

DAUGAVPILS UNIVERSITĀTE
DAUGAVPILS UNIVERSITY

DAUGAVPILS UNIVERSITĀTES ZINĀTŅU DAĻA
SCIENCE DEPARTMENT OF DAUGAVPILS UNIVERSITY

DAUGAVPILS UNIVERSITĀTES JAUNO ZINĀTNIEKU ASOCIĀCIJA
DAUGAVPILS UNIVERSITY ASSOCIATION OF YOUNG RESEARCHERS

**DAUGAVPILS UNIVERSITĀTES
57. STARPTAUTISKĀS ZINĀTNISKĀS
KONFERENCES RAKSTU KRĀJUMS**

**PROCEEDINGS OF THE 57th
INTERNATIONAL SCIENTIFIC CONFERENCE
OF DAUGAVPILS UNIVERSITY**

B. DAĻA. SOCIĀLĀS ZINĀTNES

PART B. SOCIAL SCIENCES

DAUGAVPILS UNIVERSITĀTE
AKADĒMISKAIS APGĀDS „SAULE”
2015

Apstiprināts Daugavpils Universitātes Zinātnes padomes sēdē 2015. gada 21. decembrī, protokols Nr. 20.

Zuģicka I. sast. *Daugavpils Universitātes 57. starptautiskās zinātniskās konferences rakstu krājums. B. daļa "Sociālās zinātnes" = Proceedings of the 57th International Scientific Conference of Daugavpils University. Part B "Social Sciences"*. Daugavpils: Daugavpils Universitāte, 2015.

Daugavpils Universitātes 57. starptautiskās zinātniskās konferences Programmas komiteja

Dr.biol., prof. Arvīds Barševskis (Daugavpils Universitātes rektors, Programmas komitejas priekšsēdētājs)
Dr.biol., asoc.prof. Inese Kokina (Daugavpils Universitātes Zinātņu prorektore, priekšsēdētāja vietniece)
Dr.phys., prof. Edmunds Tamanis (Daugavpils Universitātes Zinātņu daļas vadītājs, koordinators)
Dr.biol., prof. Ingrīda Šauliēne (Šauļu Universitāte, Lietuva)
Dr.philol., prof. Bronūs Maskuļūns (Šauļu Universitāte, Lietuva)
Dr., prof. Enne Koresaare (Tartu Universitāte, Igaunija)
Dr.habil.philol., prof. Irina Belobrovceva (Tallinas Universitāte, Igaunija)
PhD, prof. Ulla Harkonena (Joensuu Universitāte, Somija)
Dr.paed., prof. Malgorzata Susvillo (Varnijas un Mazuru Universitāte Oļštinā, Polija)
Dr.phil., prof. Genādijs Šafranovs-Kucevs (Tjumeņas Valsts universitāte, Krievija)
Dr.habil.sc.ing., prof. Slavomirs Partickis (Jāņa Pāvila II Ļublinas Katoliskā universitāte, Polija)
Dr.oec., prof. Elena Vankeviča (Vitebskas Valsts Tehnoloģiskā universitāte, Baltkrievija)
PhD, prof. Geoffrey R.Swain (Glasgovas Universitāte, Lielbritānija)
Dr.habil.biol., prof. Jaroslavs Sklodovskis (Varšavas Dzīvības Zinātņu Universitāte, Polija)
Dr.habil.art., prof. Romualdas Apanavičius (Vītauta Dižā universitāte, Lietuva)
Dr.habil.art., prof. Ludmila Kazanceva (Astrahaņas konservatorijas un Volgogradas Mākslas un kultūras institūts, Krievija)
Dr.oec., asoc.prof. Elita Jermolajeva (Latvijas Lauksaimniecības universitāte)
Dr.habil.philol., prof. Fjodors Fjodorovs (Daugavpils Universitāte)
Dr.philol., prof. Vilma Šaudiņa (Daugavpils Universitāte)
Dr.habil.philol., prof. Zaiga Ikere (Daugavpils Universitāte)
Dr.hist., prof. Aleksandrs Ivanovs (Daugavpils Universitāte)
Dr.hist., prof. Irēna Saleniece (Daugavpils Universitāte)
Dr.paed., prof. Elfrīda Krastiņa (Daugavpils Universitāte)
Dr.habil.paed., Dr.habil.psych., prof. Aleksejs Vorobjovs (Daugavpils Universitāte)
Dr.sc.soc., prof. Vladimirs Meņšikovs (Daugavpils Universitāte)
Dr.phys., prof. Valfrīds Paškevičs (Daugavpils Universitāte)
Dr.biol., prof. Artūrs Škute (Daugavpils Universitāte)
Dr.paed., prof. Aleksandra Šļahova (Daugavpils Universitāte)
Dr.art., prof. Ēvalds Daugulis (Daugavpils Universitāte)
Dr. iur., prof. Vitolds Zahars (Daugavpils Universitāte)
Dr.paed., prof. Ilga Salīte (Daugavpils Universitāte)
PhD, asoc.prof. Dzintra Iliško (Daugavpils Universitāte)
Dr.psych., asoc.prof. Irēna Kokina (Daugavpils Universitāte)
Dr.paed., asoc.prof. Edgars Znutiņš (Daugavpils Universitāte)

Daugavpils Universitātes 57. starptautiskās zinātniskās konferences Rīcības komiteja

Inese Zuģicka, Uldis Valainis, Kristīna Aksjuta, Zeltīte Barševska, Henrihs Soms, Juris Soms, Ludmila Aleksejeva, Mārīte Kravale-Pauliņa, Eridiana Oļehnoviča, Daiga Zviedrāne, Miervaldis Mendriks.

***Daugavpils Universitātes 57. starptautiskās zinātniskās konferences rakstu krājuma redkolēģija /
Editorial staff of the 57th International scientific conference of Daugavpils University***

Dr.biol., Mg.vid.zin., doc. Dāvis Gruberts (*vides zinātnes/ environmental sciences*)

Mg.vid.plān., lekt. Dainis Lazdāns (*vides zinātnes/ environmental sciences*)

Dr.biol., pētn. Jana Paidere (*vides zinātnes/ environmental sciences*)

Dr.phys., prof. Valfrīds Paškevičs (*fizika/ physics*)

Dr.biol., doc. Līga Antoņeviča (*veselības zinātnes/ healthy sciences*)

Dr.biol., doc. Irēna Kaminska (*veselības zinātnes/ healthy sciences*)

Dr.jur., prof. Vitolds Zahars (*tiesību zinātnes/ law*)

Dr.oec, doc. Ludmila Aleksejeva (*ekonomika/ economic*)

PhD, asoc.prof. Dzintra Iliško (*pedagoģija/ pedagogy*)

Dr.psych., asoc.prof. Aleksejs Ruža (*psiholoģija/ psychology*)

Dr.philol., prof. Maija Burima (*filoloģija/ philology*)

Dr.philol., pētn. Žans Badins (*filoloģija/ philology*)

Dr.philol., asoc.prof. Sandra Meškova (*filoloģija/ philology*)

Dr.philol., doc. Svetlana Polkovņikova (*filoloģija/ philology*)

Dr.hist., prof. Aleksandrs Ivanovs (*vēsture/ history*)

Dr.hist., prof. Irēna Saleniece (*vēsture/ history*)

Dr.arch., pētn. Ilmārs Dirveiks (*mākslas zinātnes/ art*)

Mg.art., Mg.paed., pētn. Zeltīte Barševska (*mākslas zinātnes/ art*)

Atbildīgā par izdevumu / Responsible for the Edition

Inese Zuģicka (inese.zugicka@du.lv)

Daugavpils Universitātē docētāju un studējošo zinātniskās konferences notiek kopš 1958. gada. Konferencēm ir starpdisciplinārs raksturs un tajās piedalās gan studējošie, gan docētāji, gan arī ievērojami zinātnieki no dažādām pasaules valstīm. Daugavpils Universitātes 57. starptautiskās zinātniskās konferences pētījumu tematika bija ļoti plaša – eksaktās, humanitārās, izglītības, mākslas un sociālo zinātņu jomās.

Zinātnisko rakstu krājumā *Daugavpils Universitātes 57. starptautiskās zinātniskās konferences rakstu krājums = Proceedings of the 57th International Scientific Conference of Daugavpils University* apkopoti 2015. gada 16.–17. aprīlī konferencē prezentētie materiāli.

Daugavpils Universitātes 57. starptautiskās zinātniskās konferences rakstu krājums tiek publicēts 3 daļās: A. daļa. *Dabaszinātnes*; B. daļa. *Sociālās zinātnes*; C. daļa. *Humanitārās zinātnes*.

The annual scientific conferences at Daugavpils University have been organized since 1958. The themes of research presented at the conferences cover all spheres of life. Due to the facts that the conference was of interdisciplinary character and that its participants were students and outstanding scientists from different countries, the subjects of scientific investigations were very varied – in the domains of exact sciences, the humanities, education, art and social sciences.

The results of scientific investigations presented during the conference are collected in the collection of scientific articles *Proceedings of the 57th International Scientific Conference of Daugavpils University*.

Proceedings of the 57th International Scientific Conference of Daugavpils University are published in three parts: part A. *Natural sciences*; part B. *Social Sciences*; part C. *Humanities*.

SATURS / CONTENTS

EKONOMIKA / ECONOMY

| | | |
|---|---|----|
| <i>Justīne Sofija Jaunzeme</i> | APARTMENTS' FAIR VALUE ESTIMATE | 6 |
| <i>Svetlana Jesiļevska</i> | SOME NOTES ON STATISTICS ON INNOVATIONS AND INNOVATION SUPPORT POLICY IN LATVIA | 13 |
| <i>Jelena Ladīgina</i> | FACTORS CAUSING IN-WORK POVERTY IN LATVIA AND OTHER COUNTRIES OF THE EUROPEAN UNION | 29 |
| <i>Sandra Murinska-Gaile</i> | THE ROLE OF PUBLIC RELATIONS PRACTICES IN THE LATGALE REGION LOCAL COMPANIES | 37 |
| <i>Elīna Radionova, Renāte Vidruska</i> | CONSUMER LOYALTY EVALUATION: EMPIRICAL EVIDENCES FROM LATVIAN TELECOMMUNICATION COMPANY | 48 |
| <i>Renāte Vidruska</i> | THE ROLE OF META-ANALYSIS IN MARKETING AND MANAGEMENT | 59 |

PEDAGOĢIJA / PEDAGOGY

| | | |
|---|---|----|
| <i>Olga Gloņina, Mihails Zaščerinskis, Jeļena Zaščerinska, Natalia Andreeva</i> | CONTEXT OF ENTREPRENEURSHIP EDUCATION IN LATVIA | 69 |
| <i>Lolita Šteinberga</i> | ANIMATION FILM MAKING EXPERIENCE IN LATVIAN LANGUAGE LESSONS IN PRIMARY SCHOOL | 76 |
| <i>Vita Stīge-Škuškovnika, Jeļena Davidova</i> | COOPERATION-ORIENTED LEADER'S COMPETENCE FOR DEVELOPMENT OF INSTITUTION OF VOCATIONAL MUSIC EDUCATION | 84 |

PSIHOLOĢIJA / PSYCHOLOGY

| | | |
|------------------------------------|---|----|
| <i>Maija Ivanova, Irēna Kokina</i> | ANALYSIS OF PERSONAL AND ORGANIZATIONAL CULTURE VALUES AT PUBLIC AND PRIVATE INSTITUTIONS | 93 |
|------------------------------------|---|----|

TIESĪBU ZINĀTNE / LAW

| | | |
|---|---|-----|
| <i>Jeļena Amosova</i> | CLASSIFICATION PECULIARITIES OF MURDERING AN UNDERAGE PERSON IN THE CRIMINAL LAW OF THE REPUBLIC OF LATVIA | 108 |
| <i>Vadims Kalašņikovs</i> | PECULIARITIES OF THE CRIMINAL LAW DEVELOPMENT METHODOLOGY AND ITS CURRENT PROBLEMS | 115 |
| <i>Marina Kamenecka-Usova</i> | INSTITUTE OF MEDIATION | 121 |
| <i>Jānis Teivāns-Treinovskis, Deniss Ignatovs</i> | IS LATVIAN JUVENILE JUSTICE A UTOPIA OR AN UNAVOIDABLE PERSPECTIVE? | 127 |
| <i>Ārija Vitte</i> | HISTORICAL DEVELOPMENT OF ADOPTION | 133 |
| <i>Karina Zalcmāne</i> | FOOTBALL FANS AS AN INFORMAL ASSOCIATION OF SUPPORTERS WITH SIGNS OF CRIMINAL BEHAVIOR IN LATVIA AND ABROAD | 138 |

EKONOMIKA / ECONOMY

APARTMENTS' FAIR VALUE ESTIMATE

Justine Sophia Jaunzeme

Ventspils University College, Inženieru Street 101a, Ventspils, LV-3601, Latvia
justinej@venta.lv

Abstract

The estimate of apartments' fair value

Keywords: *real estate, apartments, fair value, econometric model, International Valuation Standards.*

According to International Valuation Standards (abbreviation – IVS), fair value is the estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties, that reflects the respective interests of those parties.

Since apartments are a category of real estate, methods of real estate valuation are applicable to estimation of apartments' fair values. In IVS as well as in other literature, various real estate valuation methods, which can be of use for determination of apartments' fair value, are presented. These methods are market or sales comparison, income, cost and econometric methods.

The purpose of this paper is to analyze and to compare the real estate valuation methods presented in the literature, by considering their applicability to apartments' valuation, as well as to explain the apartments' fair value estimate with a practical example.

The research methods are methods of economic analysis and econometrics.

As a result of research, the author concludes that a combination of the three real estate valuation methods explained in the IVS, that is, market, income, and cost methods, is advisable in order to improve the quality of apartments' fair value estimates. Econometric real estate valuation method allows for synthesis of the three methods' elements; therefore the application of this method is recommended.

Kopsavilkums

Dzīvokļu īpašumu patiesās vērtības aplēse

Atslēgvārdi: *nekustamais īpašums, dzīvokļi, patiesā vērtība, ekonometriskais modelis, Starptautiskie vērtēšanas standarti.*

Saskaņā ar Starptautiskajiem vērtēšanas standartiem (saīsināti – SVS) patiesā vērtība ir cena, ko saņemtu no aktīva pārdošanas vai kas būtu jāmaksā, lai nodotu saistības darījumā starp identificētām, ieinteresētām un zinošām personām un kas atspoguļo darījuma pušu specifiskās intereses.

Tā kā dzīvokļi ir viena no nekustamā īpašuma kategorijām, dzīvokļu īpašumu patiesās vērtības noteikšanā izmanto nekustamā īpašuma vērtēšanas metodes. SVS un literatūrā ir skaidrotas dažādas nekustamā īpašuma vērtēšanas metodes, kuras nodē dzīvokļu īpašumu patiesās vērtības noteikšanai. Šādas metodes ir, piemēram, tirgus jeb salīdzinošo darījumu metode, ienākumu, izmaksu un ekonometriskās metodes.

Šī raksta mērķis ir analizēt un salīdzināt literatūrā skaidrotās nekustamā īpašuma vērtēšanas metodes, izvērtējot to pielietojamību dzīvokļu īpašumu patiesās vērtības noteikšanā, kā arī ilustrēt dzīvokļu īpašumu patiesās vērtības aplēsi ar praktisku piemēru.

Pētījumā izmantotas ekonomiskās analīzes un ekonometriskās metodes.

Pētījuma rezultātā autore secina, ka kvalitatīvākas dzīvokļu īpašumu patiesās vērtības aplēses iegūšanai, ir ieteicams triju SVS paredzēto nekustamā īpašuma vērtēšanas metožu – tirgus, ienākumu un izmaksu metožu apvienojums. Ekonometriskā īpašuma vērtēšanas metode dod iespēju sintezēt tirgus, ienākumu un izmaksu metožu elementus; tālab šīs metodes piemērošana dzīvokļu īpašumu patiesās vērtības aplēsē ir ieteicama.

Introduction

Apartments are a category of real estate; and real estate valuation methods are applicable in determination of apartments' fair value. The professional practice of real estate appraisers is regulated by International Valuation Standards (in abbreviation – IVS), in which the main methods of real estate valuation are provided.

The aim of this paper is to analyze and to compare the real estate valuation methods, provided in the IVS and in other real estate industry publications, by evaluating the applicability of these

methods to apartments' fair value estimation, as well as to illustrate the apartments' fair value estimation with a practical example.

The methods of economic analysis, synthesis and econometric methods are applied in the research.

The concept of fair value

The concept of fair value is found in standards which regulate professional real estate appraisal, in theoretical finance and in financial accounting.

According to IVS, fair value is the price for the transfer of an asset or a liability between identified knowledgeable and willing parties that reflects the respective interests of those parties. (International Valuation Standards Council, 2013).

In IVS, it is emphasized that fair value should be distinguished from market value. Fair value of an item reflects the particular advantages and disadvantages that certain attributes of this item present to specific buyers and sellers, while market value disregards the interests of any specific market participants. (International Valuation Standards Council, 2013).

Joshua Kahr (2005) and Michael C. Thomsett (2005) in their paper „Real estate market valuation and analysis” and International Valuation Standards Council (2013) present three methods of real estate valuation:

- market or sales comparison method,
- income method, and
- cost method (Kahr, Thomsett, 2005).

The market or sales comparison method implies the valuation of real estate by reference to observed market prices of other analogous property objects. The application of income method is carried out, by estimating the value of real property as the discounted present value of cash flows which are expected to be derived from this property. The cost method allows the appraiser to determine the replacement cost of real property. The replacement cost of property represents the highest possible value of this property, under assumption that no buyer will be willing to pay for this property a price which exceeds its replacement cost (International Valuation Standards Council, 2013).

The author of this paper holds an opinion that for a real estate valuation of higher quality, it is necessary to combine two or more methods mentioned above. For example, if income and cost methods are both applied in the valuation of real property, the property's market value is determined as the discounted present value of future cash flows, which are expected from this property, under a condition that the discounted present value does not exceed the replacement cost of this property.

The auction mechanism reveals the attitudes of specific buyers towards the property that is being valued, the benefits and disbenefits which this property presents to the respective buyers, thus enabling a quantitative estimate between fair value and market value to be made.

The econometric model of real estate valuation

US author Ramu Ramanathan (1993) expresses an opinion that an econometric model may be applied for real estate valuation. It is possible to construct the econometric model as one-factor or multi-factor linear or non-linear regression $y=f(x_1 \dots x_n)$, where y stands for fair value estimate of a real property and factors, which influence this fair value estimate are denoted by x . As necessity arises, the variables x may also be defined as binary variables, which assume only values 0 or 1 (Ramanathan, 1993).

In the opinion of the author, an econometric model allows the appraiser to perform a complex study on the influence that various factors exert on the revenue and expenses associated with a real property object and on the value of this object. On the other hand, if only one of the three valuation methods provided by IVS is used in valuation, the influence of all substantial factors on real estate values is not encompassed.

It is possible to substantiate the fair value estimate of a real property object with the potential sales price of this object. By basing on the research about the dependence of family homes' sales prices on various factors that was carried out in 1990 in the U.S. San Diego area, Ramu Ramanathan (1993) offers the following econometric model for estimation of potential sales prices of single-family homes:

$$y = f(x_2, x_3, x_4, x_5, x_6, x_7, x_8, x_9, x_{10}, x_{11}, x_{12}),$$

with the following denotations of variables -

y – sales price of a house, in thousand U.S. dollars,

x_2 – size of a land plot, in acres (1 acre = 0,404 ha),

x_3 – the size of the master bedroom, in square feet (1 foot = 30,48 cm),

x_4 – age of a house, in years,

x_5 – number of bedrooms,

x_6 – number of bathrooms,

and binary variables –

$x_7 = 1$ if house has a nice view, $x_7 = 0$ if opposite is true,

$x_8 = 1$ if house has a swimming pool, $x_8 = 0$ if opposite is true,

$x_9 = 1$ if it is permitted to keep horses on the property, $x_9 = 0$ if opposite is true,

$x_{10} = 1$ if house is provided with a spring water, $x_{10} = 0$ if opposite is true,

$x_{11} = 1$ if house is equipped with a septic trash collection system, $x_{11} = 0$ if opposite is true,

$x_{12} = 1$ if it is permitted to keep farm animals on the property, $x_{12} = 0$ if opposite is true (Ramanathan, 1993).

The model presented by Ramu Ramanathan (1993) is useful for short-term forecast of real estate values. In order to forecast the development of real estate values in medium and in long term, the influence that other factors, for example, income level of the population, interest on mortgage

loans, the capacity limitations of real estate industry, exert on potential sales prices of real property objects must be considered.

Econometric model of real estate valuation is constructed also, by including geographic data in the model. Geographic data in such a model are entities which defined by given geo coordinates (Sturmanis, 2006).

The specific features of apartments as a category of real estate

There are two features which help to distinguish the apartments from the rest of real property. Firstly, apartments are intended to suit residential, non-commercial needs. Secondly, apartments usually share the communication, water and electricity supply networks with other apartments located in the same apartment building. Apartments are usually located in multi-unit residential buildings and functionally related to other units within the same building. The application of cost method in the valuation of apartments is, therefore, problematic, since, for the replacement cost of any individual apartment to be determined, the replacement cost of the whole building must be calculated and attributed to the specific unit within this building.

It is possible to identify two distinct segments of market for apartments – market for rental apartments and market for apartments, which are intended for sale. David Quach (2013) has found that income and market or sales comparison methods are most widely used for valuation of rental units. For rental apartments, the valuation according to income method is practical, since it lets the appraiser to determine the value of these apartments, by discounting the rent payments, which are fixed in the rent contracts.

Application of econometric model for apartments' valuation in Latvia

A serious consideration for construction of econometric model, that is suitable for apartments' valuation, is the availability of data. State Land Service of the Republic of Latvia LR provides data on transactions in the real estate market, including the market for apartments. The data of State Land Service are structured as follows:

- sales price of an apartment,
- apartments' address,
- material, of which exterior walls of the residential building are constructed,
- year, when residential building was made available for use,
- the depreciation of residential building,
- number of floors in a residential building,
- floor, on which apartment is situated,
- area of the apartment,
- number of rooms within a residential building,
- area of land plot, which appertains to the apartment,

- date of transaction (State Land Service of the Republic of Latvia, 2015).

The author constructs econometric model for valuation of apartments, which are located in Latvian towns - Cesis and Aluksne, by basing on observed data about market transaction for apartments in Cesis and in Aluksne in 2009 (which are provided State Land Service of the Republic of Latvia). This model is expressed as multi-factor linear regression, which includes the following variables:

y – sales price of the apartment,

$x_1 = 1$, free member of linear regression,

$x_2 = 1$ - if apartment is located in Cesis, $x_2 = 0$ – if it is located in Aluksne,

x_3 – area of land plot, which appertains to the apartment, m^2 ,

x_4 – number of overhead floors in a residential building,

$x_5 = 1$ – if building's exterior walls are built of bricks/panels, $x_5 = 0$ – if the opposite is true,

$x_6 = 1$ – if building's exterior walls are built as brick wall, $x_6 = 0$ – if the opposite is true,

$x_7 = 1$ – if building's exterior walls are built of lightweight concrete, $x_7 = 0$ – if the opposite is true,

$x_8 = 1$ – if building's exterior walls are built of reinforced concrete/concrete, $x_8 = 0$ – if the opposite is true,

$x_9 = 1$ – if building's exterior walls are made of wood, $x_9 = 0$ – if the opposite is true,

$x_{10} = 1$ - if building's exterior walls are built of wood/wall, $x_{10} = 0$ – if the opposite is true,

$x_{11} = 1$ if building's exterior walls are built as boulder wall, $x_{11} = 0$ – if the opposite is true,

x_{12} – number of years, which have passed from the date when residential building was made available for use until the date of sales transaction,

x_{13} – physical depreciation of the residential building, expressed as percentage,

x_{14} – floor on which the apartment is located,

x_{15} – area of an apartment, m^2 ,

x_{16} – number of rooms in an apartment.

The development of linear multi-factor regression consists of three iterations. In the first iteration, all coefficients of independent variables x , their standard deviations and P-values are determined with the help of “*Microsoft Excel*” tool “*Data Analysis.*” In the second and third iterations, the variables x whose P-values are the smallest are selected. In conclusion of the third iteration, those dependent variables x , which will be included in the econometric model for apartments' valuation, are obtained, the coefficients of these variables x as well as the free member of linear regression are determined.

In table 1, the selection of dependent variables x is demonstrated and the coefficients and P-values of these variables are presented.

Table No. 1. *The selection of dependent variables x, coefficients and P-values of variables x in three iterations of regression's construction*

| | 1 st iteration | | 2 nd iteration | | 3 rd iteration | |
|-----------------|---------------------------|----------|---------------------------|----------|---------------------------|----------|
| | Coefficients | P-values | Coefficients | P-values | Coefficients | P-values |
| x ₁ | 4 292,37 | 0,61 | 4 688,04 | 0,32 | 3 535,89 | 0,42 |
| x ₂ | 5 132,08 | 0,03 | 5 284,32 | 0,01 | 4 769,58 | 0,01 |
| x ₃ | 3,45 | 0,06 | 3,53 | 0,04 | 3,37 | 0,04 |
| x ₄ | 42,20 | 0,98 | | | | |
| x ₅ | (1 225,03) | 0,77 | (809,53) | 0,68 | | |
| x ₆ | (304,60) | 0,95 | | | | |
| x ₇ | - | N/A | | | | |
| x ₈ | (1 676,42) | N/A | | | | |
| x ₉ | (1 223,35) | 0,88 | | | | |
| x ₁₀ | 2 553,05 | 0,79 | 3 644,82 | 0,56 | | |
| x ₁₁ | 2 308,37 | 0,76 | 3 549,56 | 0,43 | | |
| x ₁₂ | (71,00) | 0,49 | (104,88) | 0,02 | (80,25) | 0,03 |
| x ₁₃ | (41,17) | 0,80 | | | | |
| x ₁₄ | (769,15) | 0,45 | (817,54) | 0,29 | (747,93) | 0,30 |
| x ₁₅ | 352,24 | 0,00 | 353,21 | 0,00 | 371,57 | 0,00 |
| x ₁₆ | (1 723,03) | 0,08 | (1 802,12) | 0,01 | (1 903,17) | 0,00 |

Source: Made by the author using the data provided by State Land Service of the Republic of Latvia in 2015.

In conclusion, a linear regression is constructed, which expresses the dependence of potential sales price of an apartment on the following variables:

- the location of the apartment – in Cesis or in Aluksne,
- area of land plot, which appertains to the apartment, m²,
- number of years, which have passed from the date when residential building was made available for use until the date of sales transaction,
- floor on which apartment is located,
- area of an apartment, in m²,
- number of rooms in an apartment.

Following linear regression is composed:

$$y = 3\,535,89 + 4\,769,58 \cdot x_2 + 3,37 \cdot x_3 - 80,25 \cdot x_{12} - 747,93 \cdot x_{14} + 371,57 \cdot x_{15} - 1\,903,17 \cdot x_{16}$$

This regression represents an econometric model, which is applicable to estimation of apartments' fair value in Cesis and in Aluksne.

Conclusions and recommendations

Upon completion of the study, the author concludes that a combination of the three methods – market or sales comparison, income, cost methods – should be applied, in order to arrive at an apartment's fair value estimate of higher quality. The econometric real estate valuation method allows to synthesize the elements of market or sales comparison, income and cost methods; therefore the application of this method in the valuation of apartments is advisable. In order to apply econometric valuation of residential apartments in practice, available statistical data about apartment objects are regressed against their sales prices.

