

Theme: Facing parliamentary elections in Latvia

Making welfare work: science and education in action

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With this publication, Latvian Academy of Sciences inaugurates a series of articles aimed at “assisting” the general public in political and economic sense approaching coming parliamentary elections this fall. The first article is about science and education as the basic elements in the national perspective growth strategy.

It is a trivial notion that science and education are two main blocks on which any country’s progress is based. However, there are more fundamental prerequisites for a stable growth in a welfare society: a) the sense of trust, i.e. “public respect”, and b) long-term strategy. Actually, these two elements go hand-in-hand: one cannot exist without the other.

As to the first, trust and respect are going to be overwhelming: respect to each other, trust to government and public authorities, as well as in numerous existing public institutions. Besides, there should be trust in entrepreneurship, research and expert opinion. This is this “sense of trust” that makes any society stable and its business successful.

The second is vital as well: the long-term vision of development is a paramount factor in supporting education, research, fundamental and applied science, art and culture.

These two factors provide a solid background to a welfare state; while dwelling on some issues in the first “element”, however, we shall start with discussing the second one – **the role of science, research and education.**

Welfare society

Latvian main socio-economic aim in development –according to the country’s constitution – is towards creating a *welfare society*. Welfare concept means that all people living in the country are having a fair share of created wealth, i.e. goods and services produced in the country. Therefore major economic growth strategy shall be oriented towards “maximizing output” of public governance in increasing national wealth.

In general that means compiling such national political economy’s structures that correspond to highly competitive goods and services in Europe and the world (e.g. in line with the so-called global value chains, GVCs). Being competitive a country has to create a solid production network based on the latest achievements in science and technology; the latter can be made with the help of progressive education process.

Thus, the welfare concept and long-term national development are intervened with science, technology, innovations and education.

National narrative

National growth strategy, in the form of a *Latvian narrative**), shall combine all perspective growth spheres into a single development strategy. Narrative formation needs comprehensive analysis of strategy's "internal forces", which consist mainly of political, economic and legislative "blocks"; generally, corresponding to the power balance among legislative, executive and judicial branches.

*) More on narrative see in: Eteris E. **Latvia in Europe and the world: growth strategy for a new centennial**. –Zinātne Publish., Rīga, Latvia. 2018. – 208 pp.
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In the narrative, both "external" factors (global and European challenges) and "internal" factors (political will, governance and trust) play a decisive role in forming Latvian approaches to political economy. Besides, national political and economic potentials shall be used actively: for example, through "green" and circular economy, active use of ICT, supporting progressive SMEs, etc. In this regard, challenges in labour market shall be considered as well: the "next generation of internet" and other achievements can make national economy "immune-resistant" to any unexpected risks.

Latvian narrative can serve as a background to design a policy connecting Latvian development with the European values and concepts of integration, mobilizing "Latvian spirit" towards welfare society. In order for the Latvian narrative to materialize, there shall be established a "social contract" among Latvian citizens coped with a strong social belief in contributing to Latvian "political agenda" in line with the well-functioning Latvian political economy.

Therefore, the Latvian narrative shall include such "parameters" as the national long-term development directions, the EU political/economic guidance and challenges from the globalization and the 4th industrial revolution. The European Union's idea of smart specialisation (so-called 3S platform) for the member states makes it easier for the Latvian political economy to proceed along the already scientifically designed paths in progressive development. The role of politicians is to deliver these ideas to the general public and see that the Latvian community is correctly implementing them.

On the waves of the 4th industrial revolution

Evidences of present changes abound: mobile supercomputers, artificially-intelligent robots, self-driving cars, neuro-technological brain enhancements and genetic transformations, to name a few. Historic transformation periods in the previous "revolutions" have been profound too; but the ramifications of the latest technological revolution are more important than in any other period in human history.

The "new revolution's" general impact and consequences can be seen in three main components as megatrends: *physical*, *digital*, and *biological*. All three are closely interrelated, though each is having its own importance on peoples' lives.

Among *physical “manifestations”*, there are such aspects as autonomous vehicles, 3D printing, as well as advanced robotics and new materials, e.g. graphene.

The *digital component*, often called “internet of all things” (IoT), revolutionizes present relationships between “things” around people and among them (products, services, places, etc.), such as Uber, Airbnb and Alibaba.

