at other European universities. In addition, the European partnership in higher education has accelerated thanks to the Bologna Process, in which the Baltic countries are included. The aim of the process is to make academic degrees easier to compare, which facilitates cross-border studies and research.

IT IS NO SURPRISE that efforts to bolster higher education have been given increasingly high priority in the Baltic countries. After having positioned themselves as low-wage countries in the 1990s, Latvia, Lithuania, and Estonia have realized since the turn of the century that their future is not in attracting labor-intensive production. That type of production, in the textile industry for example, has already moved eastwards, where wages are lower still. The Baltic countries can certainly still give shelter to simpler manufacturing industries, but to equip the countries to take the next step they must develop their own high-performance enterprises that can sell their products and services in the global market. For this to become a reality, they must have a top-notch education system.

Countries with the best universities are countries that have become wealthy and achieved a high level of development. The correlation is crystal clear: the top 20 universities in the world are all in the United States, the United Kingdom, and Canada, according to QS World University Rankings. Baltic universities have quite a way to go to reach the top of the European heap. None qualifies for the Top 500 list, which includes a few institutions in former Warsaw Pact countries like the Czech Republic and Poland. Yet, after a couple of stormy decades, several of the universities have at least begun the journey towards European excellence. ✖

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