References

- International Valuation Standards Council. 2013. *International Valuation Standards*. London: IVSC.
- Kahr J., Thomsett M.C. 2005. *Real Estate Market Valuation and Analysis*. Hoboken, NJ: Wiley.
- Miller N.G., Sklarz M. 2012. Integrating Real Estate Market Conditions into Home Price Forecasting Systems. In: *Journal of Housing Research*. Volume 21, Issue 2. pp. 183-213.
- Quach D. 2013. Valuing Rental Properties Using a Recursive Model. In: *Supported Intelligence Technical Paper Series*. [skatīts 04.05.2015.]. Available at: <http://www.supportedintelligence.com/files/rrt/docs/papers/rentalproperty.pdf>
- Ramanathan R. 1993. *Statistical Methods in Econometrics*. Academic Press, Inc.
- Sturmanis E. 2006. *Ģeoinformācijas sistēmas*. Jelgava: LLU.
- Website of State Land Service of the Republic of Latvia. [skatīts 04.05.2015.]. Available at: www.vzd.gov.lv

SOME NOTES ON STATISTICS ON INNOVATIONS AND INNOVATION SUPPORT POLICY IN LATVIA

Svetlana Jesīlevska

University of Latvia, Aspazijas blvd. 5, Rīga, LV-1050, Latvia
mozir@inbox.lv

Abstract

Some notes on statistics on innovations and innovation support policy in Latvia

Key words: *statistics, innovation support policy, Community Innovation Survey, innovation system, co-operation*

Innovation is the engine of long-run growth of national economy. Innovation is the result of the interactions among enterprises, policy-makers and the institutions that create the environment where enterprises innovate. Therefore, innovation support policies aiming to improve co-operation between the enterprises and institutions in the innovation system and to increase the ability of enterprises to identify and absorb new technologies, are most valuable. Analysis and understanding of the innovation survey results can help policy-makers to identify strategies for improving innovative performance and overall competitiveness of the national economy. Nowadays the majority of countries throughout the world conduct innovation surveys. In Europe they are known as the Community Innovation Surveys (CIS) and are conducted at regular intervals. Until now, little analysis on the Latvian innovation survey data was made by researchers and policy makers. This paper discusses the last innovation survey results in Latvia and refreshes the importance of qualitative statistics on innovations both for Latvian and foreign users and proposes how the innovation survey data can be used by Latvian policy-makers. The theoretical and methodological evidence in this study is based on the analysis of the economics literature and scientific papers, conference and seminar papers, legal documents, the statistics database of Eurostat, international statistical and methodological materials. A review of the bibliography, as well as methods of statistical analysis such as grouping, processing and comparative analysis has mainly been used in this paper. The author aims to suggest ways to improve the data collection on innovations and their econometric analysis in Latvia.

Kopsavilkums

Dažas piezīmes par inovāciju statistiku un inovāciju atbalsta politiku Latvijā

Atslēgas vārdi: statistika, inovāciju atbalsta politika, Kopienas inovāciju apsekojums, inovāciju sistēma, sadarbība

Inovācija ir tautsaimniecības ilgtermiņa attīstības dzinējspēks. Inovācija ir sadarbības rezultāts starp uzņēmumiem, politikas veidotājiem un iestādēm, kas rada vidi, kurā uzņēmumi var ieviest inovācijas. Tāpēc visvērtīgākā ir inovāciju atbalsta politika, kuras mērķis ir uzlabot sadarbību starp uzņēmumiem un institūcijām inovāciju sistēmā un palielināt uzņēmumu spējas noteikt un apgūt jaunās tehnoloģijas. Statistisko inovāciju apsekojumu rezultātu analīze un izpratne var palīdzēt politikas veidotājiem noteikt stratēģijas inovatīvās aktivitātes uzlabošanai un kopējai valsts tautsaimniecības konkurētspējas stimulēšanai. Mūsdienās gandrīz visās pasaules valstīs notiek inovāciju apsekojumi. Eiropā tie ir zināmi kā Kopienas inovāciju apsekojumi un tie tiek veikti katru otru gadu. Līdz šim Latvijas inovāciju apsekojuma datus maz analizēja pētnieki un politikas veidotāji. Šajā rakstā ir aplūkoti pēdējie inovatīvās aktivitātes dati gan Latvijā, gan ES valstīs; ir atsvaidzināts kvalitatīvās statistikas par inovācijām nozīmīgums gan Latvijas, gan ārvalstu datu lietotājiem; ir sniegti ierosinājumi kā inovāciju politikas datus var izmantot Latvijas politikas veidotāji. Autore mērķis ir izstrādāt ieteikumus, kā uzlabot inovāciju statistikas datu vākšanas procesu un rezultātu ekonometrisko analīzi Latvijā. Pētījuma teorētiskās un metodoloģiskās atziņas ir balstītas uz ekonomiskās literatūras, zinātnisko pētījumu, konferences materiālu, semināru dokumentu, juridisko dokumentu, Eurostat datu bāzes, starptautisko statistikas un metodoloģisko materiālu analīzi. Statistikās analīzes metodes, piemēram, grupēšana, datu apstrāde, salīdzinošā analīze ir izmantotas šajā rakstā.

Introduction

The future of Europe is connected to its power to innovate that is why the Innovation Union - an initiative for an innovation-friendly Europe was established. The Innovation Union is part of the strategy Europe 2020 that aims to create smart, sustainable and inclusive growth (Innovation union: a pocket guide on a Europe 2020 initiative, 2013).

Competitive Europe was one of the main priorities of the Latvian Presidency for the six months' time period starting from 1 January 2015 (Ministry of Economics, 2015). In the context of Competitive Europe, research and innovation are of great importance as providers for new

sources for growth. As a result, building strong links between the Innovation Union and the European Research Area is essential. The Latvian Presidency placed an emphasis on the enhancement of the European Research Area (ERA) through the ERA Roadmap and improved ERA governance, focused on ERA implementation aspects, EU added value and the optimal use of public investments in research (European Office Cyprus).

The Latvian Presidency was responsible for developing preconditions for attracting additional investments to the European Union economy (e.g. the European Fund for Strategic Investments). The European Fund for Strategic Investments contributes to projects, which promote innovations and facilitate competitiveness of the EU, the Fund supports projects that have previously been considered too risky to be granted a loan (Ministry of foreign affairs of the Republic of Latvia).

Higher research and development (R&D) spending, innovation, productivity, and per capita income reinforce each other and lead to sustained long-term growth (Hall & Jones 1999; Rouvinen 2002). Various aspects of the development of innovation in the works are analyzed by Shumpeter J.A. (Shumpeter 1982), Yakovets Y. (Yakovets 1999), Kondratyev N.D. (Kondratyev 2002), Porter M. (Porter 2006), Marenkov N.L. (Marenkov 2009), Kokurin D.I. (Kokurin 2011). Dougherty D. believes that an innovation involves all the activities that take place in the society from education to scientific research, protection of intellectual property rights, organization of production, market research and marketing of the products on the market (Dougherty).

Innovation support in Latvia

In order to promote innovation activity in Latvia and to strengthen chain links in the Latvian innovation system the following general activities are performed: activities for improvement of scientific activity, development of necessary R&D infrastructure, creation of conditions for improved technology transfer, strengthening ties between researchers and entrepreneurs to boost the commercialization of research results, supporting the expansion of innovative and technology-oriented companies as well as offering new financial instruments (seed and venture capital) for companies, especially innovative SMEs.

There are four equally important elements emphasized within the Guidelines on *National Industrial Policy for 2014-2020* (approved by the Cabinet of Ministers in June 28, 2013) to improve national innovation system: 1) knowledge capacity, 2) innovation supply, 3) innovation demand, and 4) transfer system. At the same time, national innovation policy objectives and actions are set out in the *Science, Technology Development and Innovation Guidelines 2014-2020* (approved by the Cabinet of Ministers in December 28, 2013) (Ministry of Economics 2014).

The tax system plays one of the key roles in the innovative activity stimulation. Due to the tax burden simplification, the organizations receive the additional possibilities for the maximum increase in the financial and economic activity profitability and for the further effective

manufacture development (Nechaev 2014). Effective July 1, 2014, Latvian companies can subtract from their Corporate Income Tax three times the amount of expenditures invested in Research and Development (R&D) activities. Previously, the allowed amount was 1.5 times the R&D expenditures (LIAA 2014). In practice, R&D expenditures are associated with large uncertainty and risk, as it is unknown whether the R&D will indeed succeed in producing new products/services, and a large share of spending goes to human capital (such as scientists and engineers). Therefore, it is difficult to get a bank loan without physical collateral. Also, bank funding is targeted more to already-established businesses rather than start-ups (Swedbank). The initiative to subtract the Corporate Income Tax three times the amount of expenditures invested in R&D is new in Latvia and the effect of this initiative are not yet studied. In author's view, an information about enterprises who applied to this programme is extremely useful for statisticians as it provides an opportunity to analyse enterprises engaged in R&D activities.

Development of international integration and cooperation, like joint projects, technology transfer to less developed sectors and improved employment prospects for scientific staff, gives improved opportunities for scientific and technological progress and increased access to new technologies.

There are some examples of international organizations and projects where Latvia participates: Demola, Latvian Technological Center, EUREKA-Eurostars project.

Demola is an international organization that facilitates co-creation projects between university students and companies, either locally or internationally. DEMOLA project in Latvia was launched in 2014 by Latvian IT Cluster with the support of Ministry of Economics and Investment and Development Agency of Latvia. DEMOLA Latvia has set cooperation with major universities of Latvia (University of Latvia, Riga Technical University, Riga Business School, Art Academy of Latvia, Vidzeme University of Applied Sciences, Alberta Collage, University College of Economics and Culture, RISEBA, Riga Stradins University, Riga Teacher Training and Educational Management Academy, Liepaja University, Ventspils University Collage) as well as leading industry clusters (Demola Latvia portal).

Latvian Technological Center (LTC) is innovation and technology oriented business support structure, which stimulates establishment and growth of knowledge based SMEs creating relationships between research and industry as well as encouraging SMEs to trans-national cooperation. LTC was founded in 1993 as Ltd. company, but in 2004 changed the legal status to Foundation. The founders are Riga City Council, Latvian Academy of Sciences, Institute of Physical Energetics and Latvian Society for Quality. LTC is involved in designing of State and regional innovation strategy. Representatives of LTC often participate in working groups for preparation of different State level documents on innovation and SME policy, for example, LTC

was partner of the consortium that developed regional innovation strategy for Latvia (RIS Latvia Project) (Inno Support Transfer portal).

The Green Technology Incubator, based in Riga, brings together eco-minded entrepreneurs and scientists and focuses on inter-institutional collaboration and knowledge flows between universities, research institutions and green-manufacturing businesses to provide support for new green-manufacturing technologies. The incubator is a joint project of Riga Technical University, the University of Latvia and the Norwegian Industrial Development Corporation SIVA. The Incubator not only helps green innovation ideas to enter the market, but it also promotes co-operation between the private and academic sectors as well as the exchange of experience and knowledge in the area of green technology between Latvia and Norway (EEA Grants portal).

Participation in international projects is a great way to improve practices and results through exchange and synergy of the ideas, knowledge and experience. A good example is innovation cooperation between Switzerland and the Baltic states. The Baltic States (Estonia, Latvia, Lithuania) are one of the emerging regions in Europe, particularly with regard to the development of innovation activities. Switzerland is therefore interested in establishing close contact with the Baltic States in order to promote applied research and development activities with them. The cooperation between Switzerland and Baltic States will take place to a large extent under the EUREKA and Eurostars innovation programmes (Research and Innovation SERI portal). In the context of the Baltic-Swiss cooperation, in November 2015 a Brokerage Event for Horizon 2020 took place in Riga. Companies, universities and researchers from all over Europe participated in the event to share project ideas and find collaboration partners from industry and academia to create a proposal for Horizon 2020 (State Secretariat for Education, Research and Innovation SERI portal). In May 2015 Baltic-Swiss Innovation Matchmaking Event took place in Lithuania. This event was designed for companies (especially SMEs) and researchers, who are interested in international close-to-market research & development projects. Participants learnt about funding opportunities and have to chance to meet and talk to potential project partners from Switzerland and the Baltic countries (Baltic-Swiss Innovation Matchmaking).

The EuroNanoForum is a meeting point for industry, science and policy. The EuroNanoForum 2015 is organised in Riga as part of the Latvian presidency of the Council of the European Union. This event presents innovation as driver for economic growth, presents new technologies arising from nanotechnologies and advanced materials, and discusses the new applications and commercialisation potential for these technologies. The program offers the most important framework conditions – safety, IPR, education, standards, regulations and funding (EuroNanoForum 2015 portal).

The 5th ASEM ME Seminar on Innovative Competences and Entrepreneurship Education is held in Riga. The ASEM ME Innovative Competences Programme aims to support ASEM members to share knowledge on how the education sector can create a more proactive involvement of children and youth towards innovation and creativity (ASEM portal).

In 2015 Latvia for the first time is assuming the presidency of the EU Council. Priorities of the Latvian Presidency relating R&D and innovation will focus on better integrating the Innovation Union with the European Research Area (ERA), fostering Europe-wide networks without barriers while taking full advantage of using the potential of national research and innovation systems (Moverim portal 2015).

Promotion of economic growth is important not only for Latvia, but also for the entire European Union (EU). Therefore, during the Latvia's Presidency in the EU Council, the most significant priority in the economic and financial sector will be promotion of EU growth. One of the most important tools for EU growth promotion is the Investment Plan for Europe called Juncker Plan. Juncker Plan will be one of the main tasks of the Latvian Presidency (Ministry of Finance 2015).

Latvia has submitted projects worth more than 10 billion euros under the Investment Plan for Europe announced by European Commission President Jean-Claude Juncker. The main investment segments are knowledge and digital economy, which also includes public and private partnership research and development projects (R&D), the Energy Union, which includes power links and power generation, energy saving projects, transport, which includes corridors and connections, urban transport and social infrastructure, which includes education institutions, health, environmental and urban environment projects (Xinhua News 2015).

Innovative performance

As Fagerberg and Srholec (Fagerberg & Srholec 2008) have pointed out peculiarities in nature, geography and history influence the ability of a country to develop a well-functioning innovation system. In this regards, the Baltic States are an especially interesting case for studying innovation performance as well as the factors behind the differences in innovativeness between Latvia, Estonia and Lithuania. In autumn 2014 the survey was held in the Baltic States in order to find out innovation plans in small and medium enterprises (SMEs) - 6 125 SMEs took place in it (2 022 SMEs in Latvia, 1 266 in Lithuania and 2 837 in Estonia). In Estonia 73% of the surveyed enterprises answered that they plan to invest in innovations during 2015 while a year ago 60% were planning to do so. Significant increase in innovation plans observed in Lithuania: in 2015, 69% of SMEs plan to engage in innovation activities while a year ago only 42% had plans to innovate. However, in Latvia there is an opposite trend: the number of Latvian SMEs who are planning to innovate has declined from 48% to 39% during last year. In Latvia information and communication

(69%), entertainment (57%) and industry/energetics (56%) sectors are the most active ones in innovation plans during 2015. Administration (22%), transport and logistics (34%) as well agriculture and fishery (34%) are among the most passive sectors in terms of innovations in Latvia (The Baltic Course 2015).

According to the Community Innovation Survey results compared with 2006-2008, the share of innovative enterprises in the EU28 decreased by 2.6 percentage points in 2010-2012, from 51.5% to 48.9%. The greatest decline in the proportion of innovative enterprises was observed in Cyprus (56.1% in 2006-2008 compared with 42.1% in 2010-2012, or -14.0 percentage points), Germany (-13.0 pp), Romania (-12.6 pp), the Czech Republic (-12.1 pp) and Spain (-9.9 pp). On the opposite end of the scale, the share of innovative enterprises increased the most in 2010-2012 compared with 2006-2008 in Malta (from 37.4% in 2006-2008 to 51.4% in 2010-2012, or +14.0 percentage points), followed by the Netherlands (+6.5 pp), Latvia (+6.1 pp) and the United Kingdom (+4.7 pp). It should be noted that the proportion of innovative enterprises in 2010-2012 compared with 2008-2010 has grown in only 5 Member States: in Malta, the United Kingdom, Hungary, Latvia and Bulgaria (Eurostat News Release 2015).

During 2010-2012, for the EU-28 as a whole, more than one quarter (27.5 %) of enterprises reported organisational innovation. Marketing innovation ranked second, being implemented in 24.3 % of all enterprises. Product innovation (innovation that encompasses new or significantly improved goods or services) was introduced in 23.7 % of enterprises. Relatively few enterprises (21.4 %) implemented process innovations. It is important to note that individual enterprises may have introduced more than one type of innovation.

Among the EU Member States, Germany, France, Latvia and Lithuania were the leaders in this specific type of process innovation: more than 7 in 10 process innovative enterprises in these Member States reported innovations related to the methods to manufacture or produce goods and services.

Table 1. *Share of innovative enterprises by main type of innovation, 2010–2012*
 (% of all enterprises)

| | Innovative enterprises (including enterprises with abandoned/suspended or on-going innovative activities) | Product innovative enterprises | Process innovative enterprises | Organisation innovative enterprises | Marketing innovative enterprises |
|-----------|---|--------------------------------|--------------------------------|-------------------------------------|----------------------------------|
| EU-28 | 48.9 | 23.7 | 21.4 | 27.5 | 24.3 |
| Estonia | 47.6 | 20.7 | 23.8 | 21.7 | 21.9 |
| Latvia | 30.4 | 10.4 | 12.7 | 16.9 | 16.5 |
| Lithuania | 32.9 | 11.6 | 13.1 | 17.5 | 19.3 |

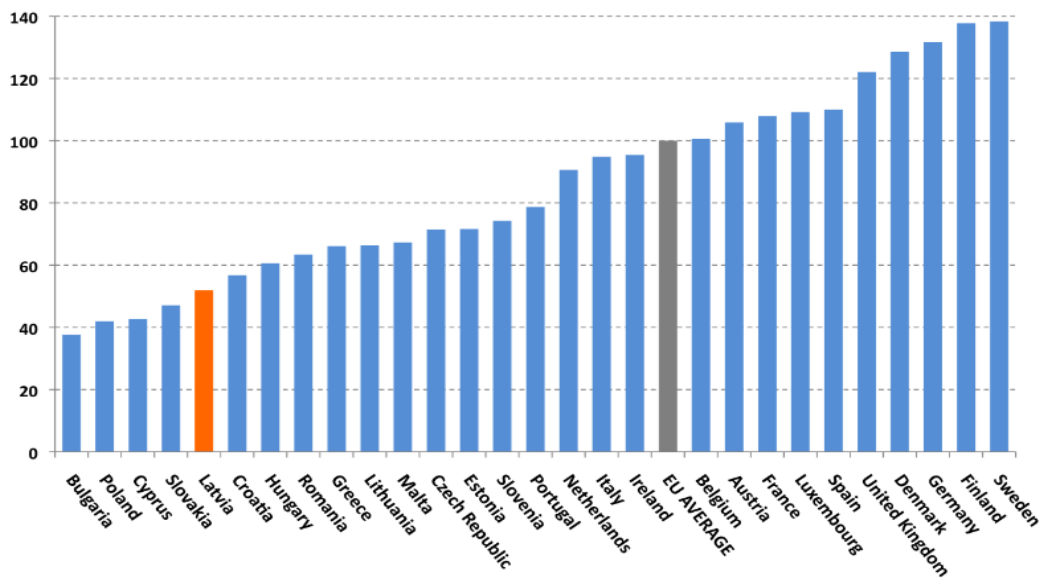
Source: Eurostat, Statistics Explained, Innovation Statistics.

The contribution of technological innovation to national economic growth has been well recognized in the economic journalism (Solow 1956; Romer 1986) as well as empirically. In comparison with Estonia and Lithuania, Latvia showed the lowest proportion of innovative enterprises as well as Latvian innovative results are markedly below the EU-28 level (see Table 1). Passivity of Latvian SMEs in terms of investment in new technologies and new products is a negative trend. In medium-term, this attitude could lead to decreased competitiveness and to lower export capacity of Latvian enterprises (The Baltic Course 2015).

In the last decades, environmental concerns were increasingly considered by policymakers. Latvia belongs to the group of modest eco-innovators. The Eco-innovation Scoreboard 2013 places the country 24th in the EU28 ranking.

This modest performance can be associated with the lack of political commitment to research and innovation in general. The most important factors hampering eco-innovation development in Latvia are the lack of targeted policy framework and the small number of companies that are active in environmental technology sector. At the same time essential pre-conditions for eco-innovation development in Latvia is the fact that almost half of Latvia’s territory is made up of natural ecosystems that have gone largely untouched by man making the country an attractive destination for eco-tourism (Eco-innovation observatory).

Figure 2. *EU28 Eco-innovation scoreboard 2013, composite index*



Source: Eco-innovation observatory, 2013

Some good eco-innovation examples in Latvia:

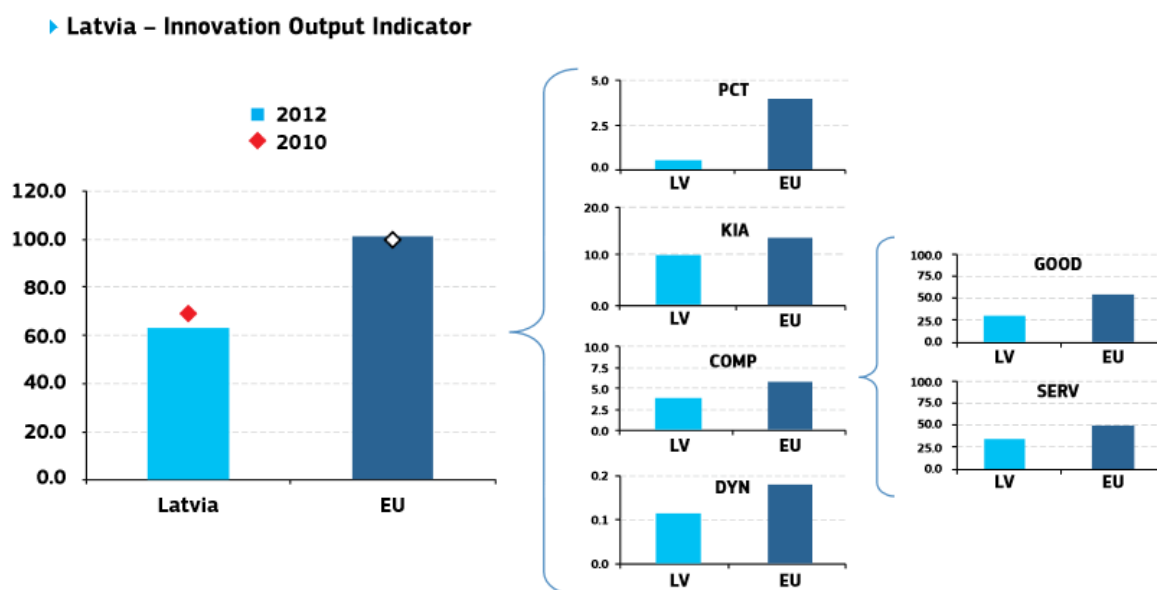
- The company Sun Investments has created a new generation of sun energy collectors, SelSol, which are competitive with analogue technologies created in other parts of the world (Selsol portal).

- The certificate “Green Holidays” is a national eco-label affirming environmental quality in holiday properties which save natural resources and use them rationally, offer environment friendly tourist activities, healthy, locally produced food and extensive information on the local natural, cultural and historical attractions. The label was established by the Latvian Country Tourism Association under LIFE programme (Eco celotajs portal).

The Innovation Output Indicator (Research and Innovation performance in Latvia. Country Profile 2014), launched by the European Commission in 2013, focuses on four policy axes: 1. growth via technology – (patents); 2. jobs (knowledge-intensive employment); 3. long-term global competitiveness (trade in mid/high-tech commodities); 4. future business opportunities (jobs in innovative fast-growing firms).

The graph below (Fig.1) enables a comprehensive comparison of Latvia’s position regarding the different indicator components. The graph (Fig.1) shows that Latvia is a low performer in the European innovation indicator. This is a result of low performance in all components (Research and Innovation performance in Latvia. Country Profile 2014).

Figure1. *Latvia – Innovation Output Indicator*



Source: European Commission. Research and Innovation performance in Latvia. Country Profile 2014. [skatīts 10.02.2015]. Pieejams (Accessed): <http://ec.europa.eu/research/innovation-union/pdf/state-of-the-union/2014/countries/latvia.pdf>

Notes:

All data refer to 2012 except PCT data, which refer to 2010.

PCT = Number of PCT patent applications per billion GDP, PPS.

KIA = Employment in knowledge-intensive activities in business industries as % of total employment.

DYN = Innovativeness of high-growth enterprises (employment-weighted average).

COMP = Combination of sub-components GOOD and SERV, using equal weights.

GOOD = High-tech and medium-high-tech products exports as % total exports. EU value refers to EU-28 average (extra-EU = 59.7 %).

SERV = Knowledge-intensive services exports as % of total service exports. EU value refers to EU-28 average (extra-EU = 56 %).

According to the Report “Research and Innovation performance in Latvia. Country Profile 2014.” Latvia’s poor innovation performance continues to weaken its competitiveness. Latvia has one of the lowest business R&D intensities in the EU (0.15% in 2012). The national innovation system is overshadowed by low scientific performance, as measured by the share of scientific publications in the top 10% most cited which at just 4% is significantly below the EU average. Latvia has set a national R&D intensity target of 1.5%. This seems to be too ambitious. According to the period 2007-2012, Latvian R&D intensity grew at an average annual rate of 2.0%, which is slightly below the EU average. Taking into consideration this data, we can conclude that an average annual growth rate of 10.8% is required over the period 2012-2020 to reach the 1.5% target. One more negative feature is the following: according to the results of the 2012 EU Industrial R&D Investment Scoreboard, there are no Latvian companies in the top 1000 EU companies listed by publication. In fact there are no large R&D intensive firms in the Latvian economy, which is mainly characterised by SMEs and microenterprises (Research and Innovation performance in Latvia. Country Profile 2014).

Taking into account the results of Latvian R&D and innovation performance, the author concludes that design of Latvian innovation support policy should be more databased as well as new methods of analysis are necessary to understand innovative behavior, its determinants and its impacts.

Data-based innovation support policy

Data-based decision making is a continuous process of analyzing and evaluating data to inform important decisions and actions to support innovation activity. In the field of statistics, the Latvian Presidency focused on economic governance and quality issues in the area of statistics (Latvian Presidency of the Council of the European Union).

The measurement of innovation and its dynamics is of great importance for theoretical and empirical analysis of growth models and to support a decision-making process for potential investors. The measurement of innovations is supported by important role of statistical data in improving national technological capabilities (Archibugi et al. 2009).

The measurement of innovation has developed together with the understanding of the innovation process. Today a large majority of countries throughout the world conduct innovation surveys. In Europe they are known as the Community Innovation Surveys (CIS) and are conducted at regular intervals. The *Oslo Manual* nowadays is the main international source of guidelines for the collection and use of data on innovation activities in industry.

The following reasons justify the efforts to collect systematic statistical data on innovations:

- Data for theoretical analysis: innovation indicators can be used to test innovation theories (for example to test hypotheses that innovation is the determinant of economic growth, productivity, competitiveness and employment) (Furman et al. 2002; Pianta et al. 1997).
- Innovation policy should be evidence-based: policy makers need to locate their country position in the global landscape to identify national strengths and weaknesses of national innovation system and to assess the effectiveness of the policies adopted (Furman et al. 2002; Pianta et al. 1997).
- Input for enterprises' strategies: innovation statistical data help managers to understand deeper technological progress, data from different countries allow to understand better the geographical contexts in which enterprises can develop and create their innovative activities.