Innovations in *biological realm* as well as in genetics in particular, are going to be the breath-taking components as well, including those concerning public health.

Numerous and dramatic changes occur in modern world which are in exponential speed fundamentally transform people’s life through mobile supercomputers, artificially-intelligent robots, self-driving cars, neuro-technological and genetic achievements. These changes, in line with the 4th industrial revolution, will have serious implications for national policies and economic governance in Latvia in the years to come.

These ideas have been presented at the last World Economic Forum already in January 2016; about Forum’s revolutionary insight into the global future see in: E. Eteris. *Davos proclaims the “fourth industrial revolution”* in: http://www.baltic-course.com/eng/editors_note/?doc=16003.

Expected reforms

All those “revolutionary changes” described above will penetrate Latvian political economy through numerous reforms, of which most important are those providing “symbiosis” among science, creativity, innovation and entrepreneurship.

The basics for delivering on such “symbiosis” are grounded in universities and other high-schools: they have to be the institutions that serve the public’s welfare policy and help to increase perspective growth.

The reforms are going to be overwhelming: starting from changes in the public governance, in regulating businesses and in transforming educational systems (e.g. small faculty’s method widely used in foreign countries).

Modern digital development is a challenge to society and governments in order to decide what and how to use the emerging facilities: however, it’s going to be under regulated social and government’s control. Numerous examples in several countries have shown that new technologies often represent serious societal problems, including cultural and ethics’ issues. Recent huge technology conference in Denmark (so called “techfestival”) has shown that digital “giants” like Google, Amazon, Facebook, Apple and Twitter represent a threat to peoples’ personal data. The EU has taken the lead in adopting a data protection directive.

For example, Danish “digital diplomacy” with the technology ambassador in the US Silicon Valley is a step towards effective “dialogue” among the “giants” and global community. There is already an initiative to create a position of the UN High Commissioner for human rights in the Silicon Valley. It is right that societies have to take seriously their “digital future”: in France, for example, there is already a post of technology minister responsible technical aspects in science and ethics...

Estonia, Latvia and Lithuania are the first EU states to adopt modern transportation legislation, which regulates “ride-sharing”. The Baltic States serve as the role model, Finland, Croatia and Portugal also updated their legal framework in “shared transport”. The legislation, generally, is about a very important problem: establishing trust in the digital world. In Estonia, e.g. “mobile identity” already provides many opportunities. Services are moving online, which makes them faster and more affordable. The common barrier hindering online business is lack of trust between counterparties.

Latvia as a “small great nation”

Making a country “great” means several things: economically, politically, cultural, etc. Alongside such aspects as welfare, happiness general growth, there are science achievements’ factors that make all goods/services exports profitable and known in the world.

Creativity can be taught in universities as well: besides “reproduction of knowledge”, universities have to be creative and inquisitive in challenging the outdated patterns and being critical to dogmas while ready for new waves of global digitalisation. “Philosophical” approach in universities shall be combined with “technological” one in order to increase the value and urgency on the given knowledge.

Scientific background and creativity are “two elephants” on which a great nation is built; in this regard, the educational system shall be treated as a long-term investment, rather than as a chapter in the next financial legislation. Though 2 percent of GDP for science and research required by the EU-2020 strategy is a *sine qua non* of the Latvian budgetary process! Research and education are just as art and culture: these things are not “given from above”, people have to create them.

Conclusion

Latvian politicians, i.e. in the government and the national parliament have to stand by the Latvian citizens’ interests; they have “to echo” the people’s voice. Only Latvian people can truly describe the country’s future, that’s why the country’s leaders have to hear people’s intentions and desires.

The task of “forming a proper vision” of Latvian future shall be taken seriously; it would finally direct Latvian economy towards progressive growth and peoples’ wellbeing. May be a national vision about “Latvia in 2030 or 2050” is needed be adopted as a national program? For this to happen, the opinion of politicians, business people, scientists and intellectuals shall be viewed through a national dialogue on a “good nation” with a progressive development model.

In this regard, for example *political aspects* in the narrative can include the following issues: first, formation of strategic developmental aim and growth patterns; second, formulating “tactical steps”, i.e. political priorities for each growth period; third, properly informing the public about the government’s measures: that would help in getting general public’s support for a renewed national agenda.