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Panel 1

Keynote Address by

DANIELS PAVLUTS

Minister for Economics, Republic of Latvia

Ladies and Gentlemen,

Today I would like to share some thoughts with you about peering over a hedge. Firstly I would like to consider the nature of the hedge that we should actually be peering over. Western European visitors to Latvia – or any post-Soviet European state – often make a rather unexpected observation. In post-Soviet Europe, cafés and restaurants are almost exclusively full of young people, while senior citizens are conspicuously absent. Clearly, it is the young people in these countries who have money to spend and enjoy going out and socializing.

This trend contrast sharply with the habits in so-called ‘old’ Europe, where it is usually seniors who often crowd cafés and restaurants. This can give the impression that retired people in Western Europe have all the time and money in the world. I wonder if this may be due to a difference in the paradigms for growing old in Western and post-Soviet Europe.

This observation reflects what can be seen as a distinction between the concepts of passive and active retirement. Societies that promote active retirement are more suited to prolonging the active lifespan of their members. At the moment, however, the passive retirement concept dominates in Latvia. Such perceptions clearly impact the economic potential of a society among other things.

However, passive retirement currently dominates in Latvia not due to any conscious choice on the part of its people, but primarily due to the historical mindset and socioeconomic implications of a transition economy. I am sure that the lifestyle of Swedish or German pensioners is something that Latvians dream about. However, is there anything wrong with the passive retirement concept?

The problem is clear – Latvia is getting older, much older, as a society. This is not a unique phenomenon, of course; but combining it with the mindset of passive retirement changes the overall perspective for a country’s economy and its education system.

As it turns out, the hedge that Latvia should be peering over is really an age hedge. I would like to focus on how Latvia has already peered over the hedge and looked for new ways to utilize potential based on our existing resources.

Europe’s populations are not only greying, so are its economies. This may be a good thing, as long as we learn to take advantage of it. Peering over the age hedge is not only about increasing the retirement age. We also have to become more competitive and productive. How can Europe achieve this? One of the obvious answers is learning, lifelong learning. Europe is unlikely to produce numbers of engineering graduates comparable to those of China anytime soon, but it can excel at lifelong learning.

With our demographic situation, we cannot afford to focus exclusively on teaching young people, as this will not cover our labour force needs. We have to find innovative ideas on continuing learning and prolonging our active life. The challenge is: how do we design a system accessible across the board regardless of where people live and work?

In Latvia we decided to use the most accessible and extensive network of public institutions available to us, namely public libraries; and we turned these libraries into universally accessible lifelong learning centres.

We did not simply install computers and internet connections nationwide (including the most remote locations); we made sure that we trained librarians to become leaders in their local communities, as well as trusted guides in the knowledge world. We also provided engagement programs for all age groups: job search groups, interest-based groups, community organizing, career services and professional development. Libraries serve as knowledge and community

centres, access points and one-stop shops for e-government services.

Peering over the hedge worked well for us in Latvia, where surveys show that people now view libraries as cultural and information centres, and not just as book stores. Libraries help people to remain economically and socially active, as well as to access vital resources and services.

There is a story behind every computer: an old lady who studied online for her drivers' licence test, an unemployed person who found a job at a library, a 50 year-old student who attended an online training course, etc. These stories tell of countless active, productive lives that can make a real difference to Latvia's economy.

Our lesson is that of using existing institutions to provide vital services to the broadest possible audience in order to increase competitiveness and well-being. Public libraries have proven part of the solution to our ageing puzzle in Latvia. Peering over the hedge, however, we can see many other challenges that lie ahead.

To conclude, let me raise a few questions relating to education and the economy in Europe. Given the importance of boosting our competitiveness, it may be time to rethink our perceptions and approaches to education economics, especially in terms of what kind of investment provides the best return on investment? Are our institutions ready to provide life-long learning in the context of workforce mobility? Should mid-life retraining be seen as a basic public good that is equally as important as educating our youth?