The leading reason why innovation surveys are performed regularly is need to benchmark and monitor innovation performance of the countries based on appropriate indicators and scoreboards. It is not a primary goal to provide data for econometric analyses of innovation, but indirectly and progressively help to improve evidence-based policy recommendations. Nevertheless, a simple confrontation of some descriptive statistics drawn from the innovation surveys can help in identifying situations calling for some type of policy evaluation and intervention (Mairesse & Mohnen 2010).

As well the CIS data is widely used by scientists and researchers.

One of the recent examples is the research of Robinson and Stubberud (Robinson & Stubberud 2011), where the CIS-2004 data for Norway was used to compare the main information sources for innovation (from the point of view of the capacity to absorb knowledge) among small, medium and large companies, Robinson and Stubberud concluded that among the companies that introduced innovations to products or processes, the main source of information mentioned was the company itself, i.e., an internal source (49.9%, 55.5% and 62.8%, respectively for small, medium and large companies). As to external sources, clients are the most cited source (33.9%, 36.3% and 41.4%), followed by suppliers (20.3%, 20.3% and 16.7%), competitors (8.7%, 10.8% and 12.1%) and participation in conferences (8.3%, 10% and 8.8%) (Robinson & Stubberud 2011).

Lilian Santos and Aurora A.C. Teixeira used a sample of 6 593 companies that answered the Community Innovation Survey 2008, in order to assess the determinants of innovation of Portuguese companies by comparing the service sector and other sectors of activity (specifically, manufacturing industry, utilities and construction). Among the main results obtained, researchers highlighted:

- 1) the non-linear impact of human capital on the innovation performance of companies – Master degree emerges as a critical factor in corporate innovation, whereas the PhD level is negatively related to companies innovation performance;

- 2) knowledge-sourcing activities (systematic R&D achievements, innovation-based training, purchase of machinery and equipment for innovation) appear as central to firms' innovation process;
- 3) although university-company relationships are weak and have a negligible impact on the generality of companies' propensity to innovate, they tend to be rather important for the innovation performance of services companies;
- 4) participation in innovation activities in cooperation with foreign partners appears as a key factor in the innovative performance;
- 5) companies in the service sector in general, and in Knowledge-Intensive Business Services in particular, that effectively and continuously invest in R&D activities are most innovative (Santos & Teixeira 2013).

Innovation data collected through the CIS are used in several documents: the EU 2020 Strategy monitoring, the Innovation Union Scoreboard, the EU Competitiveness Report, and the State of the Innovation Union. Other policy areas for which the CIS data are relevant: Framework programmes/Horizon 2020; sectoral policies; Small and medium sized enterprises (SME) policies; innovative public procurement; fiscal incentives; ECO-Innovation (Deiss 2014).

Several countries use the CIS in their national strategies (Romania, Denmark, Finland, Malta, Estonia etc.) (Es-Sadki 2014). Why Latvian policy-makers do not commonly use the CIS data?

One possible shortcoming of the CIS data is that the statistical indicators of small countries (including Latvia) are particularly sensitive to the self-perception and self-reporting of respondents. The possible solution here is a direct contact with the respondent. Direct contact helps to identify weaknesses of the survey questionnaire, which should then be corrected. As a result, more precise answers from respondents will be obtained.

The population of the CIS is determined by the size of the enterprise and its principal activity. All enterprises with 10 or more employees in any of the Core NACE categories are included in the statistical population (Eurostat. Results of the community innovation survey 2012). The CIS is a sample survey which does not cover all enterprises and sectors of the business economy. Micro-enterprises are not included in the statistical population of the innovation survey. While there are various types of innovation, such as process innovation, marketing, organizational or product innovation, several authors have proposed that the development of new products is a result of the innovation process carried out by small enterprises (Damanpour 1996) and micro-enterprises (Benito Hernandez et al. 2012). Moreover, SMEs are of great importance to Latvia's business economy as they provide 78% of employment and 72% of value added, significantly higher than the EU averages (67% and 58% respectively). Latvia has proportionally fewer micro-firms and more SMEs than the EU as a whole (European Commission. Enterprise and Industry 2014 SBA Fact

Sheet. LATVIA.). For the reasons discussed above, in Latvia it would be extremely useful to develop additional innovation survey to collect and compile time series of data pertaining to innovation activities in micro-enterprises. The output from this study shall be used by policy makers in analysing and understanding the diffusion, usage and practice of innovation in micro-enterprises in Latvia. This survey could be conducted every year with the reference period one year. This approach will provide operational statistical data for policy-makers.

In order to make a qualitative analysis of R&D and innovation activities in the country data from various sources should be linked together. For example in Belgium, in order to evaluate R&D policy in the country, the CIS data are supplemented with information from the Belfirst database which contains the annual account data of Belgian firms. Furthermore, the firms are linked to patent data from the European Patent Office (Aerts & Czarnitzk 2004).

Latvia is among EU countries with the lowest innovation activity. An essential question for policy-makers is how to get non-innovators to be innovative? What prevents some enterprises from innovating? What barriers do they face? In the CIS 2014 Questionnaire, questions on the reasons and barriers not to innovate are included. In practice, innovation survey data alone is not enough to explain the choice of innovating or not, because few variables are usually collected for all enterprises (including non-innovators) in the innovation surveys. One solution would be to collect more data about non-innovators in the surveys themselves. Another one would be to merge the innovation survey data with census data, accounting data, or data from other surveys. This will offer a larger choice of instruments to correct for endogeneity and measurement errors; and more generally, it will provide more explanatory variables to the non-innovators problem (Mairesse & Mohnen 2010).

The elaboration and appropriate implementation of all the recommendations provided above will be dependent from an active and organized collaboration between economists working on research and innovation issues; statisticians responsible of the innovation surveys and policy-makers responsible for development of innovation support policy. Such collaborations tend to exist in all the countries, but in Latvia, it is in a rather limited and occasional way. The collaboration between statisticians, economists and policy-makers in Latvia should be much stronger and stable to be productive. Author believes that in the future innovation surveys could possibly be adapted to allow for some form of policy evaluations in Latvia.

Conclusions and recommendations

Innovation support policy in Latvia should be data-based. Community Innovation Survey is designed by Eurostat in cooperation with the EU countries, but in practice the survey serves the needs of the EU institutions.

One possible shortcoming of the CIS data for Latvian policy-makers is that the statistical indicators of small countries (including Latvia) are particularly sensitive to the self-perception and self-reporting of respondents. The possible solution here is a direct contact with the respondent. Direct contact helps to identify weaknesses of the survey questionnaire, which should then be corrected. As a result, more precise answers from respondents will be obtained.

The population of the CIS is determined by the size of the enterprise and its principal activity. Micro-enterprises are not included in the statistical population of the innovation survey. In Latvia it would be extremely useful to develop additional innovation survey to collect and compile time series of data pertaining to innovation activities in micro-enterprises. The output from this study shall be used by policy makers in analysing and understanding the diffusion, usage and practice of innovation in micro-enterprises in Latvia. This survey could be conducted every year with the reference period one year. This approach will provide operational statistical data for policy-makers.

Latvia is among EU countries with the lowest innovation activity. An essential question for policy-makers is how to get non-innovators to be innovative? In practise, innovation survey data alone is not enough to explain the choice of innovating or not, because few variables are usually collected for all enterprises (including non-innovators) in the innovation surveys. One solution would be to collect more data about non-innovators in the surveys themselves. Another one would be to merge the innovation survey data with census data, accounting data, or data from other surveys.

Taking into account the results of Latvian R&D and innovation performance, the author concludes that the design of innovation policy should take into account the characteristics of technologies, people and locations, as well as the linkages and flows between them. New methods of analysis are needed to understand innovative behaviour, its determinants and its impacts at the level of the individual, the firm and the organization.

The appropriate implementation of the recommendations provided above will be dependent from collaboration between economists working on research and innovation issues; statisticians responsible of the innovation surveys and policy-makers responsible for development of innovation support policy. Author believes that in the future innovation surveys could possibly be adapted to allow for some form of policy evaluations in Latvia.

References

- Aerts K., Czarnitzk D. 2004. Using Innovation Survey Data to Evaluate R&D Policy: The Case of Belgium. *Discussion Paper No. 04-55. Centre for European economic Research*. Retrieved February 14, 2015, from http://papers.ssrn.com/sol3/papers.cfm?abstract_id=572086
- Archibugi D., Denni M.; Filippetti A. 2009. The technological capabilities of nations: The state of the art of synthetic indicators. In: *Technological Forecasting and Social Change*. Vol. 76(7), pp. 917-931.

- Baltic-Swiss Innovation Matchmaking. *Meet potential partners for your international R&D project*. [skatīts 04.11.2015]. Pieejams (Accessed): <https://www.b2match.eu/swissbaltic>
- Benito Hernández S., Platero-Jaime M., Rodríguez-Duarte A. 2012. Factores determinantes de la innovación en las microempresas españolas: la importancia de los factores internos. In: *Universia Business Review*. No. 33, 1 Quarter, pp. 1-18.
- Damanpour F. 1996. Organizational complexity and innovation: developing and testing multiple contingency models. In: *Management Science*. No. 42, pp. 693-716.
- Demola Latvia portal. [skatīts 10.02.2015]. Pieejams (Accessed): <http://latvia.demola.net/>
- Dougherty D. Organizational Capacities for Sustained Product Innovation. [skatīts 18.02.2015]. Pieejams (Accessed): <http://www.oecd.org/innovation/inno/2368301.pdf>
- Eco Celotajs portal. [skatīts 10.02.2015]. Pieejams (Accessed): <http://eco.celotajs.lv>
- European Commission. *Innovation union: a pocket guide on a Europe 2020 initiative*. [skatīts 10.02.2015]. Pieejams (Accessed): <http://ec.europa.eu/eip/agriculture/en/content/innovation-union-pocket-guide-europe-2020-initiative>
- European Commission. Winter 2015. *European Economic Forecast. EUROPEAN ECONOMY 1/2015*. Economic and Financial Affairs.
- Eurostat News Release. *Community Innovation Survey 2012. The proportion of innovative enterprises fell below 50% in the EU in 2010-2012*. [skatīts 12.02.2015]. Pieejams (Accessed): <http://ec.europa.eu/eurostat/documents/2995521/6483064/9-21012015-BP-EN.pdf/ad7e4bf6-fc8f-459b-a47e-da1c9043bf2e>
- EEA Grants portal. *Green Technology Incubator launched in Latvia*. [skatīts 10.02.2015]. Pieejams (Accessed): <http://eeagrants.org/Results/Results/Green-Technology-Incubator-launched-in-Latvia>
- EuroNanoForum 2015 portal. [skatīts 11.02.2015]. Pieejams (Accessed): <http://euronanoforum2015.eu/more-speakers-announced/>
- European Commission. Research and Innovation performance in Latvia. Country Profile 2014. [skatīts 10.02.2015]. Pieejams (Accessed): <http://ec.europa.eu/research/innovation-union/pdf/state-of-the-union/2014/countries/latvia.pdf>
- Eurostat. Results of the community innovation survey 2012. [skatīts 10.02.2015]. Pieejams (Accessed): http://ec.europa.eu/eurostat/cache/metadata/en/inn_cis8_esms.htm
- European Commission. *Enterprise and Industry 2014 SBA Fact Sheet. LATVIA*. [skatīts 11.02.2015]. Pieejams (Accessed): http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/files/countries-sheets/2014/latvia_en.pdf
- European Office Cyprus. *5 January 2015: Latvian Presidency's priorities on research and innovation*. [skatīts 04.11.2015]. Pieejams (Accessed): <http://www.eoc.org.cy/index.php?id=7342>
- Eco-innovation observatory. *Eco-innovation in Latvia. EIO Country Profile 2013*. [skatīts 13.02.2015]. Pieejams (Accessed): http://www.eco-innovation.eu/images/stories/Reports/EIO_Country_Brief_2013_Latvia.pdf
- Fagerberg J., Srholec M. 2008. National innovation systems, capabilities and economic development. In: *Research Policy*. Vol. 37, pp. 1417-1435.
- Furman J.I., Porter M.E., Stern S. 2002. The determinants of national innovative capacity. In: *Research Policy*. Vol. 31(6), pp. 899-933.
- Hall R. and Jones C. 1999. Why Do Some Countries Produce So Much More Output per Worker than Others? In: *Quarterly Journal of Economics*. Vol. 114(1), pp. 83-116.
- InnoSupportTransfer portal. [skatīts 10.02.2015]. Pieejams (Accessed): http://www.innosutra.net/index.php?article_id=50
- Investment and Development Agency of Latvia. *Incentives for R&D. 2014*. [skatīts 10.02.2015]. Pieejams (Accessed): <http://www.liaa.gov.lv/invest-latvia/competitive-advantages/business-incentives/incentives-rd>
- Kokurin D.I. 2011. *Innovative economy (administrative and marketing aspect)*. Moscow: Economy.
- Kondratyev N.D. 2002. *Big cycles of a conjuncture and the prediction theory*. Moscow: Joint-Stock Company Publishing house "Economy".

- Latvian Presidency of the Council of the European Union. *The programme of the Latvian Presidency of the Council of the European Union*. [skatīts 04.11.2015]. Pieejams (Accessed): https://eu2015.lv/images/PRES_prog_2015_EN-final.pdf
- Mairesse J., Mohnen P. 2010. Using Innovations Surveys for Econometric Analysis. In: *NBER Working Paper*. No. 15857. [skatīts 11.02.2015]. Pieejams (Accessed): <http://www.nber.org/papers/w15857.pdf>
- Marenkov N.L. 2009. *Innovatika*. Moscow: The Book house "LIBROKOM".
- Ministry of Economics. *Priorities and Programme of the Latvian Presidency*. [skatīts 10.02.2015]. Pieejams (Accessed): <https://www.em.gov.lv/en/news/3803-priorities-and-programme-of-the-latvian-presidency>
- Ministry of Economics of the Republic of Latvia. *Innovation. 2014*. [skatīts 10.02.2015]. Pieejams (Accessed): https://www.em.gov.lv/en/sectural_policy/industrial_policy/innovation/
- Ministry of Finance of the Republic of Latvia. *Minister of Finance of Latvia: EU Member States should be ready for structural reforms. 2015*. [skatīts 10.02.2015]. Pieejams (Accessed): <http://www.fm.gov.lv/en/news/49812-minister-of-finance-of-latvia-eu-member-states-should-be-ready-for-structural-reforms>
- Ministry of foreign affairs of the Republic of Latvia. *Results of the Latvian Presidency of the Council of the European Union (Summary)*. [skatīts 04.11.2015]. Pieejams (Accessed): <http://www.mfa.gov.lv/en/policy/european-union/results-of-the-latvian-presidency-of-the-council-of-the-european-union>
- Moverim portal. *Latvian EU presidency research priorities*. [skatīts 12.02.2015]. Pieejams (Accessed): <http://www.moverim.eu/latvian-eu-presidency-research-priorities/>
- Nechaev A. et al. 2014. Financial and tax instruments for stimulation of enterprises innovative activity. In: *Problems and Perspectives in Management*. Vol. 12(2). Accessed: http://businessperspectives.org/journals_free/ppm/2014/PPM_2014_02cont_Nechaev.pdf
- OECD. *Measuring Innovation: a New Perspective. 2010*. [skatīts 10.02.2015]. Pieejams (Accessed): <http://www.oecd.org/site/innovationstrategy/45392693.pdf>
- Pianta M., Sirilli G. 1997. *The use of innovation surveys for policy evaluation*. Paris: OECD, Policy in Innovation and Technology.
- Porter M.E. 1985. *Competitive Advantage*. New York: Free Press.
- Robinson S., Stubberud H. 2011. Sources of information and cooperation for innovation in Norway. In: *Journal of International Business Research*. Vol. 10(2), pp. 91-102.
- Romer P.M. 1986. Increasing return and long-run growth. In: *Journal of Political Economy*. Vol. 94, pp. 1002-1037
- Rouvinen P., 2002. Characteristics of Product and Process Innovators: Some Evidence from the Finnish Innovation Survey. In: *Applied Economics Letters*. Vol. 9(9), pp. 575-80.
- Santos L., Teixeira Aurora A.C. 2013. Determinants of innovation performance of Portuguese companies: an econometric analysis by type of innovation and sector with a particular focus on Services. In: *FEP Working Papers*. N 494. [skatīts 13.02.2015]. Pieejams (Accessed): <http://wps.fep.up.pt/wps/wp494.pdf>
- Selsol portal. [skatīts 10.02.2015]. Pieejams (Accessed): www.selsol.lv
- Shumpeter J.A. 1982. *Theory of economic development (research of enterprise profit, the capital, the credit, percent and a conjuncture cycle)*. Moscow: Publishing house "Progress".
- Solow R. M. 1956. A Contribution to the Theory of Economic Growth. In: *Quarterly Journal of Economics*. Vol. 70, pp. 65-94.
- State Secretariat for Education, Research and Innovation SERI portal. *Innovation cooperation between Switzerland and the Baltic states*. [skatīts 18.02.2015]. Pieejams (Accessed): <http://www.sbf.admin.ch/themen/01370/02445/02450/index.html?lang=en>
- Swedbank. *Macro Research. The Latvian Economy. 8 May, 2014*. [skatīts 04.11.2015]. Pieejams (Accessed): https://www.swedbank.lv/files/analitiskie_materiali/menesa_apskats/The_Latvian_Economy_2014_05_EN.pdf

The official information platform of the Asia-Europe meeting (ASEM). [skatīts 17.02.2015].
Pieejams (Accessed): <http://www.aseminfoboard.org/events/5th-asem-me-seminar-innovative-competences-and-entrepreneurship-education>

The Baltic Course. *Unlike the neighbours Latvian SMEs plan to decrease investments in innovations.* 2015. [skatīts 10.02.2015]. Pieejams (Accessed): <http://www.baltic-course.com/eng/analytics/?doc=101249>

Baltic News Network. *Economic Diary of Latvia. Recovery of Europe's economy is in Latvia's hands.* 2015. [skatīts 11.02.2015]. Pieejams (Accessed): <http://bnn-news.com/economic-diary-latvia-recovery-europes-economy-latvias-hands-123863>

Xinhua news. *Latvia submits projects worth over 10 bln euros under Juncker's investment plan.* 2015. [skatīts 13.02.2015]. Pieejams (Accessed): http://news.xinhuanet.com/english/europe/europe/2015-01/08/c_133903694.htm

Yakovets Y. 1999. *Cycles. Crises. Forecasts.* Moscow: Nauka.

FACTORS CAUSING IN-WORK POVERTY IN LATVIA AND OTHER COUNTRIES OF THE EUROPEAN UNION

Jelena Ladigina

Daugavpils University, Parādes street 1, Daugavpils, LV-5401, Latvia
jladigina@gmail.com

Abstract

Factors causing in-work poverty in Latvia and other countries of the European union

Key words: *in-work poverty, in-work at-risk-of-poverty rate, employment, wage, household, family*

The aim of this article is to define and analyze the main factors and reasons of in-work poverty in European Union countries thus in Latvia.

The working poor are working people whose incomes fall below a given poverty line. Depending on how one defines “working” and “poverty”, someone may or may not be counted as part of the working poor. While poverty is often associated with joblessness, a significant proportion of the poor are actually employed. Largely because they are earning such low wages, the working poor face numerous obstacles that make it difficult for many of them to find and keep a job, save up money, and maintain a sense of self-worth.

On the one hand, working poor can be regarded as poor persons who are working, on the other as working person who are poor. Each perspective has far-reaching consequences for the undertaken research: studies following the latter perspective – working but poor – often stress the relevance of labour-market related factors. However, it is also important to focus on the question of how such differences can be explained from a broader perspective of poverty research. In general, there are results that confirm both welfare state measures and labour market institutions have an influence on in-work poverty.

Kopsavilkums

Faktori, kas izraisa strādājošo nabadzību Latvijā un citās Eiropas Savienības valstīs

Atslēgvārdi: *strādājošo nabadzība, strādājošo nabadzības likme, nodarbinātība, alga, mājsaimniecība, ģimene*

Šī raksta mērķis ir noteikt un izanalizēt strādājošo nabadzības galvenos faktoros un iemeslus Eiropas Savienības valstīs, tādā veidā arī Latvijā.

Strādājošie nabadzīgie ir tie cilvēki, kuri ir nodarbināti, taču viņu ienākumi ir zemāki, nekā noteiktais nabadzības sliekšnis. Atkarībā no tā, kā tiek definēti nodarbinātie un nabadzība, cilvēks var būt un nebūt pieskaitīts pie strādājošiem nabadzīgiem. Nabadzība ļoti bieži tiek asociēta ar bezdarbu, statistiskie dati pierāda, ka liela daļa nabadzīgo ir nodarbināta. Lielākoties zemu algu dēļ; strādājošie nabadzīgie sastopas ar daudziem apstākļiem, kas samazina viņu iespējas atrast vai paturēt darbu, ietaupīt naudu un uzturēt pašcieņu atbilstošā līmenī.

No citas puses, strādājošos nabadzīgos var definēt, kā nabadzīgos cilvēkus, kuri ir nodarbināti, no citas puses, kā nodarbinātie, kuri ir nabadzīgi. Katrai no perspektīvām ir tālejošas sekas nabadzības pētījumos: pētījumos, kuri ir fokusēti uz nodarbinātiem, bet nabadzīgiem, tie uzsvērts darba tirgus un tā faktori. Taču ir svarīgi ir arī noteikt, kā veidojas šāda veida atšķirības. Kopumā var pateikt, ka tie pierāda, ka gan valsts sociālās politikas, gan darbu tirgus nostādnes ietekmē strādājošo nabadzību.

Introduction

In-work poverty is a very extensive problem. In the EU, 8.6% of people at work live below the poverty risk threshold in 2008. More concretely, this means that out of the 81 million income poor in the European Union 17 million are workers. In Latvia this number is even higher – 10,5%. It means 10,5% (around 5970 people) of people at work in Latvia live below the poverty risk threshold in 2008 (research made by the author using Eurostat data base (In-work at-risk-of-poverty rate.. 2015)). The working poor represent 15% of the 120 million people included in the new Europe 2020 social inclusion target.

After 2000, the economic growth has been the main means of poverty reduction. In 2008, for the eighth successive year European countries economy registered a significant growth rate. The developments and reforms within the national social protection system increasingly targeted the

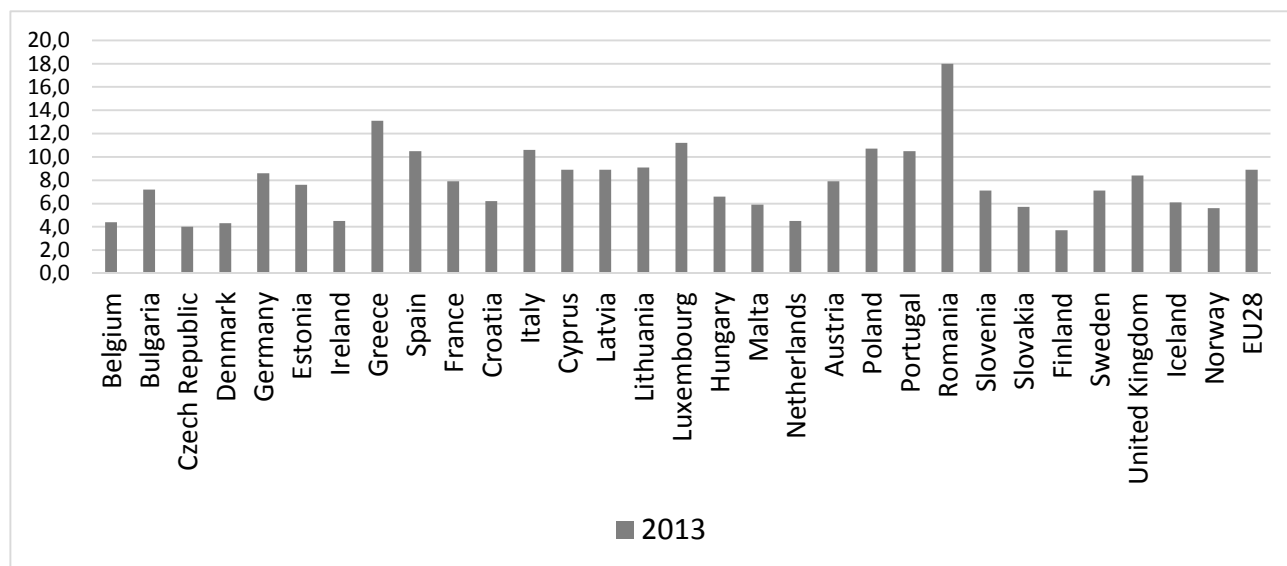
poor yet, benefits of the economic growth failed to reach all sections of the population including many people in employment that are still to be found among those affected by poverty. Since the fall of 2008, the effects of the economic downturn reflected in increasing number of people being left without the earnings from their lost jobs which came to add to already existing problems related to poverty and social exclusion.

The prevalence of in-work poverty in European Union countries

There is a very wide variation in the national in-work poverty rates across the European Union (EU). The countries with the highest rates in 2013 (Diagram 1, research made using Eurostat database) are Romania (18%), Greece (13%), Poland and Portugal (around 11%), Italy, Spain and Luxembourg (almost 12%). The countries with the lowest rates are Finland (less than 4%) the Czech Republic (4%) and Belgium, Denmark, Netherlands (around 5%).

The characteristics of in-work poverty view both individual and household level. Individual features such as age, education and gender are demonstrated as having an influence on the risk of being poor. Low pay, under-employment and family structures join together to explain working poverty. The factors that contribute to working poverty such as working part-time, having low education, being self-employed, or a lone parent, having a temporary contract.

Diagram 1. *In-work at-risk-of-poverty rate in EU countries in 2013 (%)*



Source: Made by the author using Eurostat data base (In-work at-risk-of-poverty rate. 2015)

The experts of EU report that in most countries there has been relatively little political debate or academic research on in-work poverty. They point out that the policy discourse has been dominated in most countries by the question of how to improve the chances of the unemployed to find employment and not on the question of in-work poverty. Indeed, several suggest that one of the impacts of the economic and financial crisis has been to move the issue of in-work poverty still

lower on the policy agenda. The impact of rising unemployment due to the crisis has reinforced the already predominant policy focus on measures to protect employment and to create employment opportunities without necessarily addressing the issue of low wages and in-work poverty. This is in spite of the fact that there is growing evidence in several EU countries that the impact of the crisis may be leading to an increase in in-work poverty and labour market segmentation.

While low wages play a very important role in causing in-work poverty, their significance as an explanatory factor for in-work poverty varies across the EU. Indeed, in several countries the correlation between low wages and in-work poverty is not very strong. Many experts note that while most people experiencing in-work poverty have a low wage not everyone on a low wage experiences in-work poverty. Thus they suggest that the focus needs to be on the interaction of several different factors: the number of hours worked, the level of wages, the level of direct tax and the level of in-work benefits (Frazer, Marlier 2010).

Main explanatory factors for in-work poverty in EU countries including Latvia

The explanatory factors for in-work poverty that emerge from the experts' reports reveal the interaction of a very complex set of factors. The balance of these varies in importance from country to country. These factors can be grouped under four main headings: structure of economy/labour market; family/household composition; individual/personal characteristics; institutional factors (i.e. minimum wage, tax and social protection).

Leaving aside the issue of housing costs, there are three key factors that are associated with in-work poverty:

1. Having children.

It is very unusual for single people and childless couples of working age who have someone working full time to be poor. Only 3 per cent of single people without children in full-time employment (defined as more than 31 hours per week) and 3.2 per cent of people in couple families were in the at risk of poverty group.

2. Being a low-paid lone parent: A lone parent in employment (ignoring the problems of childcare and housing costs) is likely to be in in-work poverty if

- a. They cannot work full time;
- b. And/or they don't claim the in-work benefits to which she is entitled; and/or
- c. They're working for lower pay than the statutory National Minimum Wage (NMW).

3. Being a couple with children with only one earner: In contrast to a lone-parent family, a couple with children with a parent in employment is likely to be in poverty if

- a. There is only one person in employment;
- b. They cannot earn more than the NMW.

There are of course also other factors that in-work poverty, such as:

- Extensive low quality and insecure employment combined with low wages;
- Structure of economy/labour market;
- Family/household composition and low work intensity;
- Individual/personal characteristics;
- Institutional factors (i.e. minimum wage, tax and social protection).

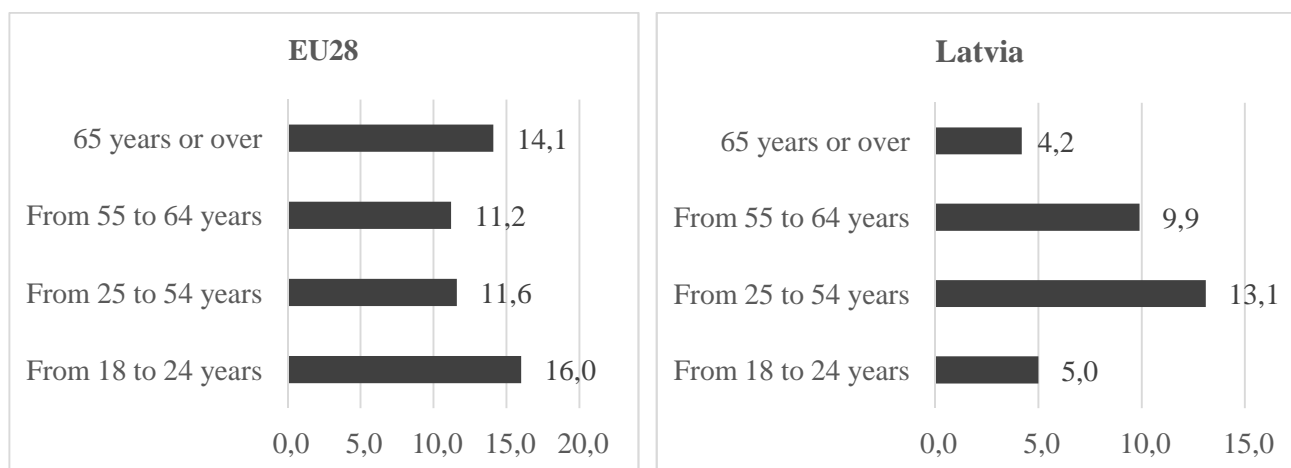
Diagram 2. *In-work at-risk-of-poverty rate by gender in EU and separately in Latvia (% , in 2012)*



Source: Made by the author using Eurostat data base (In-work at-risk-of-poverty rate.. 2015)

According to EU estimates in 2013 (Diagram 2), 11% and 10,9% respectively, of the employed persons in (average) 28 countries of EU and Latvia were working poor (with an equivalent disposable income below the risk-of poverty threshold, which is set at 60% of the national median equivalised disposable income after social transfers). This is one of the highest rates compared to other European countries but also this rate is lower than on the average across EU.

Diagram 3. *In-work at-risk-of-poverty rate by age in EU and separately in Latvia (% , in 2012)*



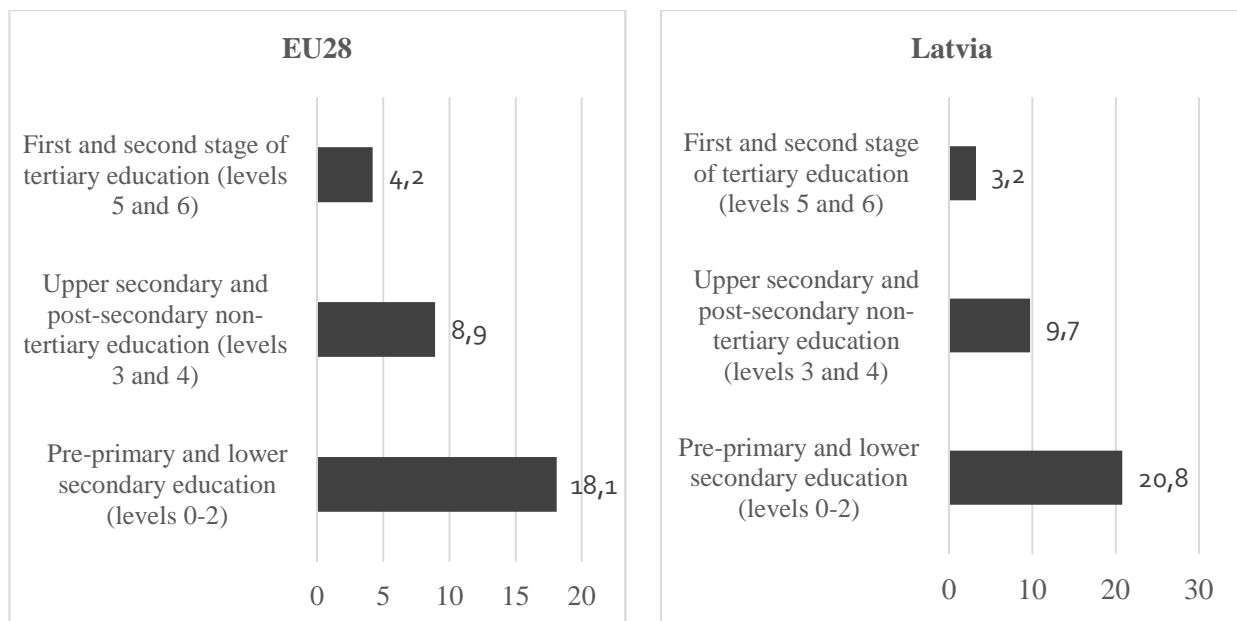
Source: Made by the author using Eurostat data base (In-work at-risk-of-poverty rate. 2015)

Lisa Harker (UK researcher and sociologist), in her independent report on child poverty for the Department for Work and Pensions, stated: “starting a job is not a safe route out of poverty: in one in three cases moving into employment from out of work poverty simply shifts a family into in-work poverty”. She identified three main causes of in-work poverty amongst families with children:

- low pay,
- families relying on one earner and
- single/dual earners not working enough hours (Bradshaw, Bennett, Mayhew 2010).

The distribution of the working poor according to their **age** follows an U shape (Diagram 3), actually two different kind of U shapes for both EU28 (28 countries of EU on the average) and Latvia. In EU28 on the average in-work poverty risk being generally lower for over middle age workers (11,2% among workers aged 55 to 64 years in 2012). Middle aged workers (aged 25 to 54 years) show higher in-work poverty risk (11,6% in 2012) and the highest risk stays among oldest workers (14,1% for those aged over 65 years and 16,0% among oldest workers, also in 2012).

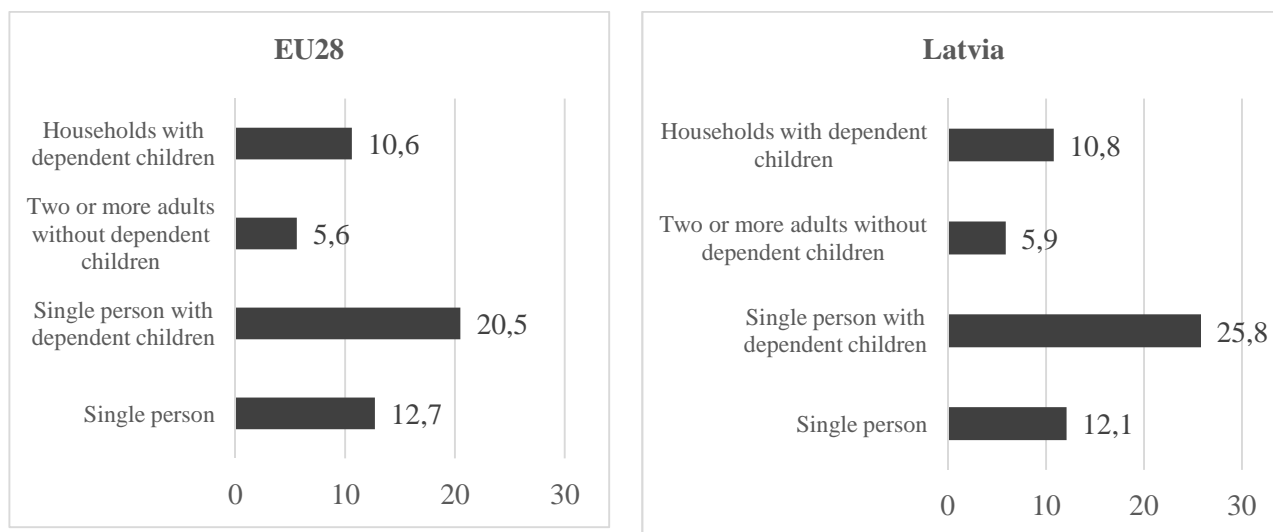
Diagram 4. *In-work at-risk-of-poverty rate by education level in EU and separately in Latvia (% in 2012)*



Source: Made by the author using Eurostat data base (In-work at-risk-of-poverty rate. 2015)

As it could be expected, the level of education (Diagram 4) is an essential determinant of in-work poverty as working poverty risk is higher for low educated individuals and goes down with the increase of the educational attainment (20,8% of the low educated people having a job are at risk of being poor compared to 3,2% for highly educated individuals in Latvia as against the EU28 average of 18,1% and 4,2% respectively in 2012). Medium-educated workers show a 9,7% in-work poverty risk in Latvia compared to the EU27 average of 8,9% in 2012.

Diagram 5. *In-work at-risk-of-poverty rate by household type in EU and separately in Latvia (% in 2012)*



Source: Made by the author using Eurostat data base (At-risk-of-poverty rate by... 2015)

Further than individual characteristics, the incidence of in-work poverty is related to **household characteristics** (i.e. the economic status of other members of the household). In Latvia, single parents with dependent children (Diagram 5) confront with the highest in-work risk of poverty (25,8% in 2012 compared to the EU average of 20,5%). Households with dependent children show an in-work poverty risk of 10,8% and 10,6 in Latvia and EU28 respectively in 2012 whilst, households without children have a lower risk of in-work poverty (5,9% in EU28 and 5,6% in Latvia also in 2012).

The in-work poverty risk for single people without children is significantly lower than the poverty risk of working lone parents (12,1% compared to 25,8% in Latvia and 12,7% compared to 20% in EU28, in 2012), and also shows a higher value when compared to those living in households formed of two adults or more without children (12,1% as against 5,9% in Latvia and 12,7% against 5,6% in EU28, in 2012). This may be attributed to the changes in family structures along with a deterioration of the protective nature of families (i.e. more young people leaving home to live on their own at earlier ages without family support).

The policies addressing the working poor are, to a certain extent, interlinked with policies aiming to combat poverty and social exclusion, including those related to the social welfare system. In the form of various transfer payments and social benefits, these policies also tackle in-work poverty being complemented by fiscal measures, such as in-work benefits or tax credits paid to those with earnings below a certain level, labour market policies such as minimum wages, unemployment benefits, unemployment assistance and start-up benefits, or a combination of all these measures.

In Latvia no special research has been undertaken on the situation of the working poor or any aspects related to this set of problems. The focus of attention in national studies undertaken to date has been on the description of poverty according to various social demographic parameters. In the situation of Latvia much more attention in the political agenda as well as in research has been paid to unemployment as one of the key factors related to the poverty risk. The terms “in-work poverty” or “the working poor” are not used at all in research studies and policy documents in Latvia.

Authors of the research study use as the basis conclusions drawn by Jolanta Audukaite (Lithuanian researcher) on the application of the G.Esping-Andersen typology to Latvia. J.Aidukaite, indicates that the labour force in the Baltic States is “commodity”, which is typical of the liberal regime (Lace 2010). Even though many programmes exist that are aimed at protecting individuals against social risks, the benefit level in the Baltic states is comparatively low, which means that individuals have to rely mainly on their own possibilities in the free market and their families, rather than on the state support. The rather high dependency of the labour force on the free market has resulted in the growth of income inequality in all three Baltic countries. It has to be noted that the development of the Latvian welfare system was influenced, to a large extent by ideas of neo-liberalism and corporative conservative regime, placing an emphasis on the employment of the individual and its results.

Not only in Latvia, but also in the majority of the new EU member states, the tax wedge for a low wage earner is quite high, and these indicators generally are slightly higher than the tax wedge of the West European countries. Even though the flat personal income tax rate applied in Latvia is of average size, the low non-taxable minimum amount of the personal income is one of the reasons why the tax wedge is quite high. The other reason for the high tax wedge in Latvia is social contributions that the employees have to pay for the first earned euros. It means that a quite weighty tax wedge develops even for low-wage earners whose gross wage is just slightly above the non-taxable minimum.

Conclusion

In conclusion, author would like to note that the same as general poverty rate, also in-work at-risk-poverty-rate is rather high across European countries. It means that despite all the policies that are being held in these countries (in particular in EU countries), there are many factors that doesn't let in-work at-risk-poverty-rate decrease. It is different in each country by its level and its structure. It means measures to decrease this in-work at-risk-poverty-rate must be different in each country but also measurements that are applied to all countries in general are very important (micro- and macro-level policies).

People's personal characteristics also have some impact on their risk of recurrent poverty, but that 'structural labour market factors remain the strongest influence, implying that this is where the

focus of efforts should lie’, with ‘key factors that need to be addressed’ if work is to be a sustainable route out of poverty. These include improving rights and conditions for agency workers; increasing pay levels; ensuring public procurement decisions work towards these goals; providing better careers advice; and making childcare more available and affordable for those on low incomes.

References

- Aidukaite, J. (2004) *The Emergence of the Post-Socialist Welfare State. The Case of the Baltic States: Estonia, Latvia and Lithuania*, Stockholm.
- Andrew, H.-J. And Lohmann, H. (2008): *Introduction: The Working Poor in Europe*. In: Andrew, H.-J. And Lohmann, H. (2008): *Introduction: The Working Poor in Europe. Employment, Poverty and Globalization*. Bodmin, Cornwall: Edward Elgar Publishing
- At-risk-of-poverty rate by poverty threshold and work intensity of the household. Eurostat data base. Accessed: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_li06h&lang=en [10.03.2015]
- Bradshaw, J., Bennett, F. and Mayhew, E. (2010): *In-work poverty and labour market segmentation*. A study of National Policies. United Kingdom.
- Cretazz, E. and Bonoli (2011): *Worlds of Working Poverty: National Variations in Mechanisms*. In Frazer, N. et. al. (Ed.): *Working Poverty in Europe. A Comparative Approach*. Basingstoke: Palgrave Macmillan
- Frazer, H. and Marlier, E. (2010): *In-work Poverty and Labour Market Segmentation in the EU: Key Lessons. Social Inclusion Policy and Practice*. Economy and Finance. Population and Social Conditions. Eurostat data base. Accessed: http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database [10.12.2014]
- Income poverty in the European Union (2010): European Foundation for the Improvement of Living and Working Conditions. Accessed: http://www.eurofound.europa.eu/ewco/surveyreports/EU0703019D/EU0703019D_4.htm [20.03.2015]
- In-work at-risk-of-poverty rate by age and sex. Eurostat data base. Accessed: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_iw01&lang=en [11.03.2015]
- In-work at-risk-of-poverty rate by education level. Eurostat data base. Accessed: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_iw04&lang=en [11.03.2015]
- Lace, T. (2010): *In-work poverty and labour market segmentation*. A study of National Policies. Latvia.
- People at risk of poverty or social exclusion by age and sex. Eurostat data base. Accessed: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=ilc_peps01&lang=en [16.02.2015]
- Poverty facts and stats. (2012): Global Issues: Social, Political, Economic and Environmental Issues That Affect Us All. Accessed: <http://www.globalissues.org/article/26/poverty-facts-and-stats> [10.01.2014]
- Spannagel, D. (2013): *In-work Poverty in Europe. Extent, Structure and Casual mechanisms*. Oldenburg: University of Oldenburg
- Total expenditure on social protection. Eurostat data base. Accessed: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=spr_exp_fsi&lang=en [09.03.2014]

THE ROLE OF PUBLIC RELATIONS PRACTICES IN THE LATGALE REGION LOCAL COMPANIES

Sandra Murinska-Gaile

Rezekne Higher Education Institution, Atbrīvošanas aleja 115, Rēzekne, LV-4601, Latvia
sandra.murinska@inbox.lv

Abstract

The role of public relations practices in the Latgale region local companies

Key words: Latgale, public relations, local companies, communications, marketing.

Public relations specialists operate at different levels of the organization - both the governmental and the private sector, ranging from small companies up to voluntary work. Specialists of this sector have a mediator's role between the company and the public. Sometimes investment of public relations becomes topical due to social changes, wherewith the strategic practice is expanded, which is often not visible in communicative processes.

This article examines the relevance and role of James Grunig and Todd Hunt's (1984) theory to public relations practices in Latgale region local companies. Public relations agencies in Latvia primarily implement their services in the capital. This research focuses on situation in the region, whether local companies think about publicity and communication in the public space, and how much this industry is important in the region in general. Is it only the privilege of the centre, and how public relations can develop in the region? The research summarizes views of local entrepreneurs in the Latgale region about the role and practices of public relations in the company and their types of activity according to four Grunig and Hunt's communication models.

Survey showed that media publicity and opportunities of global network are activities most associated with public relations. According to theorists of public relations, this corresponds to public information model, which is characterized as one-way communication.

Kopsavilkums

Sabiedrisko attiecību loma Latgales reģiona vietējo uzņēmumu darbībā

Atslēgvārdi: Latgale, sabiedriskās attiecības, vietējie uzņēmumi, komunikācija, mārketing.

Sabiedrisko attiecību speciālisti darbojas dažādos organizāciju līmeņos – gan valdības, gan privātajā sfērā, sākot no nelieliem uzņēmumiem līdz pat brīvprātīgo darbam. Šīs nozares speciālistiem ir vidutāja loma starp organizāciju un sabiedrību. Dažkārt sabiedrisko attiecību ieguldījums kļūst aktuāls tieši sociālo izmaiņu ietekmē, līdz ar to tiek izvērstas darbības, kas nereti komunikatīvajos procesos nemaz nav pamanāma.

Latvijā darbojas daudz sabiedrisko attiecību aģentūru, kas savus pakalpojumus realizē galvenokārt galvaspilsētā.

Raksta mērķis ir noskaidrot, kā praksē tiek realizēta sabiedrisko attiecību teorētiku Džeimsa Gruniga un Toda Hanta (1984) četru komunikācijas modeļu pieeja Latgales reģiona vietējos uzņēmumos.

Pētījumā tiek noskaidrots, kāda situācija ir reģionā, vai vietējie uzņēmumi domā par publicitāti un komunikāciju publiskajā telpā un cik šī nozare ir nozīmīga reģionā kopumā. Vai tā ir tikai centra privilēģija, un kā sabiedriskās attiecības var attīstīties reģionā? Rakstā apkopoti Latgales reģiona vietējo uzņēmēju viedokļi par sabiedrisko attiecību nozīmi uzņēmumā un to aktivitāšu veidiem, izmantojot Gruniga un Hanta komunikācijas modeļus.

Aptaujas rezultāti demonstrē, ka par nozīmīgāko sabiedrisko attiecību aktivitāti tiek uzskatīta publicitāte medijos un komunikācija globālajā tīmeklī. Pēc sabiedrisko attiecību teorētiku Gruniga un Hanta teorijas, tas atbilst sabiedrības informēšanas modelim, kuru raksturo vienvirziena komunikācija.

Introduction

Advertising and marketing agency data (Reklāmaskatalogs.lv, PR aģentūras) show that there are more than fifty public relations (PR) agencies in Latvia, but all of them are located in the capital. Advertising and communications agencies implement their activity alongside with them. It demonstrates that this sector of market is relatively dense, but, obviously, it is mainly oriented to Riga and the surrounding companies. Of course, they can carry out their activities throughout the territory of Latvia, but agencies often are more focused on large companies. Therefore, the aim of this article is to find out whether public relations services are being used and would be used in the region.

Public relations can be attributed to all companies, because public relations include communication, which is focused not only on addressing the outer audience, but also on communication with employees.

Public relations sector currently includes a practice of diverse activities; they are now introduced in different communication forms and levels: *Public relations cannot be seen narrowly. The boundaries between the disciplines of communication sector have actually disappeared and increasingly mutually integrated* (Marcinkēvičs 2015: 15). Latvian Public Relations Consultancies Association explains, *PR agencies of "two speeds" are distinguished increasingly strongly - the ones, which still offer classic PR services, and those, which have purposefully expanded their expertise and range of services by offering to customers services, such as digital, integrated communication solutions, lobbying or management of change. Expanding their service portfolio, advanced PR agencies in Latvia successfully operate not only within their own sectors, but they surely "conquer" more and more new areas and compete with creative agencies. Gradual disappearance of old borders and zones of influence, as well as customers' demand for qualitative content and ideas, has become a major trump card of PR agencies and public relations and an opportunity to demonstrate themselves in a new range* (Ansonska 2012). This tendency can be displayed by example of PR practice in United States and Europe: *in the USA the social science elements dominate the understanding of PR, as is reflected in their education and texts about the subject. In the UK, PR is largely – though not exclusively – considered a management function and is taught in business schools. In both countries it is sometimes found in schools of journalism* (Fawkes 2011: 4). It can be seen that public relations have wide range of activities and impact from other scientific fields. Thus the main features of public relations can be highlighted; it is an organisation and society bind made by communication. Nowadays importance is given to way how to communicate with individuals because of many types and opportunities of dissemination of information and content of it.

This article examines the relevance and role of James Grunig and Todd Hunt's (1984) theory to public relations practices in Latgale region local companies. Using data of companies' survey made in the Latgale region, this article focuses on practices how public relations are used by local companies and which of Grunig and Hunt's four models best describes the practice of public relations in Latgale region local companies.

Theoretical Paradigms

There is no consensus in the theoretical literature about approaches and directions of the public relations sector.

One of the founders of the public relations theory explains that *public relations is a management function - it is establishment and maintenance of mutually beneficial relationships*

between an organization and the public, from which depends success and failure of the institution (Katlips, Senters, Brūms 2002: 26). As can be seen, initially the field of public relations was associated with management activities, corporate and risk communication, social responsibility, but now its manifestations have evolved and changed. Therefore, public relations are no longer perceived unambiguously, but their role in communication with the public is evaluated - in the theoretical literature public relations specialists are referred to as cultural intermediaries (Hodges, 2006; L'Etang, 2009). In addition to the organizational and management function, the role of public relations as a communicator and mutually beneficial communication environment is now being emphasized. *The words 'art' and 'social science' are helpful in explaining the continuing tension between understanding PR as a measurable, science-based application of communication tools, and the affection of many practitioners for the looser, more creative, aspects of the work* (Theaker 2001: 4). This means the practices and research approaches are widened, as well as an impact of local and global environment and a creative approach to understanding events and problem solution are assessed.

Their service environment is also assessed differently, because the same services are often offered by media, digital and advertising agencies. This means that representatives of various social groups or publics are currently involved in the public relations process. *In PR we say there is no such thing as the public – there are instead many different groups of people – not just consumers, but suppliers, employees, trustees, members, local and national trade and political bodies, local residents, among many others. One of the key concepts of PR is the idea that these groups – or publics – have different information needs and exert different demands on organisations. Understanding these differences is a vital skill of PR* (Fawkes 2001: 4). Public relations researchers J. Grunig, L. Grunig and D. Dozier call public relations as communication management (Grunig, Grunig, Dozier 2002: 2): *Public relations/communication management is broader than communication technique and broader than specialized public relations programs such as media relations or publicity. Public relations and communication management describe the overall planning, execution, and evaluation of an communication with both external and internal publics-groups that affect the ability of an organization to meet its goals* (Grunig 1992: 2).

However, Inga Pure, a researcher of Latvia's public relations, affirms in her dissertation that she disagrees with the statement that public relations is a communication management. Communication in a narrower sense is a tool, which helps to build relationships with the public. On the other hand, communication management is a broader concept than public relations. Communication management does not determine the way in which communication is carried out, what is its nature (one-way or two-way, ethical or unethical, etc.). It is a transmission of wide range of information. It would be better to talk about relations rather than communication management.

Relations state that the parties concerned are interrelated and interacting with each other. Long-term, mutually beneficial relations can be set up by involving all stakeholders in communication and respecting ethical standards (Pūre 2013: 30). Grunig declares that *excellent public relations is managerial, strategic, symmetrical, diverse, and ethical* (Grunig, Grunig, Dozier 2002: 306). This means that the public relations process envisages involvement of different parties and opinions, but it must be formed symmetrical and in accordance with moral principles.

However, communication is important in order to determine its manifestations and impacts. As one of the most important types of public relations research and categorizing is considered the model developed by James Grunig and Todd Hunt (1984). Researchers suggested a useful way of looking at PR history, by using four categories of communication relationship with publics, placed in a historical context: press agency/publicity, public information, two-way asymmetric, and two-way symmetric. It is important to note that the researchers do not call this division the public relations models, but the ways in which public-relations like activities are implemented (Grunig, Hunt 1984: 22). This description is significant, because sometimes there are misunderstandings in relation to the models described below - whether all models characterize the public relations practice. Although the model originated in the 80s, its topicality is seen also nowadays, because different techniques are used in communication between the organization and the public. For each of the models, Grunig and Hunt identified the following characteristics: 1) purpose – the goal of the public relations effort; 2) nature of communication – the type of message being sent to audiences; 3) communication model – how the message is being sent to the audiences; and, 4) research activities – the amount of research conducted to determine the most appropriate public relations tactics and messages for the audience.

Public relations scholars have conducted extensive research on the extent to which organizations practice four models of public relations-four typical ways of conceptualizing and conducting the communication function-and to identify which of these models provides a normative framework for effective and ethical public relations. But in this context it is important to note that *this approach to thinking about PR has been extensively globalized or colonized as a dominant framework despite the fact that PR appears to have developed differently in various cultures* (L'Etang 2009: 613). Therefore realization of models has impact from geopolitical and sociocultural environment. The influential model would be communication programs on the two-way symmetrical model rather than the press agency, public information, or two-way asymmetrical models. *Press agency/publicity and public information are both one-way models. Practitioners of press agency seek attention for their organization in almost any way possible, whereas public information practitioners are journalists-in-residence who disseminate accurate, but usually only favorable, information about their organizations. With the two-way asymmetrical model,*

practitioners conduct scientific research to determine how to persuade publics to behave in the way the client organization wishes (Grunig, Grunig, Dozier 2002: 308). With the two-way symmetrical public relations attempts to balance the interests of the organization and its publics, is based on research, and uses communication to manage conflict with strategic publics. Dialogue is the main feature and aim of communication. Although applicability of Grunig's and Hant's communication models is influenced by economic, social, technological conditions, but their realization in practice is also evident at the moment

The fundamental problem of the research is connected with implementation of these models in practice.

Methodology of the Research

A survey among the Latgale region entrepreneurs was carried out within the framework of the research. E-mails with a link to the survey were sent to the Latgale region companies of different sectors (irrespective of their size and turnover). 25 out of the addressed 137 companies replied.

Admittedly, a small number of respondents participated in the survey, so the survey does not give an opportunity to ascertain the representativeness of the public relations throughout the region. But it reveals business attitudes and understanding of scientific activities and its impact on the business environment.

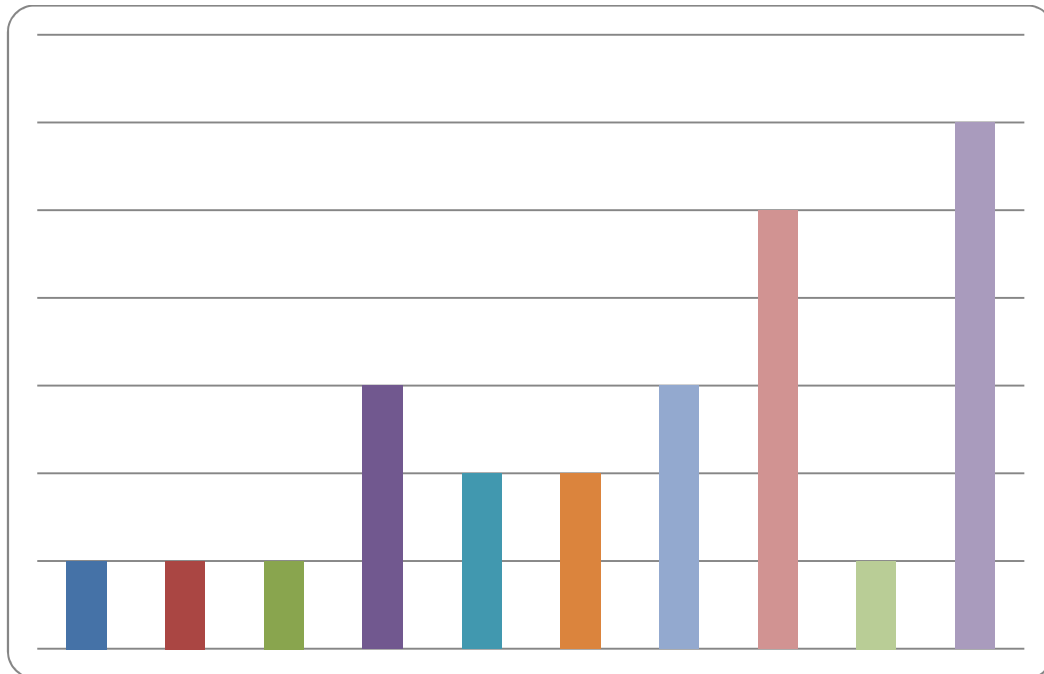
The small amount of respondents mean that this article is intended primarily as a descriptive analysis of a public relations practices in region. Such research is important because there is no any academic researches about public relations practices in Latgale region. Thus it is hoped that this will give useful bases for further study and discussion for academics and businessmen as *the ultimate test of research is whether it provides reliable knowledge to serve objectives of society. These objectives include improving decisions to enhance the well-being of people and the quality of the environment* (Gebremedhin, Tweeten 1994: 5).

The questionnaire consisted of 10 questions that made it possible to clarify which public relations tools are used by the local entrepreneurs and whether public relations are considered a gain or loss. Responses were assessed on the basis of Grunig's and Hunt's four models of public relations: press agency/publicity, public information, two-way asymmetric, and two-way symmetric, assessing what is the role of public relations in the region and which public relations model is the most appropriate in the local business environment.

The respondents represented various sectors of national economic (such as financial services, food and beverages, industry, transport and transportation, etc., see Figure 1). The data obtained cannot be related to all Latvian companies, but they are enough to reveal situation in region. The survey was mainly dominated by men (15) and 10 women. Average age of the respondents was 33.9 years. The survey involved the representatives of micro, small and medium companies, micro-

enterprises were represented the most (62%) - up to 10 people. The most widely represented answer was *other* (building management, entertainment, crafts, information energy, land surveying, handicrafts) and trade and services (5 answers).

Figure 1. *Business sector*



Source: Made by the author using Microsoft Excel

Sectors such as industry, media and printing dominate as well. As seen in the diagram, trade and services is an important environment component of the Latgale region business.

Discussion and Conclusions

Analyzing responses collected in the survey it appears that the region's public relations activities can not be subjected to only one model. There are asymmetric and symmetric communication models. This means that local companies in collaboration with the public use not only one-way messages, but feedback is realizing, which, however, mainly being expressed in the form of communication in the World Wide Web.

90% of respondents (22 answers) admitted that they know what public relations are. But in order to see if they are aware of what is being said, their opinion about public relations tools that are used by local entrepreneurs was clarified (see Figure 2). The most popular tools of public relations are communication in social networks and production of advertising material (brochures, leaflets) - 13 of respondents have chosen this option. Apparently, the aims of local companies are focused on activities of marketing like selling and on image forming.

Maintenance of websites (13 answers) and publicity in the mass media (10 answers) are equally important. Companies' websites are now one of the most visible communication tools, faced

by the potential public. However, respondents' answers show that there is no defined strategy in the media environment, for example, one of entrepreneurs has responded that the information is updated in case of need or not updated at all. This shows that the goal of the organization or the company is not persuasion, but this activity has an informative character.

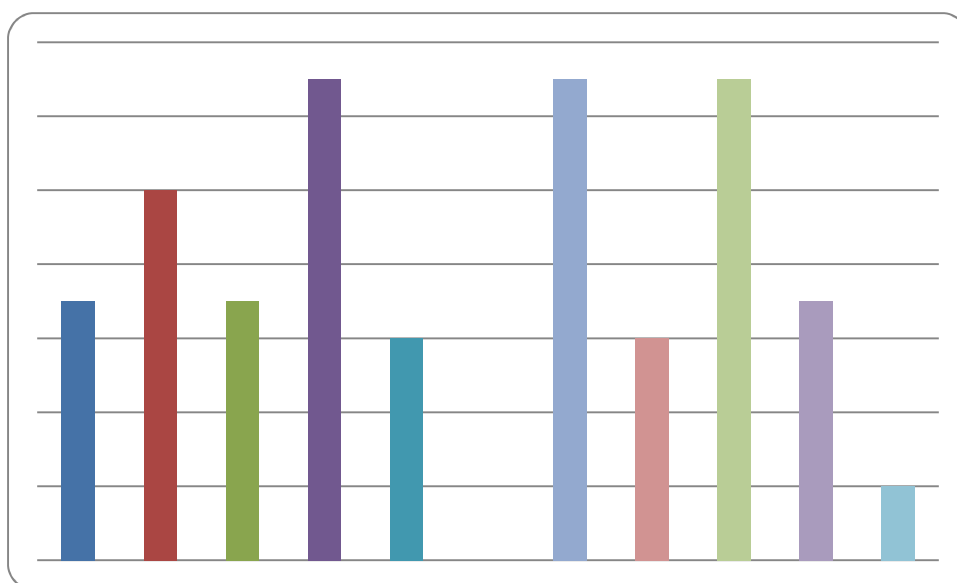
The media environment is currently one of the multifunctional channels, allowing various types of publicity, *but the message applicant should know to what kind of information the media will pay attention to, how to formulate essence and main ideas of a new message, as well as how to write and design information in order to satisfy style and content of the specific mass media* (Brūms, Katlips, Senters 2002: 33).

Local newspapers and news portals of World Wide Web are referred to as the favourite mass media with whom the Latgale region entrepreneurs cooperate. This shows that local newspapers have an important role in the region's business, although they are often positioned as marginal.

Usage of public relations provides strategic development. At present, as shown in the survey, short-term public relations activities are mainly selected, which focus on external communication. Development of internal communication, for example, quality of the company's internal mutual environment, is not thought of. The theorists explain that the public is not just clients; the public consists of employees, local authorities, etc.

Although publicity in the mass media is listed as the second most popular answer, but *writing of press releases* is chosen the least (6 answers). This means that entrepreneurs have no real understanding of differences between publicity in the mass media and press releases.

Figure 2. *Public relations tools*



Source: Made by the author using Microsoft Excel

As shown by the survey, public relations services represent a range of activities that have different manifestations, but the understanding of them is different. For example, quality positioning is highlighted separately from brand positioning, although the brand often is the one that indicates the quality.

Companies do not use the tool 'company's internal newspaper. This means that internal communication inside the company is not seen important, though, according to the theory by Grunig and Hunt, effective external communication cannot exist without strengthened internal public relations, because reputation of the company is also built by its staff.

The chosen public relations activities show that various *public relations* models are being used in practice. Two-way symmetric model is the most popular one at present, because communication with the potential public has become simpler thanks to communication technologies, namely, social networking makes it possible to reach clients online. The model's effectiveness is determined by qualitative feedback. However, the potential of the Internet should not be perceived so unambiguously, because it is essential whether the response is provided. Local companies often realize only publishing of advertising in social networks, but do not engage in communication with the public. Such communication cannot be regarded as strategic and long-term.

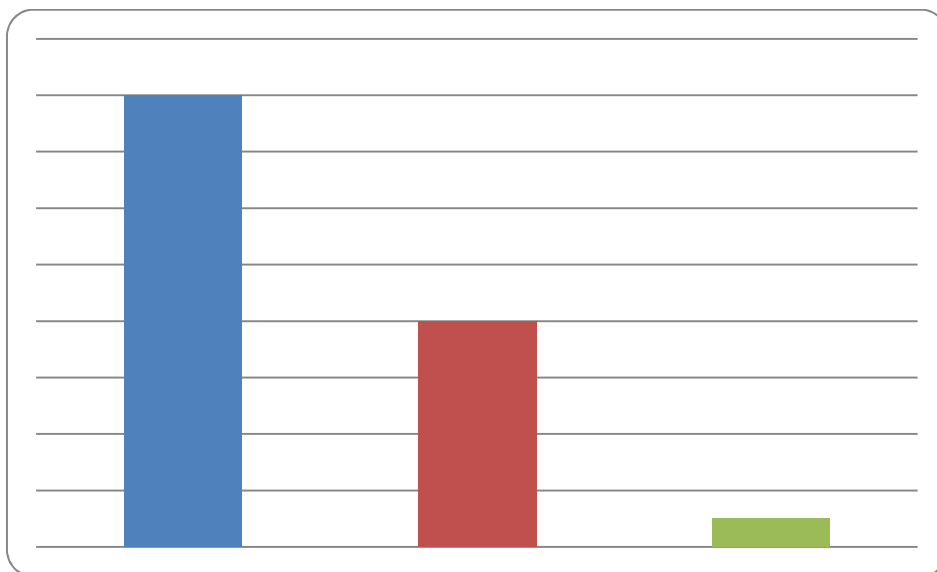
7 respondents admit that they do not use public relations services. They think it is not *conformed to business model* or consider public relations as advertising activities thus they think in terms of commercial aspects. The answer – *there is no need of public relations; we communicate with customers directly* shows that companies see public relations as a mediator not as a part of company`s image.

The specificity of the region's social and economic environment is demonstrated by the answers that justify why public relations tools are not used. A majority of respondents argue that there is lack of financial and human resources. Negative attitude is also shown by the answer: *we do not waste financial funds*.

This is also shown by the answer to the next question: who carries out duties of public relations specialist in the company. 15 respondents claim that they are implemented by the chairman of the board, as well as a project manager and a homepage administrator. This means that public relations is not the primary kind of entrepreneurship expression for local companies.

The majority of respondents (16 answers) answered that public relations tools have affected the company's operation (see Figure 3), and there are improvements for proving the fact (increased demand for goods/services, rise in communication with potential clients). This means that not only one-way communication is being used when creating the company's image. There is a tendency to form two-way communication, because symmetrical pattern envisages the importance of communication.

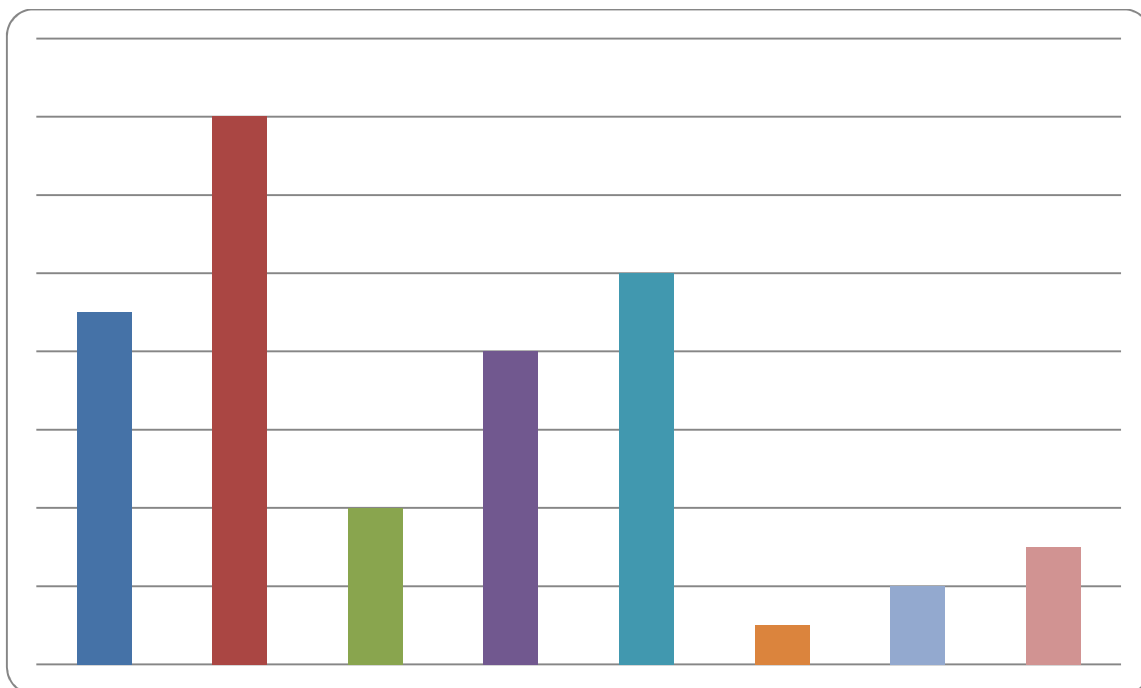
Figure 3. *Do public relations influence entrepreneurship?*



Source: Made by the author using Microsoft Excel

It is essential that companies operate not only at regional level but expand their operation outside the Latgale region, because there has been a response that public relations facilitate cross-border communication.

Figure 4. *How public relations activities have influenced operation of the company?*



Source: Made by the author using Microsoft Excel

However, there were comments that public relations have not affected the company's activities (Figure 4), for example, the company has not become more popular (2 answers). As it is

seen companies have assessed that public relations have positive impact on company's work, for example, 14 respondents say that demand for goods and services are increased. Alongside with marketing category the role of communication is being evaluated like *the rise in communication with potential client* (10 answers) and *improved reputation* (9 answers) of company.

Since the survey participants were mainly small and medium-sized enterprises, which are physically located in Latgale region, this means that public relations in the region focus on local resources. A positive attitude towards public relations in Latgale dominates as most of the respondents use communication tools. But understanding of public relations is not the most important priority.

The survey revealed that prevailing companies in the Latgale region are the ones related to trade and services. Considering types and range of business sector, the most effective way of communication would be the symmetrical two-way communication model as produces better long-term relationships with publics than do the other models of public relations. Symmetrical programs generally are conducted more ethically than are other models and produce effects that balance the interests of organizations and the public in society. But survey showed that press publicity is the activity that most people associate with public relations. This model is popular because a truth is not an absolute. It means that communication is not a process of responsibility. Local companies are promoted by media without any reference. Entrepreneurs recognize that public relations are accepted and they have influenced the company's operation, but the tactics of one-way communication model is mainly used at their work. Although there are efforts for feedback communication using social media in which it is possible to realize different aims. Thus customers are included in the process of public relations.

According to the public relations models among local entrepreneurs by Grunig and Hunt (Grunig, Hunt 1984), mainly management capabilities is considered one of the most important qualities that are necessary for public relations professionals. Based on the survey findings, it is being concluded that generally Latgale entrepreneurs have a positive attitude towards public relations, but the used tools show that there is no understanding of the most effective ones. Many of them share the opinion that the main task of public relations is simply to inform the public. This means that public relations are seen only as a short-term solution without a strategic development. This is confirmed by a tendency to mainly address the external audience. The local mass media is used for this task, which confirms the need for local cultural mediators.

Overall, the region public relations industry is not the primary aim of entrepreneurship, but, as shown, there is an understanding of the public relations activities. This means sector is likely to evolve in region.

References

- Ansonka, E. 2012. 2012.gada apskats par sabiedrisko attiecību nozari Latvijā. *Latvijas Sabiedrisko attiecību kompāniju asociācija*. <http://www.lsaka.lv/index.php/lv/jaunumi-3-lv/nozares-zinas/103-2012-gada-apskats-par-sabiedrisko-attiecibu-nozari-latvija>
- Dozier, D., Grunig, L., Grunig, J. (2002) *Excellent public relations and effective organizations: a study of communication and management in three countries*. London: Lawrence Erlbaum Associates, Publishers
- Edwards L. 2012. Exploring the Role of Public Relations as a Cultural Intermediary Occupation . *Cultural Sociology*. 6(4): 438 – 454.
- Edwards, L. 2012. Defining the ‘object’ of public relations research: A new starting point. *Public Relations Inquiry*. 1(1): 7–30.
- Fawkes, J. 2001. What is public relations? In Theaker, A. ed., *The public relations handbook*. Routledge: New York, London. 3-12.
- Gebremedhin, T.G., Tweeten, L.G. 1994. *Research Methods and Communication in the Social Sciences*. Westport, Conn: Praeger.
- Grunig J., Hunt T. (1984). *Managing Public relations*. New York: Thomas Learning
- Grunig, J.E. 1992. *Excellence in Public Relations and Communication Management*. Hillsdale, NJ: Lawrence Erlbaum.
- Hodges, C. 2006. PRP culture: A framework for exploring public relations practitioners as cultural intermediaries. *Journal of Communication Management* 10(1): 80–93.
- Katlips, S.M., Selters, A.H., Brūms, G.M. 2002. *Sabiedriskās attiecības*. Rīga: Avots.
- L'Etang, J. 2009. Public Relations and Diplomacy in a Globalized World: An Issue of Public Communication. *American Behavioral Scientist* 53(4): 607-626.
- Marcinkēvičs, A. 2015. Instrumentu kastītē jauni rīki. From: *Dienas Bizness*, 14.aprīlis.
- Pūre, I. 2013. Sabiedrisko attiecību attīstība un izpratnes dažādība Latvijā (1991–2010). PhD thesis. Accessed: http://www.turiba.lv/f/Inga_Pure_Promocijas_darbs-ar_pielikumiem.pdf.
- Reklāma un mārketings. *PR aģentūras*. [skatīts 28.04.2015.]. Accessed: <http://www.reklamaskatalogs.lv/?id=meklesana&QNosaukums=PR+a%C4%A3ent%C5%ABras>
- Theaker, A. ed., 2001. *The public relations handbook*. Routledge: New York, London.
- Veinberga, S. 2004. *Publiskās attiecības: PR teorija un prakse*. Rīga: Zvaigzne ABC.

CONSUMER LOYALTY EVALUATION: EMPIRICAL EVIDENCES FROM LATVIAN TELECOMMUNICATION COMPANY

Elīna Radionova, Renāte Vidruska

University of Latvia, Aspazijas bulv. 5, Rīga, LV-1050, Latvia
elly3@inbox.lv, renete.vidruska@lu.lv

Abstract

Consumer loyalty evaluation: empirical evidences from Latvian telecommunication company

Key words: loyalty, loyalty evaluation, loyalty model, telecommunications, statistical analysis

The aim of this study is to create a survey based on proposed conceptual model and to measure consumers' loyalty and its antecedents in telecommunication sector.

Nevertheless theoretical literature suggests measuring loyalty taking both attitudes and behavior into account, still many companies do not understand the real concept of loyalty relying only on rebuying behavior or use only net promoter score as loyalty measure. This could be a challenge to find *real* loyal customers in the sense of both attitudes and behavior and to manage them. Moreover the topic is of current interest as today telecommunication sector is very fast developing and has very high level of competition. Customers have a big enough choice and the barriers to switch are decreasing. The company should find, manage and analyze loyal customers properly.

The conceptual model shows process of loyalty formation including antecedents and components of loyalty to company, brand or product. Authors compare different loyalty evaluation methods to find the most suitable. The resulted model is based on theoretical and empirical literature and is supplemented with sector specifications. As the result, authors put forward proposals and draw conclusions about the model using in practice. The conceptual model is used to create the survey where each construct is measured using proposed survey questions. Data were collected from customers in the biggest Latvian telecommunication company.

The results allow making conclusions about consumers' loyalty levels and shed some light on antecedents of loyalty, but only those can be affected to increase level of loyalty. The proposed model will give chance to accurately analyze consumer's loyalty definition and explanations. The questionnaires can be used for telecommunications and other companies to analyze their consumer's loyalty and make marketing communications to a target audience.

The following research methods are used – scientific literature analysis, consumer questionnaires, and statistical analysis.

Kopsavilkums

Patērētāju lojalitātes izvērtēšana: empīriskie rezultāti Latvijas telekomunikāciju uzņēmumā

Atslēgas vārdi: lojalitāte, lojalitātes vērtēšana, lojalitātes modelis, telekomunikācijas, statistiskā analīze

Šī pētījuma mērķis ir sagatavot aptauju, kas balstās uz izveidoto konceptuālo modeli, un novērtēt patērētāju lojalitāti un to ietekmējošos rādītājus telekomunikāciju nozarē.

Neskatoties uz to, ka teorētiskā literatūra iesaka lojalitāti mērīt ņemot vērā gan attieksmes, gan uzvedības komponenti, joprojām daudzi uzņēmumi nesaprot reālo lojalitātes jēdzienu, par pamatu lojalitātes vērtēšanā ņemot tikai atkārtotu pirkumu izdarīšanu vai pozitīvu/negatīvu atsauksmju proporciju (*net promoter score*). Tas var būt izaicinājums atrast patiešām lojālu patērētāju (gan attieksmes, gan uzvedības ziņā) un strādāt ar tiem. Turklāt šis jautājums ir aktuāls, jo šobrīd telekomunikāciju nozare ļoti strauji attīstās un šajā nozarē vērojams augsts konkurences līmenis. Klientiem ir pietiekami liela izvēle un pāriešanas pie konkurentiem šķēršļi arvien samazinās. Jebkuram uzņēmumam ir nepieciešams atrast, atbilstoši vadīt un analizēt savus lojālos patērētājus.

Konceptuālais modelis parāda lojalitātes veidošanās procesu un ietver gan lojalitāti ietekmējošos rādītājus, gan lojalitātes komponentes. Autore salīdzina lojalitātes vērtēšanas metodes, lai atrastu vispiemērotāko. Rezultatīvais ir balstīts uz teorētisko un empīrisko literatūru un ir papildināts ar nozares īpašībām. Kā rezultātā, autore izdara secinājumus un sniedz priekšlikumus par modeli un tā izmantošanu praksē. Konceptuālais modelis tiek izmantots, lai izveidotu aptauju, kurā katrs jēdziens tiek mērīts, izmantojot vairākus jautājumus. Aptaujāti tika Latvijas lielāka telekomunikācijas uzņēmuma klienti.

Rezultāti ļauj izdarīt secinājumus par patērētāju lojalitātes līmeni un dod nelielu ieskatu par lojalitāti ietekmējošiem rādītājiem, kurus ietekmējot var izmainīt un palielinātu lojalitātes līmeni. Piedāvātais modelis dod iespēju precīzi analizēt patērētāju lojalitātes definīciju un būtību. Izstrādāto anketu var izmantot telekomunikāciju un citu nozaru uzņēmumi, lai analizētu savu patērētāju lojalitāti un veidotu mārketinga komunikāciju ar mērķauditoriju.

Pētījumā izmantotas pētniecības metodes – zinātniskās literatūras analīze, patērētāju aptaujas analīze, statistiskā analīze.

Introduction

Several studies have showed that long-term customers are very profitable to companies, because they spend more (in long-term) and are less-expensive to serve, are willing to pay higher prices for goods and services, and serve as strong advocates of the company, thus the company no longer need to attract them through discounts, special offers and gifts (Reinartz & Kumar 2002; Karjaluoto et al. 2012).

Till the first decade of 20th century the satisfaction research was one of the main topics in marketing research. However, calls for a paradigm shift to the purpose of loyalty as a strategic business goal became prominent at the end of the first decade of this century (Oliver, 1999). Many scholars have called for more research on the links between the antecedents of loyalty and its nature (Oliver 1997, 1999; Reinartz & Kumar 2002).

Thus the aim of this study is to create a survey based on proposed conceptual model and to measure consumers' loyalty and its antecedents in telecommunication sector.

Analysis of scientific literature, consumer surveys, questionnaires analysis using statistical methods is used.

Discussion

There are many definitions of loyalty in the literature. The most used one for loyalty was proposed 15 years ago by Oliver (1999): loyalty is a deeply held commitment to re-buy or re-patronize a preferred product/service in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior.

Definition covers both attitudinal (*deep commitment*) and behavioral (*repetitive behavior*) parts of loyalty. However today behavioral loyalty is not defined merely using repetitive purchasing, but contains a list of other behavioral items (cash expenditure, switching intentions, WoM etc.). The early studies of loyalty investigated merely 1 dimension of loyalty - behavioral loyalty (e.g., repeated purchase). In 1978 Jacoby and Chestnut tried to distinguish loyalty from behavioral loyalty. Thus attitudinal and behavioral loyalty concepts arose. Attitudinal loyalty is a customer predisposition towards a brand, which is a function of psychological processes (Jacoby & Chestnut 1978).

The authors of this paper agree that 1 dimensional loyalty model is too narrow. In competitive market with much information available behavior itself doesn't indicate loyalty level. Many product and service providers find that even their regular clientele will try new and different alternatives (Oliver 1999). Thus loyalty is composite construct and should be measured using both behavioral and attitudinal perspective. Some researchers offer even more detailed view dividing attitudinal loyalty into cognitive, affective and conative components (e.g., Oliver 1997; 1999). Nevertheless, it

was showed that such detailed breakdown is not necessary and not always has good model fit. Other inconsistencies exists, for example, action loyalty (e.g., Oliver 1999) or conative loyalty (Hellier et al. 2003) is used instead of behavioral loyalty. The authors of this paper also argue that 4 dimensional model is too complicated, is not practically usable and understandable in practice. Thus the authors have chosen 2-dimensional model as the most suitable for survey.

Satisfaction since long time ago has gained very much attention from marketing researchers. Deming (1986: 141) was one of the first to state that “it will not suffice to have customers that are merely satisfied”. Satisfaction is not enough and satisfaction and loyalty not always move in tandem (e.g., Stewart 1997: 112; Reichheld 1996). Reichheld (1996) using empirical evidences in automobile industry showed that even when 85-95% of customers reported to be satisfied only 30-40% returned to the previous model. In Oliver (1997) satisfaction is defined as “pleasurable fulfillment”, but according to Huang and Lin (2005), satisfaction is the outcome of buying a product or service, whereby the purchase' rewards and costs are compared. Oliver (1999) has showed that different associations of satisfaction and loyalty exist (e.g., satisfaction is one with loyalty; satisfaction as core of loyalty; satisfaction is beginning of a transitioning sequence that culminates in a separate loyalty state and others.). In different contexts one of these or other associations of satisfaction and loyalty can be observed. It should be clearly noted that satisfaction is not the same as loyalty as even satisfied customers can be disloyal, but from other perspective - only satisfied customers can be loyal.

Perceived value concept is based on equity theory from previous century; much attention the concept has drawn since 90's. Perceived value can be defined as a trade-off between benefits and sacrifices. Karjaluoto et al. (2012) have presented loyalty as direct and indirect relationship with perceived value and trust. In overall perceived value contains emotional, social, functional and monetary value. Functional value is related to quality, monetary value - to price. However, emotional and social value constructs are not so clear. The authors of this paper argue that in telecommunication service it is not always clear if emotional and social value is antecedent, part or consequences of loyalty.

The prior research indicates that there could be links between trust, perceived value and loyalty, but still more empirical research would be beneficial to examine those links (Harris, Goode: 2004). The authors of this paper believe that trust can play important role in loyalty formation process in some industries (e.g., online business). The prior trust measuring scale contains questions about honesty, reliability, intentions (Karjaluoto et al., 2012). It is not a case in the particular telecommunication service provider (*Lattelecom*) context that has already proved to be trustful. Thus by practical reasoning the trust was not included into the conceptual model for questionnaire.

The paper by researchers (Abudullah et al. 2013) discusses such variables as product reputation; alternative attractiveness; trust and emotions.

On the other hand there could be a list of moderating factors that cannot be affected via marketing activities, but those factors result in moderating effect on loyalty. In this paper the authors have proposed three factor groups - social-demographic, service usage duration and marketing activities (e.g., existing loyalty program can affect the level of loyalty). Thus those factors appear “outside” the model.

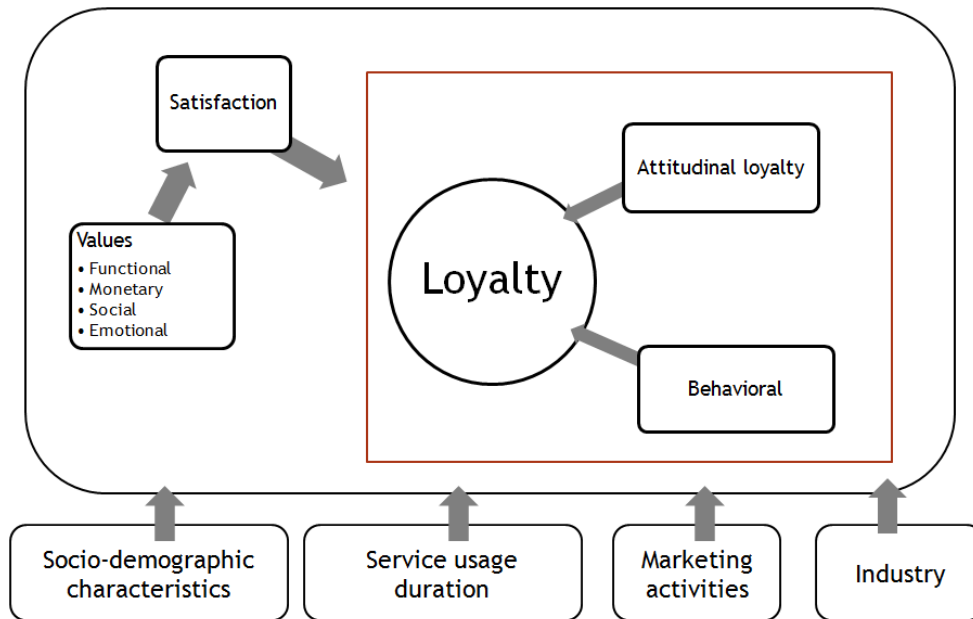
There is a list of literature that suggests studying different consumer behavior effects dependent on relationship age (Raimondo et al. 2008; Verhoef et al. 2002). The group of researchers (Karjaluoto et al. 2012) suggests that a buyer - seller relationship is governed by a number of phases, like any other relationship. An early stage of the customer relationship is difficult to connect their behavior with existing experience. This is because the experience is still not high, it is difficult to assess. Thus the authors of this paper add service usage duration as one of the variables.

Many companies today offer their customers a special loyalty program (in the form of discount cards, accumulating cards, special offers from partners). Loyalty program in competitive environment can increase level of loyalty or at least help not to decrease it. Empirical results have showed that very often loyalty programs do not increase customers' loyalty, because of badly designed loyalty program or very similar programs from competitors. In some sense this can be compared with employees' loyalty programs which not always are motivators, but still can eliminate demotivating factors. Thus the authors of this paper believe that the properly created loyalty program is an important tool to use to make customers to feel better and increase or keep the same level of customers' loyalty (especially attitudinal loyalty). The loyalty program can bring the following added value 1) increase in sales as customers are willing to buy more; 2) strengthened market position while customer is buying from a particular company and at the same time - not from competitor; 3) reduced market costs. (Sewell & Brown 2008).

Organizations that provide continuous services such as financial institutions (Bolton et al. 2000), telecommunication companies (Johnson et al. 2006) have few opportunities for differentiation and are faced with strong price competition in saturated markets (Karjaluoto et al. 2012). Still there are limited studies about consumer loyalty in service industries.

Comparing various loyalty models proposed by other researchers and include variables of interest (discussed above) authors of the paper created conceptual model (see Figure 1). The rationale for the conceptual model is taken from prior research outlined above and practical implications to create questionnaire for one telecommunication service provider customers. Thus not all variables discussed above are included, but only those of main interest in given context.

Figure 1. *Conceptual loyalty model for telecommunication industry**



* Created by authors of this paper based on literature review and practical implications
 Based on the conceptual model a list of hypothesis is introduced.

- H0. Used scales are reliable.
- H1. Loyalty consists of two components - attitudinal and behavioral.
- H2. There is high correlation between satisfaction and loyalty.
- H3. Respondents' satisfaction, loyalty level, perceived quality and monetary value is not affected by age and location.
- H4. a) Customers who are satisfied, but not loyal, exist.
- H4. b) Customers who are satisfied still have switching intentions.
- H4. c) Customers who are satisfied, more likely would recommend.
- H5. a) Satisfaction, loyalty, perceived quality differ based on service usage duration.
- H5. b) Usage duration doesn't affect perceived monetary value.
- H6. Value positively influences satisfaction and loyalty.
- H7. Loyalty program doesn't work as expected.

Questionnaire

Lattelecom is a telecommunication service provider that appears on top 10 of most valuable companies in Latvia. There are 7 popular telecommunication service providers in Latvia and many small companies. Such comparison websites like <http://www.salidzinajums.lv> helps customers to compare telecommunication service providers based on different criteria (like speed, price etc.). Thus telecommunication sector in Latvia has very high level of competition and tend to be more translucent.

Based on the provided conceptual loyalty model the survey was created and respondents from particular telecommunication service provider (*Lattelecom*) were questioned. The survey was pre-tested on 20 clients. Some minor changes based on the respondents' feedback were introduced. Afterwards the questionnaire was given to the clients nearby client centers and using internet panel. Only respondents who are *Lattelecom* clients were asked to fill in the survey. The data were collected over a period of 2 months. In total 422 questionnaires were returned, 21 were eliminated because of unfilled or improperly filled data. Table 1 shows overall characteristics of respondents.

Table 1. *Overall characteristics of respondents.*

| | | |
|----------------------------|-----|-------|
| N | 402 | 100% |
| Age | | |
| 18-19 | 3 | 0.7 |
| 20-29 | 133 | 33.1 |
| 30-49 | 123 | 30.6 |
| 40-49 | 85 | 21.1 |
| 50-59 | 44 | 10.9 |
| 60 and more | 14 | 3.5 |
| Usage duration | | |
| < 1 year | 63 | 15.7% |
| [1;2) years | 106 | 26.4% |
| [2;4) years | 98 | 24.4% |
| >=4 years | 135 | 33.6% |
| Service usage | | |
| Internet use | 358 | 89.1% |
| TV | 316 | 78.6% |
| Phone | 102 | 25.4% |
| uses only 1 product | 97 | 24.1% |
| uses any 2 products | 236 | 58.7% |
| uses any 3 products | 69 | 17.2% |
| Place of residence | | |
| Capital | 182 | 45% |
| Large cities | 148 | 37% |
| Small cities & countryside | 72 | 18% |

* authors calculations based on survey results using SPSS

Table 2 lists questions that were asked. All questions were asked in Latvian language and measured on a ten-point Likert scale from 1 (strongly disagree) to 10 (strongly agree).

Table 2. *Survey questions and basic statistics*

| Question code | Measurement item | Mean | Std. Dev. | Factor load. | Asymp. Sig. (by usage duration) |
|------------------------|--|------|-----------|--------------|---------------------------------|
| SAT1 | I am satisfied with overall quality of service offers provided by <provider> | 7.47 | 1.74 | .942 | .000 |
| SAT2 | I am satisfied how < provider> solves technical problems (e.g., signal loss, internet speed) | 7.34 | 1.79 | .923 | .001 |
| SAT3 | I am satisfied how <provider> solves other problems (e.g., service installation, advice from provider) | 7.39 | 1.73 | .888 | .000 |
| SAT4 | I am satisfied how <provider> treats me as a customer | 7.36 | 1.70 | .909 | .000 |
| SAT5 | < prov.> service quality (<i>lat. – apkalpošanas kvalitāte</i>) is what I expect | 7.42 | 1.73 | .924 | .000 |
| SAT6 | I am satisfied with the quality of service (<i>lat. – pakalpojuma kvalitāte</i>) received from < provider> | 7.45 | 1.68 | .926 | .000 |
| SAT7 | I am satisfied with < provider> service offers | 7.35 | 1.79 | .836 | .000 |
| SAT8 | Overall <serv. provider> quality is what I expect | 7.47 | 1.64 | .910 | .000 |
| Composite Sat. | | | | | .000 |
| QUAL1 | <Prov.> offers me high quality services | 7.57 | 1.67 | 0.941 | .000 |
| QUAL2 | <Prov.> always offers highest level service | 7.51 | 1.72 | 0.930 | .011 |
| Composite qual. | | | | | 0.01 |
| MON1 | <Prov.> service price range is right for the quality of service | 6.71 | 1.81 | 0.938 | .172 |
| MON2 | <Prov.> price of the services is consistent with other service providers price | 6.57 | 1.89 | 0.895 | .079 |

| Question code | Measurement item | Mean | Std. Dev. | Factor load. | Asymp. Sig. (by usage duration) |
|---|---|------|-----------|--------------|---|
| Composite mon. | | | | | 0.138 |
| LOY1 (attitudinal) | I prefer to just < prov.> rather than any other service providers | 7.19 | 1.98 | .937 | .015 |
| LOY2 (attitudinal) | I believe that the < prov.> has the best deals | 7.22 | 1.87 | .940 | .028 |
| LOY3 (attitudinal) | I believe that < prov.> services are better than competitors | 7.26 | 1.90 | .928 | .021 |
| LOY4 (attitudinal) | I have already ascertained several times that < prov.> is the best service provider | 7.11 | 1.92 | .931 | .009 |
| LOY5 (behavioral, switching intentions) | I will continue to use <prov.> services during the next couple of years | 7.38 | 1.81 | .842 | .000 |
| LOY6 (behavioral, WoM) | If someone asks me, I would say only positive things about < prov.> | 7.17 | 1.86 | .925 | .008 |
| LOY7 (behavioral, recommendations) | If someone asks me, I would strongly recommend < prov.> | 7.21 | 1.90 | .936 | .026 |
| LOY8 (behavioral, switching intentions) | I am opened to consider offers from other telecommunications service providers | 4.98 | 2.61 | .797 | .257 |
| Composite loyalty | | | | | .010 |
| LOYP1 | I feel I have enough information about <prov.> loyalty program | 7.19 | 2.16 | | .107 |
| LOYP2 | I have used <prov.> loyalty program offers | 6.50 | 2.60 | | .293 |
| LOYP4 | I am satisfied with <prov.> loyalty program offer | 6.77 | 2.30 | | 0.024 (only informed) .001 (only uses) |

* authors calculations based on survey results using SPSS

** Kruskal Wallis Test test result using Grouping Variable HOW LONG (duration of service usage)

In overall satisfaction level is just above average for each item. The mean value for satisfaction items is above 7. Still there is a space for improving customer satisfaction, especially in technical solving problems (where mode is 7, other items has mode 8). Besides in Latvian culture only scores above 8 actually mean “good”.

From loyalty items the most concerns should be because of switching intentions (7 & 8 items). About 30% of respondents reported that they are opened to other service providers (7 and high score) and about 20% are not sure (5 & 6 scores). Thus only about 50% (4 and below) are not considering changing service providers.

H0 is accepted as all scales are reliable based on Cronbach’s Alpha (see Table 3). All inter-item correlations were greater than 0.65.¹ Conceptually we have divided all questions into attitudinal and behavioral questions and EFA showed good results. Thus H1 is accepted. For all

¹ Detailed results available upon request.

items composite scores were calculated using factor loadings (mean is 0 and std. deviation is 1). H2 is accepted as there is high correlation between satisfaction and loyalty (Spearman’s rho is 0.868 and correlation is significant at the level 0.01). H3 is partly accepted. There are some differences in satisfaction based on age – with ages satisfaction level decreases - but not significant (see Figure 2). Attitudinal loyalty and monetary value show significant differences. The group of people in age 40-60 more likely thinks that price level is not right for the service. Overall we can also see that there are many outliers in the groups 20-29 and 30-39 that are especially unsatisfied and disloyal. There are significant differences based on location – people in smaller regions are more unsatisfied and attitudinal loyalty is lower; however, there are no significant differences in composite behavioral loyalty. The reason of this is that in smaller regions there are no other alternatives of using services from Lattelecom. Those people can be classified as “fake loyal” customers as overall loyalty level would be normal, but attitudinal loyalty is small.

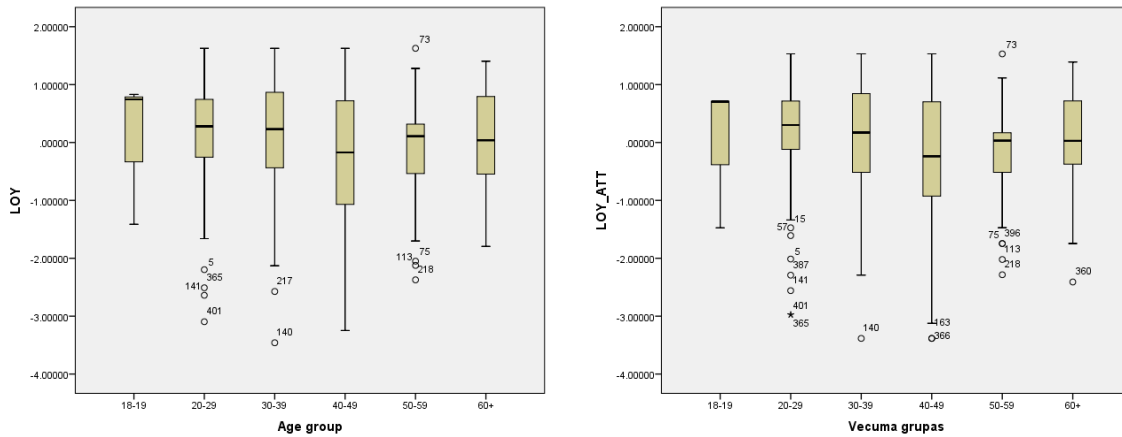
H4 is accepted. There exist quite many satisfied customers whose loyalty level is below mean. This shows that satisfaction and loyalty are separate constructs. Not all satisfied customers are loyal (in the sense of attitude and behavioral loyalty) – see Figure 3. There exists many customers who are satisfied, but still has high switching intentions (are opened to look at competitors services – LOY8). Additionally we can see that customers who are satisfied are more likely to recommend (LOY 7).

Table 3. *Construct composite scale statistics*

| Construct | N | Reliability (Cronbach’s Alpha) | Mean | Std. Deviation |
|----------------------------|----------|---------------------------------------|-------------|-----------------------|
| Satisfaction | 8 | 0.97 | 59.25 | 12.43 |
| Loyalty | 8 | 0.97 | 56.57 | 14.28 |
| Loyalty - attitudinal | 4 | 0.97 | 28.79 | 7.33 |
| Loyalty - behavioral | 4 | 0.91 | 27.79 | 7.35 |
| Quality (functional value) | 2 | 0.96 | 15.08 | 3.32 |
| Monetary value | 2 | 0.93 | 13.28 | 3.58 |
| Loyalty program | 3 | 0.89 | 20.46 | 6.39 |

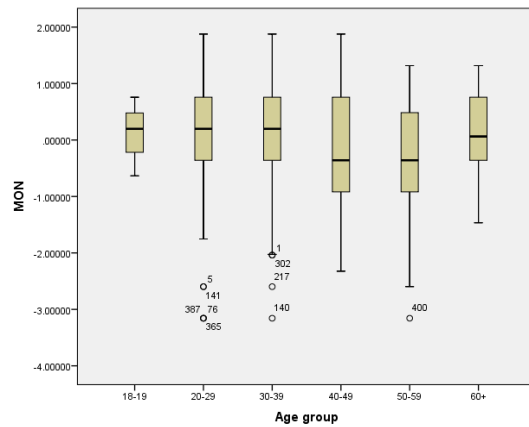
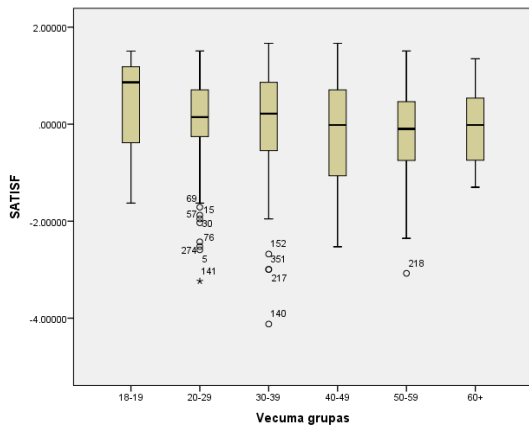
* *authors calculations based on survey results using SPSS package*

Figure 2. *Some construct values grouped by age²*



a) Composite loyalty by age groups

b) Attitudinal loyalty by age groups

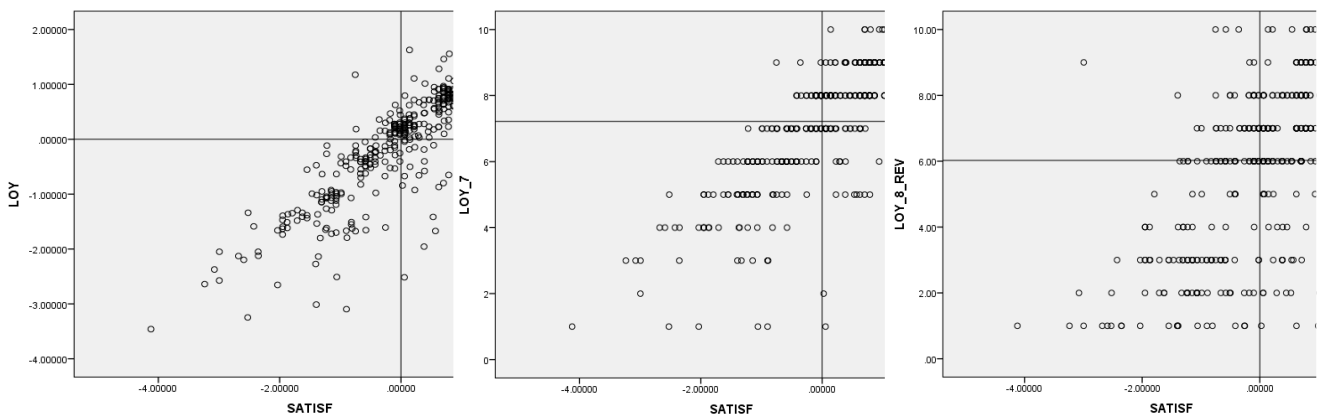


c) Satisfaction by age groups

d) Monetary value by age groups

* calculations done by authors of this paper based on survey results using SPSS

Figure 3. *Composite satisfaction and loyalty scatter plots*



* calculations done by authors of this paper based on survey results using SPSS

Data show that there is significant difference in respondents' answers on most of the questions based on duration of service usage (see Table 3 - last column). H5 is accepted as satisfaction, loyalty and quality significantly differs based on service duration usage. Longest usage

² Detailed boxplots and scatterplots grouped by different variables are available upon request

results in more satisfaction that is positive. Monetary value is not affected by service usage duration.

Most of the loyalty program users feel that they are satisfied with loyalty program, still we argue if loyalty program works as expected. There are no significant differences in loyalty program satisfaction based on service usage. Also qualitative question shows bad tendencies related to loyalty program to long-term customers. Answers to non-required question about overall opinion of service can be grouped in the following categories:

- a) “-“ comments: internet speed (low speed, no optical internet e.g.) (9 respondents)
- b) “-“ comments: no alternatives, otherwise would switch (8 respondents)
- c) “-“ comments: no loyalty program for loyal (long usage) customers (8 respondents)
- d) “-” comments: aggressive and unfriendly marketing (4 respondents)
- e) “+” comments: about 4 respondents left positive comments.

Conclusions

Satisfaction and loyalty are different concepts and companies should measure both. Even satisfied customers not always are loyal. Moreover those customers who are loyal in behavioral sense, do not always are loyal in attitudinal sense. The survey showed that customers from smaller regions have behavioral loyalty (probably, because they do not have other alternatives), however, they have lower attitudinal loyalty than other customers. Based on customer perception they have good knowledge of loyalty program offers. Loyalty program should have good impact on loyalty level; however, in the Lattelecom case there is no significant differences in loyalty program perception based on duration of service usage. Satisfaction and loyalty significantly differs based on usage duration. However, qualitative comments indicate that long-term customers are not treated differently. Overall satisfaction and loyalty scores were above average (about 7 in 10 item scale), however, this is not so good result. The authors argue that in Latvian culture only points above 8 can be treated as good, but 7 points are treated as “just above average” or even “average”.

Some limitations exist in the study. Survey was limited by the number of questions. In the future also other variables should be examined. In given telecommunication service provider context the authors suggest to examine knowledge of competitors, ability to switch, reputation of company. More advanced statistical analysis is necessary to examine relationships in provided conceptual model more in details, as well as test used scales for validity. Also authors of this paper recommend creating loyal customer classification based on answer of different loyalty items.

References

Abudullah M.F., Putit L., Chui C.B. Impact of Relationship Marketing Tactics (RMT's) & Relationship Quality on Customer Loyalty: A Study within the Malaysian Mobile Telecommunication Industry, In: *International Marketing*, pp. 12-34

- Akamavi R.K., Mohamed E., Pellmann K., Xu Y. 2015. Key determinants of passenger loyalty in the low-cost airline business. In: *Tourism Management*, Vol. 46. pages
- Bolton R.N., Kannan P.K., Bramlett M.D. 2000. Implications of loyalty program membership and service experiences for customer retention and value. In: *Journal of Academy of Marketing Science*, Vol. 28 (Winter). Pp. 95-108.
- Hellier P. K., Geursen G. M., Carr R. A., Rickard J. A. 2003. Customer repurchase intention: A general structural equation model. In: *European Journal of Marketing*, Vol. 37 (11/12): 1762 - 1800.
- Jacoby J., Chestnut R. 1978. *Brand Loyalty: Measurement and Management*. New York: John Wiley & Sons, 157 p.
- Deming W.E. 1986. *Out of the Crisis*. Cambridge, MA: Massachusetts Institute of Technology Center of Advanced Engineering Study, 507 p.
- Harris L.C., Goode M.H. 2004. The four levels of loyalty and the pivotal role of trust: A study of online service dynamics. In: *Journal of Retailing*, Vol. 80 (2), pp. 139-158.
- Huang J. H., Lin C. Y. 2005. The explanation effects on consumer perceived justice, satisfaction and loyalty improvement: an exploratory study. In: *Journal of American Academy of Business*, Vol. 7, Issue 2, pp. 212-218.
- Jacoby J., Robert W.C. 1978. *Brand Loyalty*. New York: John Wiley & Sons.
- Johnson M.D., Herrmann A., Huber F. 2006. The evolution of loyalty intentions. In: *Journal of Marketing*, Vol. 70. pp. 122-132.
- Karjaluoto H., Jayawardhena C., Leppaniemi M., Pihlstrom M. 2012. How value and trust influence loyalty in wireless telecommunications industry. In: *Telecommunications Policy*, Vol. 36, pp. 636-649.
- Oliver R.L. 1999. Whence Consumer Loyalty? In: *The Journal of Marketing. Fundamental Issues and Directions for Marketing*, Vol. 63, pp. 33-44.
- Oliver, R.L. 1997. *Satisfaction: A Behavioral Perspective on the Consumer*. New York: Irwin/McGraw-Hill.
- Raimondo M.A., Gaetano M., Costabile M. 2008. How relationship age moderates loyalty formation: The increasing effect of relational equity on customer loyalty. In: *Journal of Service Research*, Vol. 11, pp. 142-160.
- Reicheld F.F. 1996. *The Loyalty Effect*. Boston, MA: Harvard Business School Press. 352 p.
- Reinartz W.J., Kumar V. 2002. The mismanagement of customer loyalty. In: *Harvard Business Review*, Vol. 80, pp. 86-94.
- Sewell C., Brown P.B. 2002. *Customers for Life: How to Turn That One-Time Buyer Into a Lifetime Customer*. Crown Business. 240 p.
- Stewart T.A. 1997. A Satisfied Customer Isn't Enough. In: *Fortune*, Vol. 136. pp. 112-113.
- Sewell C., Brown P.B. 2002, *Customers for Life: How to Turn That One-Time Buyer Into a Lifetime Customer*, Crown Business, 240 p.

THE ROLE OF META-ANALYSIS IN MARKETING AND MANAGEMENT

Renāte Vidruska

University of Latvia, Aspazijas bulv. 5, Riga, LV-1050, Latvia
renate.vidruska@lu.lv

Abstract

The role of meta-analysis in marketing and management

Key words: *meta-analysis, marketing, management, statistical analysis*

The purpose of this paper is to illustrate the growing interest in meta-analysis in marketing and management literature and to present the methodological approach for researchers who are planning to use meta-analysis in their marketing or management research. The research also highlights limitations and problems to deal with during the study. Today when researchers must face with a growing number of empirical studies in different areas, the importance of empirical generalizations grow up. Meta-analysis is the statistical analysis of a large collection of results from individual studies for the purpose of integrating and combining the findings. It is one of the dominant methods with a purpose to develop an empirical generalization. The increasing interest about meta-analysis is recognized in marketing and management literature where researchers using meta-analysis have examined the influence of advertising on sales, the determinants of sales staff performance, consumer behavior patterns etc. The author of the research provides the methodological description of the method as well as bibliographical study of journals in marketing and management studies, describing examples of meta-analysis usage in marketing and management.

Kopsavilkums

Meta-analīzes loma mārketiņgā un vadībzinībās

Atslēgvārdi: *meta-analīze, mārketiņgs, menedžments, statistiskā analīze*

Raksta mērķis ir ilustrēt pieaugošo interesi par meta-analīzes lietošanu mārketiņgā un vadības literatūrā, kā arī piedāvāt metodoloģisku skatījumu uz meta analīzi pētniekiem, kas plāno izmantot meta analīzi savos mārketiņgā vai vadības pētījumos. Rakstā ir apkopoti arī meta-analīzes pielietošanas ierobežojumi un problēmas, ar kurām jāstāpās pētniekiem. Empīriskā vispārīnāuma nozīme dažādās nozarēs pieaug, jo, pateicoties datu bāzēm, ir pieejams ļoti liels skaits empīrisko pētījumu. Meta-analīze ir daudzu empīrisku pētījumu statistiskā analīze ar mērķi tos integrēt un apvienot atsevišķo pētījumu rezultātus. Tā ir viena no galvenām metodēm literatūras empīriskam vispārīnājumam. Pieaugošā interese par meta-analīzes izmantošanu ir vērojama arī mārketiņgā un menedžmenta literatūrā, piemēram, pētnieki to izmanto, lai novērtētu reklāmas ietekmi uz pārdošanu, pētītu patērētāja uzvedības modeļus, analizētu pārdošanā iesaistītā personāla darbību u.c. Raksta autore piedāvā gan metodoloģisku metodes rakstorojumu, gan mārketiņgā un menedžmenta pētījumu pārskatu, kuru pamatā ir meta analīzes lietošana.

Introduction

Today meta-analysis (MA) is widely used in scientific papers in different fields (medicine, psychology, ecology, biology, agriculture, education etc.). Due to increasing number and availability of publications, MA has found its way also to marketing and management studies. The aim of this study is to illustrate the growing interest in MA usage in marketing and management studies and to present the methodological approach for researchers who are planning to use meta-analysis in their marketing or management studies. The paper is based on a broad literature review.

The need for meta-analysis

The first known usage of meta-analytical approach is dated to 1904 when Pearson tried to overcome the problem of low significance level reported in individual papers by combining statistical data of individual papers (Pearson 1904). Later different groups of researchers reported more detailed methods to combine results, thus making a significant contribution for stimulating the research in meta-analysis field (Fisher 1955; Cochran 1937; Yates 1938). In 1976 Glass coined the

term ‘meta-analysis’ to refer to the statistical analysis of a large collection of analysis results from individual studies for the purpose of integrating the findings, but in 1977 Smith and Glass (1977) statistically aggregated the findings of 375 psychotherapy outcome studies to disprove claim that psychotherapy was useless. Social scientists and statisticians began to develop and apply methods for quantitative synthesis of the results of separate but similar studies. Hedge and Olkin (1985) linked deeply MA with statistics.

The reason behind MA necessity is growing number of papers investigating similar questions. Results typically vary from one study to the other and this leads to problems in making conclusions on particular effects. Narrative reviews are largely subjective and are impossible to conduct among many studies. Instead MA offers statistical and objective approach to quantitatively summarize data from previous research.

Generally speaking meta-analysis is a statistical procedure of synthesize the quantitative results of many empirical studies (Glass 1976: 351). Nowadays, MA is usually referred as the statistical component in a systematic review which has a clearly defined research question and uses systematic and explicit methods to identify, select, and critically appraise relevant research, and to collect and analyze data from the studies that are included in the review. (Borenstein et al. 2009).

Meta-analysis in marketing and management

The author conducted search in *ScienceDirect* and *Scopus* databases using keyword “meta-analysis” (in abstract, title or keywords) and additionally the search was limited only to journals were marketing and management related articles could be published. The basic search was done also in *Ebsco Host* database (it doesn’t provide extensive search, so manual scan was conducted).

The earliest article was published by Houstein (1983) in *Advances in Consumer Research* and found in *EbscoHost* database. Table 1 displays number of articles found in each database (articles partly overlap among databases). Number of meta-analytical articles in marketing and management studies is increasing gradually. As of subjects there are more articles in management than in marketing studies, mainly because of organizational behavior and employee behaviors subjects. Most of the meta-analytical articles in marketing examine relationship among different consume behavior constructs. Overall meta-analytical articles in marketing and management often are related to psychological factors, but not only.

Table 1. *Meta-analytical articles (marketing & management) by years*

| Database name | 2015 (as of Feb.) | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|---------------|-------------------|------|------|------|------|------|------|------|------|------|
| ScienceDirect | 34 | 54 | 29 | 52 | 31 | 31 | 19 | 20 | 11 | 25 |
| Scopus | 48 | 131 | 111 | 107 | 79 | 100 | 87 | 80 | 51 | 48 |
| EbscoHost | 25 | 43 | 31 | 25 | 24 | 23 | 18 | 22 | 14 | 10 |

Source: Author’s compilation based on keywords search in databases³

³ The precies search query in Scopus was (TITLE-ABS-KEY ("meta-analysis") OR TITLE-ABS-KEY ("meta-analytical") OR TITLE-ABS-KEY ("meta analysis") OR TITLE-ABS-KEY ("meta analytical")) AND SRCTITLE ("market" or "marketing" or "management" or "social" or "consumer" or "business" or "applied psychology" or

Articles published in 2015 were examined more in details. Table 2 shows list of 5 articles taken from each database and published in 2015 year⁴.

Consistently with Rosenthal (1979) articles used MA for the following purposes: 1) generation of summary of the evidence that emerges from different studies, where there is relationship between variables; 2) moderator variables analysis; 3) hypothesis development of hypothesis on variables not directly observed in the study.

Table 2. *Random meta-analytical articles (marketing & management) in 2015 (as of February)*

| Datab ase | Field | Main topic | Source | # of papers | Statistical techniques reported | Journal |
|----------------------|--|--|---------------------------------------|------------------------|--|---|
| EbscoHost | marketing, CB | electronic WoM elasticity | You et al. | 51 | Univariate analysis, HLM, robustness check, stability check | <i>Journal of Marketing</i> |
| | marketing, CB | e-Shopping acceptance | Ingham et al. | 102 | rand, SEM, robustness checks | <i>Information & Management</i> |
| | marketing | factors affecting adoption of online banking | Montazem ia & Qahri- Saremib | 81 | SEM | <i>Information & Management</i> |
| | marketing, export | marketing capabilities & competitive advantage and export performance | Tan & Sousa | 11 | SEM, path analysis | <i>International Marketing Review</i> |
| | managemen, sales | formal salesforce controls and revenue production: a meta-analysis | Samarawe eraa et al. | 39 | rand, HLM; path analysis, moderator analysis | <i>Journal of Personal Selling & Sales Management</i> |
| ScienceDirect | corporate reputation | corporate reputation antecedents and consequences | Ali et al. | 101 | rand, Q-statistics | <i>Journal of Business Research</i> |
| | managemen, industrial management | orientation's effects on innovation and firm performance | Saeed et al. | 232 | rand., file drawer analysis, SEM, HLM | <i>Industrial Marketing Management</i> |
| | marketing, CB | food partitioning paradox | Holden & Zlatevska | 4 | fixed | <i>International Journal of Research in Marketing,</i> |
| | management innovations | organizational, cultural, and environmental factors | Saroghi et al. | 52 | bivariate, meta- regression, Q and I ² statistics, file drawers | <i>Journal of Business Venturing</i> |

"selling" or "retailing" or "job" or "sales" or "tourism" or "economic?" or "transport" or "vocational") AND NOT srctitle(medicine or surgery or pain or forest or "journal of applied" or "personality and social" or "clinical" or "medical" or "health policy" or "cancer" or "psychiatry") AND (LIMIT-TO (DOCTYPE,"ar")) AND (LIMIT-TO (LANGUAGE,"English")) AND (LIMIT-TO (SRCTYPE,"j")) and the very similar query was used in ScienceDirect. EbscoHost was searched by keyword meta-analysis and marketing & management related keywords

⁴ Detailed list of articles from 2015 is available upon request

| | | | | | | |
|--------|----------------------------|---------------------------------------|-----------------|-----|---------------------------|--|
| | managemen, work engagement | individual and job design predictors | Marinova et al. | 106 | rand, WLS | <i>Journal of Vocational Behavior</i> |
| Scopus | management | o | Ng | ? | SEM | <i>Journal of Vocational Behavior</i> |
| | management | Financial performance of family firms | Wagner et al. | 380 | rand, univariate, Q-tests | <i>Journal of Family Business Strategy</i> |
| | methodology | Bayesian Prior | Steel et al. | - | Monte Carlo, Bayesian | <i>Journal of management</i> |
| | marketing, CB | Portion-size effect | Hermann et al. | ? | ? | <i>Psychology and Behavior</i> |
| | marketing, CB | Customer loyalty | Watson et al. | 163 | rand | <i>Journal of Academy of Marketing Science</i> |

Source: Author’s compilation based on database search

General principles of meta-analysis

The unit of analysis in meta-analysis is the impact of variable x on variable y (Rosenthal 1979). It is based on the assumption that the amplitude of the relationship between two variables is constant and each study estimates this constant. Thus the purpose of a MA is to obtain the best possible estimation of the metric.

Table 3 lists the overall steps in MA analysis and results that should be reported by meta-analyst(s). Eisend & Tarrahi (2014) have concluded that the documentation of MA methods in marketing research barely follows any standards and can be considered poor compared to reporting in other areas.

Table 3. *Steps to conduct and report in meta-analytical studies*

| |
|--|
| Step 0. Conceptualization and operationalization |
| Step 0 includes conceptualization and operationalization of the research problem. The result of this step is qualitative literature review and formulated research question and goal of MA. |
| Step 1. Literature research |
| <i>1a) Define strategy to identify prior studies</i> |
| It could be issue-by-issue search through journals (meta-analyst should report journal names, e.g., <i>Journal of Marketing</i>) and/or keyword search (meta-analyst should include exact keywords, e.g., <i>WoM, social media etc.</i>) through electronic databases (e.g., <i>ScienceDirect, ProQuest dissertations</i>). It is suggested to contact authors directly to get unpublished papers, dissertations, working papers etc. Date period can be pre-selected (e.g., <i>only papers from last 20 years</i>). |
| <i>1b) Define studies’ inclusion and exclusion criteria</i> |
| Report article selection criteria, e.g., Pick and Eisend (2014) in meta-analysis of buyers’ perceived switching costs used the following criteria: „empirical studies that measure buyers’ perceived switching costs and provide estimates on the antecedents of the construct and its effects on switching”, „exclude broader measures that used some switching costs items but mainly other items”, “excluded studies that investigate switching costs of employees or sellers”, „exclude those studies that did not provide sufficient data to compute effect sizes”. |
| <i>1c) Retrieve articles from defined sources and by defined criteria</i> |
| The first review could be based only on article titles and abstracts; afterwards full-text review is necessary. For robust MA two researchers can do the article selection and resolve disagreements. |

| |
|---|
| <p>Meta-analyst should report all articles to be used (including journal name, publication year and other characteristics) and report list of excluded articles with reasons of exclusion. Cumulative sample size should be reported.</p> |
| <p>Step 2. List variables and do variable coding</p> |
| <p><i>2a) List variables</i></p> |
| <p>A list of variables that is based on the topic of the research and found in articles should be created (e.g., <i>product durability, quality, perceived value, perceived value</i>). It is necessary to include methodological variables as these usually have moderator effect (e.g., if article is „<i>published / unpublished</i>”; „<i>strong / weak</i>”). All variables and their relationships should be reported using table (You et al. 2015) or model that is referred as conceptual model, conceptual framework (e.g., Ye et al. 2015) or meta-analysis framework (e.g., Ranjan et al. 2015). Meta-analyst should record all particular information from research papers (<i>r's, t's, F's, p-values, Chi squares</i> etc.)</p> |
| <p><i>2b) Define coding scheme.</i></p> |
| <p>Identify and apply the procedures to integrate the results and test the differences between results across studies. For better robustness more than one independent coder can do the coding, afterwards inconsistencies are discussed and coding consistency is reported (e.g., Pick & Eisend 2014). The result would be a table with coded variables and some basic statistics. Examples of some variable coding: „<i>if advertising omitted – 1; 0 if not omitted or not included</i>” (e.g., You et al. 2015), „<i>manuscript status: unpublished (1) vs published (0)</i>” etc.</p> |
| <p><i>2c) Detecting moderators</i></p> |
| <p>Variance in observed effect sizes should be explained, thus moderator variables detecting is necessary in this step and steps that follows.</p> |
| <p>Step 3. Define meta-analysis procedure</p> |
| <p><i>3a) Effect size calculations for each study</i></p> |
| <p>Choose effect size metric (e.g., <i>correlation coefficient</i>). Decide how studies with more than one effect size would be treated. Do effect size calculations for each separate study (including error and confidence interval calculations, outlier analysis, transformations and/or adjustments). Report all effect sizes and statistics.</p> |
| <p><i>3b) Homogeneity (heterogeneity) analysis</i></p> |
| <p>Homogeneity analysis should be done to examine if studies are heterogeneous. The researcher should try to explain heterogeneity and use statistical methods that can account for the heterogeneity. Meta-regression techniques can help in heterogeneity explanation.</p> |
| <p><i>3c) Weighting effect size calculation</i></p> |
| <p>To calculate weighted effect size, first weights should be calculated. This can be done using fixed effects model or random effects model. Meta-analyst should report detailed calculation description and show graphs that display all calculated effect size values (<i>funnel graphs, forest plots</i> etc.).</p> |
| <p><i>3e) Address publication bias</i></p> |
| <p>Publication bias can be addressed using funnel plot.</p> |
| <p>Step 4. Interpretation of the results and reporting</p> |
| <p>Summarize the results of the MA, write limitations.</p> |

Source: Author's compilation using examples from articles (Ranjan et al. 2015; You et al. 2015; Pick & Eisend 2014)

When researcher have conceptualized and operationalized the problem, the research question is formulated.

Step 0 in meta-analysis requires conceptualization and operationalization of the research problems. Conceptualization is process where concepts are given theoretical meanings, while operationalization is more related to empirical variables related to the concepts.

Step 1 in meta-analysis is related to prior papers research and the overall analysis of these papers. The result of Step 1 is a list of papers that should be included into MA and result mainly depends on the efforts of meta-analyst. The researcher should create strategy of how to find prior studies. This could include: keyword search in electronic databases, manual search via pre-selected journals, direct contact with authors and experts.

To make meta-analysis more plausible and traceable, detailed strategy should be reported including database names, keyword list, journal list etc. Authors reported that 27.8% of the MA they analyzed did not include even the list of primary studies. Aguinis et al. (2011) reported 7.6% result in managerial studies. Thus readers cannot decide if the MA results have relevance and applicability.

Missing or otherwise incorrectly chosen articles in meta-analysis would lead to biased results. Thus to avoid publication bias it is recommended to collect both published and unpublished studies (Borenstein et al. 2009). Eisend and Tarrahi (2014) have noted that in some scientific fields (e.g., medicine) there exist developed registers that help scientists to track unpublished research. Unfortunately, this has not been done in marketing and management fields. To find unpublished studies the author of this paper suggests searching for working papers, contacting authors directly, searching in dissertation databases and looking into non-leading journals.

Only those studies that are applicable for meta-analysis should be included - empirical studies where quantitative results are reported; studies examine the same constructs and relationships in comparable statistical form (e.g., as correlation coefficients, odds-ratios, effect sizes etc.).

In **Step 2** (and continuing in Step 3) all available information in separate study (separate „respondent”) should be gathered. In this step meta-analyst should identify all variables of interest and code them based on variable definition. Following Cooper (2010) all variables in papers can be classified in the following categories:

- the publication’s characteristics;
- the experimental conditions of the study;
- the nature of the variables of interest and the way they are measured;
- the methodology used;
- the statistical results obtained;
- information on the coding process.

Then, the meta-analyst should draw up a well-argued list of potential moderators that will be considered if the results of the studies turn out to be highly heterogeneous. Often it is suggested to

include Cronbach's alphas and 95% confidence interval for all variables across studies (e.g., Saeed et al. 2015). Relationships among all variables can be shown in conceptual model or framework.

Step 3 includes statistical methods.

When all related literature is collected and analyzed, the meta-analyst is ready to apply statistical techniques. The detailed description of those techniques can be found, for instance, in often cited book by Hunter & Schmidt (2004) or Hedge & Olkin (1985). Here the author gives a very general explanation.

Effect size is the dependent variable in MA and makes possible to conduct meta-analysis. Effect size standardizes findings across studies such that they can be directly compared. The main idea of statistical analysis here is to estimate the effect size in the population (the "true" effect) by combining the effect sizes from a variety of articles.

Conducting Step 3 the meta-analyst should define which effect size metric to use based on research situation (e.g., standardized mean difference, correlation coefficient, odds-ratio, proportions, standardized gain score etc.) and this metric should be comparable across studies, independent of sample size, represent the magnitude and direction of the relationship of interest. This step can include different transformations / adaptations (e.g., transformation of correlation coefficients into their respective z-values (Ali et al. 2015) or effect sizes (correlation coefficients) can be corrected for sampling errors and measurement errors by dividing them by the product of the square root of the reliabilities of the two constructs (Hunter & Schmidt, 2004)). Outlier analysis is advisable. Outliers represent extreme effect sizes and should be removed from analysis or adjusted to less extreme values.

Once standardized effect sizes have been calculated for each separate study, they should be combined. If all studies were equally precise, all studies would have the same weight. However, we would like to assign more weight to the studies that carried more information. The weight usually is value reflecting the sampling accuracy of the effect size in each article. Specifically, the estimate we are looking for is a weighted mean of the effect sizes. Before combining effect size, homogeneity analysis should be conducted.

Homogeneity (heterogeneity) analysis tests whether the assumption that all the effect sizes are estimating the same population mean is reasonable assumption (Lipsey & Wilson 2001). If homogeneity is rejected, the distribution of effect sizes is assumed to be heterogeneous. Based on the homogeneity test results, MA model should be chosen (Lipsey & Wilson 2001; Hedges & Olkin, 1985). Heterogeneity analysis often is related to moderator analysis as moderators can explain heterogeneity in effect size (Lipsey & Wilson 2001; Saeed 2015). Meta-regression techniques can help to explore heterogeneity. If the sample size is small, problems with low statistical power in regression can exist (Hunter & Schmidt, 2004).

There are two models used in meta-analysis to combine effect size values - the fixed effect model (FE) and the random effects model (RE) and both lead to different mechanisms for assigning weights (Lipsey & Wilson 2001). In the absence of heterogeneity, both models produce similar results. FE assumes that the studies included in the meta-analysis estimate the same underlying 'true' effect that is 'fixed', and that the observed differences across studies are due to random error (chance). RE assumes that the studies included in the meta-analysis are only a random sample of a theoretical universe of all possible studies on a given research question, and that the effects for the individual studies vary around some overall average effect. RE incorporate two sources of variability: random error and between-study variability and RE model is preferred when the data are heterogeneous. Most often in the studies RE models are used.

One of the most important problems that occur during meta-analysis is publication bias. It occurs because journals with significant results tend to be published more than papers with non-significant or weak results. It was found that the majority of researchers do not submit manuscripts with non-significant results (Eisen, Tarrahi 2014). Strong and significant effects are considered as important and attract more attention by scholars. There is strong evidence from several fields of science that this *publication bias* exists (Dickersin 2005). Sometimes it is also called the "file drawer problem" (Rosenthal, 1979), because researchers may hide in their file drawers estimates that are insignificant or have an unintuitive sign and search for estimates that are easier to publish. This leads to a false impression regarding the size of effect.

The presence of *publication bias* can be examined visually using the so-called funnel plot (Egger et al. 1997). If the literature is not influenced by publication bias, the most precise estimates of the effect will be close to the mean underlying effect. In the presence of publication bias the funnel becomes asymmetrical, or hollow, or both. (Havranek & Irsova, 2015)

Meta-analysts should include published and unpublished papers into their meta-analysis, thus mitigating the problem of publication status. The efforts to include studies of various publication statuses and the tendency of meta-analytic authors to select particular studies—whether intentionally or not—are called selection biases (Ferguson & Brannick 2012). Not only publication bias creates selection bias, e.g., meta-analysts can overlook effects if those are not mentioned in abstracts or studies that are cited are more likely to be included into the meta-analysis, however, Meta-analytic authors' tendency to select published studies more than unpublished studies worsens the publication bias problem (Renkewitz et al., 2011).

As it was found by Eisen and Tarrahi (2014) the selection bias is driven by meta-analysts' efforts during the study retrieval process and not just the fact whether unpublished studies were included, which can have different reasons. The main task to avoid a selection bias for the meta-

analysts is a thorough systematic search of the literature. Too often, the literature search is limited to a few electronic databases.

Other commonly known problems with MA are lack of information of MA process in the results; too small number of sample; mixing observational and experimental data; no heterogeneity investigation; not taking into account publication quality;

Conclusions

Meta analysis can be seen as the final step in a systematic review when many articles on the same topic exist. Meta-analysis changes the focus to the direction and magnitude of the effects across studies. Unfortunately no standardized method is defined for meta-analysis reporting in marketing and management, also no clear guidelines are available for unpublished articles finding. Trustful meta-analysis would provide a detailed report of meta-analyst work. The role of meta-analysis in marketing and management studies have raised as the number of papers available via electronically databases grew up. Meta-analytical approach represents findings in a more differentiated and sophisticated manner than conventional reviews and is capable of finding relationships across studies. However, meta-analysis requires a huge effort to find published and unpublished prior articles and analyzes them.

References

- Ali R., Lynch R., Melewar T.C., Jin Z. 2015. The moderating influences on the relationship of corporate reputation with its antecedents and consequences: A meta-analytic review. In: *Journal of Business Research*, Vol. 68 (5), pp. 1105-1117
- Borenstein M., Hedges L. V., Higgins J. P. T., Rothstein H. H. 2009. *Introduction to meta-analysis*. Chichester: John Wiley & Sons. 450 p.
- Cochran W.G. 1937. Problems arising in the analysis of a series of similar experiments. In: *Journal of the Royal Statistical Society*, Supplement Vol. 4, pp. 102- 118.
- Cooper H. 2010. Research Synthesis and Meta-Analysis, In: *SAGE Publications*, 280 p.
- Dickersin K. 2005. Publication bias: Recognizing the problem, understanding its origins, and scope, and preventing harm. In book: *Publication Bias in Meta-Analysis: Prevention, Assessment and Adjustments*, pp. 9 – 33.
- Egger M., Smith G. D., Scheider M., Minder C. 1997. Bias in Meta-Analysis Detected by a Simple, Graphical Test. In: *British Medical Journal*, Vol. 316, pp. 629–634.
- Eisend M., Tarrahi F. 2014. Meta-analysis selection bias in marketing research. In: *International Journal of Research in Marketing* , Vol. 31, pp. 317-326.
- Ferguson C. J., Brannick M. T. 2012. Publication bias in psychological science: Prevalence, methods for identifying and controlling, and implications for the use of meta-analysis. In: *Psychological Methods*, Vol. 17, Issue 1, pp. 120–128.
- Fisher R. 1955. Statistical Methods and Scientific Inference. In: *Journal of the Royal Statistical Society. Series B (Methodological)*. pp. 69-78.
- Glass G.V. 1976. Primary, secondary and meta-analysis of research. In: *Educational Researcher*, Vol. 5, pp. 3-8.
- Havranek T., Irsova Z. Do Borders Really Slash Trade? A Meta-Analysis, In: *William Davidson Institute Working Paper*, 46 p.
- Hedge L.V., Olkin I. 1985. *Statistical Methods for Meta-Analysis*. Orlando: Academic Press. 369 p.

- Hermann P. C., Polivy J., Pliner P., Vartanian L.R. 2015. Mechanisms underlying the portion-size effect, In: *Psychology and Behavior*, Vol. 144, pp. 129-136.
- Hunter, J.E., Schmidt, F.L. 2004. *Methods of Meta-Analysis: Correcting Error and Bias in Research Findings*. 2nd. Beverly Hills, CA: Sage.
- Holden S.S., Zlatevska N. 2015. The partitioning paradox: The big bite around small packages. In: *International Journal of Research in Marketing*, 4 p.
- Ingham J., Cadieux J., Berrada A.M. 2015. e-Shopping acceptance: A qualitative and meta-analytic review. In: *Information & Management*, Vol. 52, Issue 1, pp. 44-60
- Lipsey M.W., Wilson D. 2001. *Practical Meta-Analysis*. SAGE Publications, 247 p.
- Montazemi A.R., Qahri-Saremi H. 2015. Factors affecting adoption of online banking: A meta-analytic structural equation modeling study. In: *Information and Management*, Vol. 52, pp. 210-226
- Marinova S.V., Peng C., Lorinkova N., Van Dyne L., Chiaburu D. 2015. Change-oriented behavior: A meta-analysis of individual and job design predictors Original Research Article, In: *Journal of Vocational Behavior*, Vol. 88, pp. 104-120
- Ng T.W. 2015. The incremental validity of organizational commitment, organizational trust, and organizational identification, In: *Journal of Vocational Behavior*, Vol. 88, pp. 154-163
- Pearson, K. (1904). Report on certain enteric fever inoculations. In: *British Medical Journal*, Vol. 2, pp. 1243–1246
- Pick D., Eisend M. 2013. Buyers' perceived switching costs and switching: a meta-analytic assessment of their antecedents. In: *Journal of Academy of Marketing Science*, pp. 186-204.
- Ranjan K.R., Sugathan P., Rossmann A. 2015. A narrative review and meta-analysis of service interaction quality: new research directions and implications. In: *Journal of Service Marketing*, Vol. 29, pp. 3-14.
- Rosenthal, R. 1979. The 'File Drawer Problem' and Tolerance for Null Results. In: *Psychological Bulletin*, Vol. 86, pp. 638–41
- Saeed S., Yousafzai S., Paladino A., De Luca L.M. 2015. Inside-out and outside-in orientations: A meta-analysis of orientation's effects on innovation and firm performance. , In: *Industrial Marketing Management*, 30 p.
- Samaraweera M., Gelb D.B. 2015. Formal salesforce controls and revenue production: a meta-analysis. In: *Journal of Personal Selling & Sales Management*. Vol. 35, Issue 1. pp.23-32.
- Smith M.L, Glass G.V. 1977. Meta-analysis of psychotherapy outcome studies. In: *American Psychology*. Vol. 32, pp. 752–60
- Steel, P.A, Kammeyer-Mueller, J.B, Paterson, T.A.C. 2015. Improving the Meta-Analytic Assessment of Effect Size Variance With an Informed Bayesian Prior, Vol. 41 (2), pp. 718-743.
- Tan Q., Sousa C.M.P. 2015. Leveraging marketing capabilities into competitive advantage and export performance, In: *International Marketing Review*, Vol. 32, pp. 78-102
- Wagner D., Block J.H., Miller D., Schwens C., Xi G. 2015. A meta-analysis of the financial performance of family firms: Another attempt, *Journal of Family Business Strategy*, Vol. 6 (1), pp. 3-13
- Watson G.F., Beck J.T., Henderson C.M., Palmatier R.W. 2015. Building, measuring, and profiting from customer loyalty. In: *Journal of Academy of Marketing Science*, 36 p.
- Yates F, Cochran W.G. 1938. The analysis of groups of experiments. In: *Journal of Agricultural Science*. Vol. 28, Issue 04. Cambridge University Press, pp. 556-580.
- You Y., Vadakkepatt G.G., Joshi M.A. 2015. A Meta-Analysis of Electronic Word-of-Mouth Elasticity. In: *Journal of Marketing*. Vol.79, pp. 19-39
Vol. 74, pp. 139-145.

PEDAGOGIJA / PEDAGOGY

CONTEXT OF ENTREPRENEURSHIP EDUCATION IN LATVIA

Olga Gloņina

Daugavpils University, Parādes street 1, Daugavpils LV-5401, Latvia
iizi.info@inbox.lv

Mihails Zaščerinskis

University of Latvia, Jurmalas gatve 74/76, Riga LV-1083, Latvia
misha.za@inbox.lv

Jeļena Zaščerinska

Centre for Education and Innovation Research, Kurzemes prospekts 114, Riga LV-1069, Latvia
ceir2012@gmail.com

Natalia Andreeva

Immanuel Kant Baltic Federal University, Nevskogo street 14, Kaliningrad, 236041,
Russia
andreeva_natalia@list.ru

Abstract

Context of Entrepreneurship Education in Latvia

Key Words: *entrepreneurship, entrepreneurship education, context, explorative study, interpretive paradigm*

Entrepreneurship education has recently become a hot research topic in Latvia. Latvia's researchers alone or working in international research teams have carried out their investigations on entrepreneurship education at different educational levels. However, the context of entrepreneurship education in Latvia has not been analyzed. **The aim of the article** is to analyse the context of entrepreneurship education in Latvia underpinning elaboration of a new research question on provision of entrepreneurship education in Latvia. **The methods of the present article:** The present research involves a process of analysing the meaning of the key concepts *entrepreneurship* and *context*. Moreover, the study demonstrates how the key concepts are related to the idea of *entrepreneurship education*. **Respondents described in the present article:** six respondents of the panel discussion at the seminar *Entrepreneurship Development: Challenges, Contradictions and Perspectives* organised by the State Education Development Agency, Riga, Latvia, December 3, 2014. The findings of the empirical study allow concluding that the respondents' views on entrepreneurship education in Latvia are heterogeneous. Directions of further studies are proposed.

Kopsavilkums

Uzņēmējdarbības izglītības konteksts Latvijā

Atslēgvārdi: *uzņēmējdarbība, uzņēmējdarbības izglītība, konteksts, izpēte, interpretācijas paradigma*

Uzņēmējdarbības izglītība nesēn ir kļuvusi par aktuālu pētniecības tēmu Latvijā. Latvijas zinātnieki individuāli vai arī strādājot starptautiskās pētniecības komandās, ir veikuši pētījumus par uzņēmējdarbības izglītību dažādos izglītības līmeņos. Tomēr, uzņēmējdarbības izglītības konteksts Latvijā netika analizēts. Raksta mērķis ir analizēt uzņēmējdarbības izglītības kontekstu Latvijā, pamatojot jauna pētījuma jautājuma uzstādīšanu par uzņēmējdarbības izglītības nodrošināšanu Latvijā. Rakstā izmantotās metodes ir nestrukturētās intervijas. Pētījums ietver galveno jēdzienu 'uzņēmējdarbība' un 'konteksts' nozīmes analīzi. Turklāt, pētījums parāda, kā galvenie jēdzieni ir saistīti ar uzņēmējdarbības izglītību. Šēsi pētījumā iekļauti respondenti ir no Valsts izglītības attīstības aģentūras semināra "Uzņēmējdarbības un uzņēmējspējas attīstība: izaicinājumi, pretrunas un perspektīvas" paneldiskusijas. Kvalitatīvs gadījuma pētījums ļauj secināt, ka respondentu viedokļi par uzņēmējdarbības izglītību Latvijā ir neviendabīgi. Tiek piedāvāti virzieni turpmākai izpētei.

Introduction

Entrepreneurship education has recently become a hot research topic in Latvia. Latvia's researchers alone or working in international research teams have carried out their investigations on entrepreneurship education at different educational levels. At preschool level, preschool teachers'

attitude to enterprise in preschool institution has been analysed (Seņkāne, 2014). At the vocational school level, a conceptual framework on entrepreneurship education in vocational teachers' training is shaped (Melnikova, Zaščerinska, Glonina, 2014). At a higher education level, research on entrepreneurship education is widely represented by such areas of research interest as

- development of students' enterprise in study process (Oganisjana, 2010),
- use of e-technologies in entrepreneurship (Ahrens, Bassus, Zaščerinska, 2013a; Ahrens, Zaščerinska, 2014),
- bi-professional identity (Zaščerinskis, Aļeksejeva, Zaščerinska, 2013; Aļeksejeva, Zaščerinskis, Zaščerinska, Andreeva, 2013),
- bi-professional curriculum (Ahrens, Bassus, Zaščerinska, 2013b),
- engineering students' needs in entrepreneurship education (Bassus, Ahrens, Zaščerinska, 2014).

Therein, all the research efforts made by Latvia's researchers have been concentrated on a particular area of entrepreneurship education at the educational level. Against this background, provision of entrepreneurship education in Latvia includes analysis of the context of entrepreneurship education in Latvia. The research question is as following: what is the context of entrepreneurship education in Latvia for provision of entrepreneurship education in Latvia?

The aim of the article is to analyse the context of entrepreneurship in Latvia underpinning elaboration of a new research question on provision of entrepreneurship education in Latvia.

The methods of the present article: The present research involves a process of analysis of the meaning of such key concepts as *entrepreneurship* and *context*. Moreover, the study demonstrates how the key concepts are related to the idea of *entrepreneurship education*.

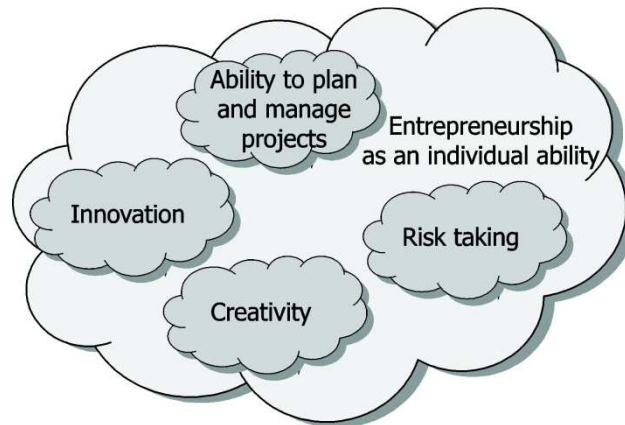
Respondents involved in the article: six respondents undertaking the panel discussion at the seminar *Entrepreneurship Development: Challenges, Contradictions and Perspectives* organized by the State Education Development Agency, Riga, Latvia, December 3, 2014.

Results

The meaning of the key concepts of *entrepreneurship*, *entrepreneurship education* and *context* is studied in this paper.

In a broad sense, entrepreneurship should be considered as a general attitude that can be usefully applied in all working activities and in everyday life, such as creativity and innovation (Sarri, Bakouros, Petridou, 2010). Regarding entrepreneurship as an individual's ability, it means to turn ideas into action (European Commission, 2012: 7). It includes creativity, innovation and risk taking, as well as the ability to plan and manage projects in order to achieve objectives (European Commission, 2012: 7) as shown in Figure 1.

Figure 1. *Components of entrepreneurship as an individual ability*

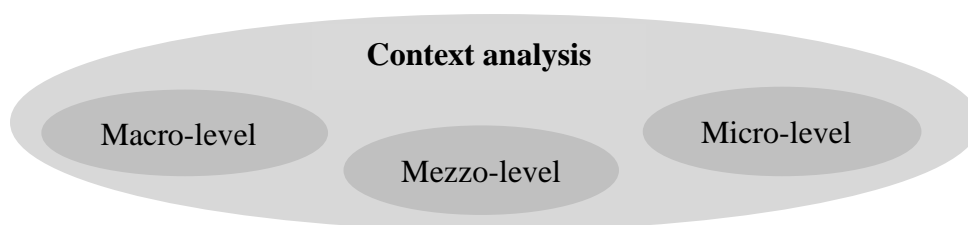


Entrepreneurship education means developing a culture which is through, for and about entrepreneurship (European Commission, 2011). Entrepreneurship education seeks to prepare people to be responsible, enterprising individuals who have the knowledge, skills and attitudes necessary to achieve the goals they set for themselves to live a fulfilled life (European Commission, 2012: 44).

For efficient delivery of entrepreneurship education, context analysis has to be carried out. Context analysis is done to develop a strategy on the development of entrepreneurship education (Aļeksejeva, Zaščerinskis, Zaščerinska, Andreeva, 2013: 9). Context analysis that is demonstrated in Figure 2, is traditionally differentiated into

- the analysis of the macro-level context, namely, the level of a nation in the present research,
- the analysis of the mezzo-level context, namely, the level of an organisation in the present research,
- the analysis of the micro-level context, namely, the level of a students' group in the present research.

Figure 2. *Levels of context analysis*



Discussion

The present part of the contribution demonstrates the design of the research, survey results and findings of the empirical study.

The design of the present research comprises the purpose and question, sample and methodology of the present study.

The guiding research question is as follows: what is the macro-context of entrepreneurship education in Latvia? The aim of the study is to analyze macro-context of entrepreneurship education in Latvia.

It should be noted that a couple of a small scale studies carried out at the mezzo-level revealed, on the one hand, a critical level of engineering students' direct experience in entrepreneurship (Aļeksejeva, Zaščerinskis, Zaščerinska, Andreeva, 2013: 15) and,

- on the other hand, a low level of teachers' direct experience in entrepreneurship (Ahrens, Zaščerinska, 2013:99).

The present study involved six respondents who took part in the panel discussion at the seminar *Entrepreneurship Development: Challenges, Contradictions and Perspectives* organised by the State Education Development Agency, Riga, Latvia, December 3, 2014. The sample of six respondents involved

- two business men from different business areas,
- a leading researcher, University of Latvia,
- a professor, School of Business and Finance,
- **a head**, Latvian National Commission for UNESCO,
- a head of department, State Education Development Agency.

The sample was multicultural as the respondents with different cultural backgrounds and diverse educational degrees were chosen. Thus, the group (age, field of study and work, mother tongue, etc.) is heterogeneous.

In order to save the information of the present research confidential, the respondents' names and surnames were coded as follows:

- two business men were given the codes R1 (Respondent 1) and R2 (Respondent 2),
- a leading researcher was pointed as R3 (Respondent 3),
- a professor was considered as R4 (Respondent 4),
- a head was coded as R5 (Respondent 5),
- a head of department was identified as R6 (Respondent 6).

The interpretive paradigm used in the empirical study aims to understand other cultures, from the inside through the use of ethnographic methods such as informal interviewing and participant observation, etc (Taylor & Medina, 2013). Interpretative paradigm is characterized by the researchers' practical interest in the research question (Cohen, Manion, & Morrison, 2003).

Exploratory research employed in the empirical study is aimed at generating new questions and hypothesis (Phillips, 2006). The exploratory methodology proceeds from exploration in Phase 1 through analysis in Phase 2 to hypothesis development in Phase 3.

The qualitative case study allows the construction of only few cases (Mayring, 2004). Moreover, the cases themselves are not of interest, only the conclusions and transfers we can draw from these respondents (Flyvbjerg, 2006). Selecting the cases for the case study comprises use of information-oriented sampling, as opposed to random sampling (Flyvbjerg, 2006). This is because an average case is often not the richest in information. In addition, it is often more important to clarify the deeper causes behind a given problem and its consequences than to describe the symptoms of the problem and how frequently they occur (Flyvbjerg, 2006).

Data were collected through non-structured interview. Non-structured interview was used in order to search for the main categories of the research field (Kroplis, Raščevka, 2004: 99). The non-structured interview included the following questions:

1. What are the challenges in entrepreneurship in Latvia?
2. What are the contradictions entrepreneurship solves?
3. What perspectives does entrepreneurship take?

In order to put forth a newly formulated research question on entrepreneurship education in Latvia, non-structured interviews were carried out.

Participant 1 was interested to know why higher education delivers issues of macro and micro-economics instead of focusing on practice-related contents.

Participant 2 discussed the importance of the balance between the ice-cream price and ice-cream ingredients.

Participant 3 emphasized the involvement of seniors into entrepreneurship as an example of active aging by, for example, taking photos instead of looking after grandchildren.

Participant 4 assumed that only when people reach the age of 70 they understand what should be taught to younger generations.

Participant 5 considered that a family that has got, for example, four children is a social entrepreneur.

Participant 6 wished the listeners to start a trip of 1000 steps and never turn back.

The structuring content analysis (Mayring, 2004) revealed that entrepreneurship education is of bi-modal nature:

- On the one hand, entrepreneurship education deals with such general topics as macro- and micro-economics,
- On the other hand, entrepreneurship education discovers such detailed elements as the ice-cream price and ice-cream ingredients.

The structuring content analysis (Mayring, 2004) allows identifying that the respondents' views highlight a number of aspects to be considered during shaping entrepreneurship education in Latvia. The aspects include the contents of

entrepreneurship education, social entrepreneurship in an enterprise, age of entrepreneurs, complexity of the entrepreneurship process, etc. Hence, summarizing content analysis (Mayring, 2004) of the data reveals that the respondents' views on entrepreneurship education are heterogeneous.

Conclusions

The findings of the empirical study allow concluding that the respondents' views on entrepreneurship education in Latvia are heterogeneous.

The macro-context of entrepreneurship education in Latvia is found to be favourable due to the heterogeneity in human beings' views that ensures a creative background for organization of entrepreneurship education in Latvia as creativity is a pre-condition and factor for the development of entrepreneurship as well as entrepreneurship education.

Evaluation of the results of the qualitative case study revealed the answers to the interview questions such as

1. The challenges in entrepreneurship in Latvia: inter-connections between theory/legal basis/etc and practice.
2. The contradictions entrepreneurship solves: the contradiction between enterprises' profit and social responsibility.
3. Perspectives entrepreneurship takes: inter-generational learning.

The following research question has been put forth: How to organize entrepreneurship education in Latvia?

The present research has *limitations*. The inter-connections between entrepreneurship, entrepreneurship education and context have been set. Another limitation is the empirical study conducted by involving the participants of the panel discussion only.

Further research tends to focus on empirical studies to be carried out in other institutions. And a comparative research of different countries could be carried out, too.

References

- Ahrens, A., Bassus, O., Zaščerinska, J. 2013a. A Comparative Study of Teachers' and Engineering Students' Enterprise 3.0 Application in Entrepreneurship. In: Patricia Ordoñez de Pablos (Ed). International Business Strategy and Entrepreneurship: An Information Technology Perspective. IGI Global, pp. 145-164.
- Ahrens, A., Bassus, O., Zaščerinska, J. 2013b. Bi-professional Curriculum in Higher Education: Context Analysis. Proceedings of 6th ICEBE International Conference on Engineering and Business Education *Innovation, Entrepreneurship and Sustainability*, pp. 101-107.
- Ahrens, A., Zaščerinska, J. 2013. Teachers as Entrepreneurs: Context Analysis. 2013 ATEE Spring Conference proceedings - Quality Education for Quality Teaching. Brussels: Association for Teacher Education in Europe ATEE, pp. 85-100.
- Ahrens, A., Zaščerinska, J. 2014. A Comparative Study of Engineering and Business Students' Attitude to e-Business Application. In M. S. Obaidat, A. Holzinger, M. van Sinderen and P. Dolog

- (Eds), Proceedings of ICE-B 2014 11th International Conference on E-Business Vienna. Portugal: SciTePress - Science and Technology Publications, pp. 31-38.
- Aļeksejeva, L., Zaščerinskis, M., Zaščerinska, J., Andreeva, N. 2013. Engineering Students as Entrepreneurs: Context Analysis. Proceedings of 15th Students' and Educators' Scientific Practical Conference *Economics Development: Challenges and Solutions*, Rezekne Higher Education Institution, Rezekne, Latvia. Rēzekne: Rēzeknes Augstskolas Izdevniecība 2013, pp. 6-16.
- Bassus, O., Ahrens, A., Zaščerinska, J. 2014. Entrepreneurship education in Engineering education: Focus on students' needs. Proceedings of the 7th International Conference on Engineering and Business Education. Wismar: University of Wismar, pp. 69-76.
- Cohen, L., Manion, L., Morrison, K. 2003. *Research Methods in Education*. London and New York: Routledge/Falmer Taylor & Francis Group.
- European Commission. 2011. *Entrepreneurship Education: Enabling Teachers as a Critical Success Factor*. "A report on Teacher Education and Training to prepare teachers for the challenge of entrepreneurship education." Final Report November, Bruxelles, European Union.
- European Commission. 2012. *Effects and impact of entrepreneurship programmes in higher education*. Brussels: European Union.
- Flyvbjerg, B. 2006. Five Misunderstandings About Case-Study Research. *Qualitative Inquiry*, 12(2), 219-245.
- Kropļijs, A., Raščevska, M. 2004. *Kvalitatīvās pētniecības metodes sociālajās zinātnēs*. Rīga: RaKa.
- Mayring, P. 2004. Qualitative Content Analysis. In U. Flick, E. Von Kardoff and I. Steinke (Eds). *A Companion to Qualitative Research*. Glasgow: SAGE, pp. 266-269.
- Melnikova, J., Zaščerinska, J., Glonina, O. 2014. A Conceptual Framework on Entrepreneurship Education in Vocational Teachers Training. The 10th International Young Scientist Conference of Riga Teacher Training and Educational Management Academy, Riga, Latvia. November 28-29, 2014.
- Oganisjana, K. 201). Studentu uzņēmības veicināšana studiju procesā. Promocijas darbs. Latvijas Universitāte. Rīga: Latvijas Universitāte. (in Latvian).
- Phillips, D. 2006. Comparative Education: method. *Research in Comparative and International Education, Volume 1, Number 4*, 304-319.
- Sarri, K. K., Bakouros, L.I. & Petridou, E. 2010. "Entrepreneur training for creativity and innovation", *Journal of European Industrial Training*, Vol. 34 Iss: 3, 2010, pp. 270 – 288.
- Seņkāne, L. 2014. Preschool teachers' attitude to enterprise in preschool institution. 2014 ATEE Spring University proceedings *Changing Education in a Changing Society*. Klaipeda: Klaipeda University, pp. 192-196.
- Taylor, P.C., & Medina, M.N.D. 2013. Educational Research Paradigms: From Positivism to Multiparadigmatic. *The Journal of Meaning-Centered Education*. Volume 1, Article 2.
- The Oslo Agenda for Entrepreneurship in Europe. 2006. The Conference on "Entrepreneurship Education in Europe: Fostering Entrepreneurial Mindsets through Education and Learning", Norway.
- Zaščerinskis M., Aļeksejeva L., Zaščerinska, J., 2013. Bi-professional Identity of Teacher and Entrepreneurship: Analysis of Teachers' Direct Experience in Entrepreneurship. The International conference for students *Identity: Personal, Local, Global* at the Faculty of Social Sciences of the University of Latvia, Riga, Latvia, April 17-19, 2013.

ANIMATION FILM MAKING EXPERIENCE IN LATVIAN LANGUAGE LESSONS IN PRIMARY SCHOOL

Lolita Šteinberga

University of Latvia, 19 Raina Blvd., Riga, LV-1586, Latvia
lolita.steinberga@gmail.com

Abstract

Animation film making experience in Latvian language lessons in primary school

Key words: *Animation, multimodal language skills, communicative code systems, Latvian language lessons*

The world has changed a lot in the last century, studies and learning culture in schools also have changed. Nowadays the feature of era is usage of technologies and media in study process, teachers have to realize the educational potential of the technologies and media. Therefore the author, basing on her teaching practice and scientific researches, considers animation, as an audiovisual media, usage in education as a very successful and innovative teaching experience, and is actualizing two aspects: to use animator made films or children could make animation films themselves, within the teaching material. In the article the author examines the traditional approach of animation usage, where animation is acquired as a discipline, and perspective approach, where animation is acquired by integration method, fulfilling another teaching goal. The author is stressing the second one, the innovative approach of animation usage and discovers successful experience, when pupils, while learning subject in Latvian language lessons in primary school, have the opportunity to make animation film themselves. Animation film making as a teaching method offers one of practical examples, how to realize multimodal approach in the language studies, and discovers a way, how efficiently to use information communication technologies and media in teaching process, simultaneously stimulating children motivation and creative activities. The author's scientific researches and practice allows to declare, that the experience of animation film making in different teaching lessons shows innovative, productive potential and multiform options of this method, however this sphere is not scientifically widely studied and used in practice, because the most of the teachers doesn't have corresponding competence. Therefore, the largest challenge of animation integration into education, will affect the teachers, because teachers have to learn new competences, so they could affront the challenges of the 21st century. The purpose of this research is to detect the experience and opportunities of animation use in education, and make research to discover the animation film-making skills as primary school teachers' professional competencies in a new perspective dimension.

Kopsavilkums

Animācijas filmu veidošana latviešu valodas stundās sākumskolā

Atslēgas vārdi: *animācija, multimodālā mācīšanās, komunikācijas kodu sistēma, latviešu valodas stundas*

Mūsdienu mainīgā pasaule ar straujo zinātnes un tehnoloģiju attīstību, globālo tīmekli ir radījusi Data com paaudzi, paaudzi, kas orientējas jaunākajās tehnoloģijās un daļu savas nomoda dzīves pavada virtuālajā telpā. Līdz ar to tehnoloģiju un mediju kontekstā pēdējos divdesmit, trīsdesmit gados izglītības sistēmā ir aktualizējusies paaudžu plaisa, proti, skolotāji kā vecās paaudzes pārstāvji mācību procesā izmanto tradicionālos komunikatīvos valodas kodus un fokusējas uz grāmatu, lingvistisko tekstu kā galveno kultūras simbolu, taču jaunā paaudze ir pieradusi pie multimodāla teksta, viņi ikdienā mācās, apstrādā informāciju lielā mērā caur attēliem, kustīgiem attēliem un skaņām. Tāpēc aktuālas ir izmaiņas gan saturiskas, gan metodiskas izglītības sistēmā, jo tradicionālā izglītības sistēma neatbilst veidam, kā jaunā paaudze mācās. Tāpēc skolotāju spēja izmantot un skolēniem rosināt radīt videoaudiālos materiālus mācību procesā, kā iespēju kodēt un dekodēt informāciju daudzveidīgos modos, ir būtisks priekšnoteikums izglītībai 21.gs.

Autore, balstoties pedagoģiskajā praksē un zinātniskajos pētījumos, kā veiksmīgu pedagoģisko pieredzi uzskata animācijas izmantošanu izglītībā. Animācijas starpdisciplinārā daba ļauj to veiksmīgi izmantot izglītības kontekstā: gan animatoru veidotas filmas; gan bērni paši var veidot animācijas filmas mācību vielas ietvaros. Animācijas filmas tiek veidotas gan bērnu neformālajā, gan formālajā izglītībā, galvenokārt interešu izglītībā. Animācija piedāvā vienu no praktiskiem piemēriem, kā realizēt mediju pedagoģiju mācību vidē, nodrošinot multimodālu mācīšanos un atklāj veidu, kā lietderīgi izmantot informācijas komunikācijas tehnoloģijas un medijus mācību darbā, vienlaikus rosinot bērnu radošo darbību un mācību motivāciju. Prakse rāda animācijas izmantošanas produktivitāti un daudzveidīgās iespējas, un pedagogi, apgūstot animācijas pamatprasmes, animācijas iespējas var izmantot daudz plašākā izglītības kontekstā. Tāpēc lielākais izaicinājums, integrējot animāciju izglītībā, saistīts ar pedagogu profesionālās kompetences pilnveidi jaunās dimensijās. Raksta mērķis ir atklāt animācijas izmantošanas iespējas izglītībā un atainot darbības pētījuma rezultātus, atspoguļojot sākumskolas skolotāju pieredzi, kad skolotāji apguva animācijas filmu veidošanas prasmes un integrēja tās latviešu valodas mācību metodikā. Pētījums atklāj animācijas filmu veidošanas un analīzes prasmes kā sākumskolas skolotāja profesionālās kompetences jaunu, perspektīvu dimensiju. Tas parādē nepieciešamību saturiski uzlabot esošo pedagogu tālākizglītības piedāvājumu Latvijā, kā vienas no prasmēm apgūstot tieši tehnoloģiskās un mediju prasmes jaunajos kontekstos.

Introduction

Nowadays children live in the information era - the technology and media designed, digital environment, where they have access to information, communication, entertainment, they have not lived without computer technology, cell phone, portable music player or tablet. They have used to live in an image cultivated world where reality is represented not only by the verbal text, but also by the images, moving images, symbols, icons, signs and brands, fearlessly they operate in the technological environment opposite to the majority of adults. It is a generation who's native language is digital - "digital citizens" (Juke impact in 2006; Prensky 2001). Digital citizens daily operates with communication technologies and media, using different communicative code systems, but in the traditional teaching process teachers use mainly linguistic, textual codes, it creates a gap between the pupils everyday and learning environment (Pahl, Roswell 2005). This issue is closely connected with society, including education content formers and implementers, on their comprehension of language change and language skills. The new language skills in the era of information society includes reading, use and creation of the printed word, and also symbols, signs, icons, drawings, photos and sounds, which means – language skills transforms into new forms through new information technologies and the media. It means to accept the language in the wider discourse, respecting that brain activity works differently, while reading a variety of communicative code systems. Multimodal approach to the concept of language and communication skills goes together with the modular approach (Fisher 2005: 29) within the meaning of human intelligence, that is, diverse human intelligence theory (Gardner 1994 Armstrong in 1998, Fisher 2005).

American educator M.Prensky considers the need for essential substantive and methodological changes in the education system, because the traditional education system, which is based on the reading and memorizing, does not meet the digital citizens, their learning needs (Prensky 2001). One of the first researchers, who in addition to cultural changes reveal the transformation of education in relation to the need for an understanding of the new language and communication skills, is a researcher Gunter Kress, he admits: "We never will be able to consider literacy (or" language ") as the sole, main or even prominent representation and communication tool." (Kress 2003: 35). This raises the need for the education system to implement a multi-modal approach to language learning, meaningfully use the information technology and media, thus offering a contemporary learning process.

Primary school teacher should respect that the child defines him/herself and the world in drawings, dance, play, game, song, but not so much in words, sentences, this is due to the fact that in the childhood the more expressed is imaginative thinking, and mental activity which is related to emotional and visual kinesthetic perception. Therefore, it is important to update the multi-modal approach to language learning in primary school stage. The author's teaching experience and

theoretical studies allows to propose a statement that animation as audiovisual media successfully can be used in learning of the Latvian language in primary schools. Animated film not only entertains, but also is able to inform, educate and nurture, and simultaneously gives the opportunity to gain experience of being identified with the heroes of story and experience different emotions. Respecting the language as a multi-modal structure, animation films multimodal and contemporary format is topical in language learning. Animation science mostly is studied as a communication and artistic phenomenon. Therefore, the use of animation is not established in the pedagogical practice, teachers have not got the knowledge and skills to use animation in teaching methodology. Therefore, the purpose of this research is to detect the experience and opportunities of animation use in education, and make research to discover the animation film-making skills as primary school teachers' professional competencies in a new perspective dimension.

Research methodology and design

Author believe that the reality to consists of people's subjective experiences of the external world, that reality is socially constructed, therefore author represent interpretive philosophically assumptions paradigm and accomplish qualitative research. As the research methods to collected and analyzed data were used the literary analysis and action research. This research examined 19 sources of literature and qualitative analysis of 20 primary school teachers, which reflected the impressions and experience of teachers, to organize Latvian language lessons through animated film making as a teaching method. The action research was conducted in 2014. The aim of action research was to study primary school teacher's experience, which has developed in the learning process, using animation as a teaching method in Latvian language lessons, to assess animation as primary school teachers' professional competence potential component. Structured interviews were used in the data obtaining, which were processed by the hermeneutical approach.

Participant's selection

The author has carried out action research using a convenience method to select the participants. In action research established participants' voluntarily selection - 20 primary school teachers, who did not have prior knowledge of the animated film making process and the possibilities to use animation in teaching methodology. Participants represented 15 schools near Riga and all participants were women. The average age of participants were 46. Youngest member was 27 years old and the oldest was 61 years old. Average pedagogical work experiences of participants were 15-20 years. All participants recognized the need to involve the technology in their professional work in school, all recognized the meaning to achieve new knowledge and new skills to develop their professional competencies in a new perspective dimension. Therefore, the reason for engaging action research in study was to assist the teacher to improve their professional work in class, offering animation as a teaching method in class.

Opportunities of animation use in education

The word animation comes from the Latin word *animare*, which means to revive, fill with life. With the term animation is understood the pictures sequential display in a certain speed and in a certain number of fixed frame, thus achieving the illusion of movement. In Latvian language words animation and multiplication, are perceived as synonymous. The author's teaching experience shows that animation as audiovisual text, visual, linguistic, audial code representation successfully can serve for educational purposes, updating two elements of animation use:

- 1) to work with the existing animation film use it as a didactic matter in the teaching material, or
- 2) to make animation film in the learning process, using animation as a teaching method.

Ideas to use the moving picture in education arise almost simultaneously with the cinema, as an occurring of the art direction. In 1911, the American newspaper "Harper's Weekly" in edition of November 4 published the article "Edison and the New Education".

In this article American inventor Thomas Edison promotes the idea that the new discoveries, that is, moving pictures, must be used in the school practice. He believes, that the school should be attractive, it must attract children's attention, exactly moving pictures can be used as an educational resource for different subjects: history, language, mathematics, geography, etc. (Inglis 1911: 8). With the development of technology, the idea is being actively implemented in pedagogical practice. Consequently, it can be concluded that the animated film as a didactic material is a traditional approach to the use of animated film in education.

Otherwise, animated film making process within the framework of education can be arranged in different learning situations. Animation film making is a complex work that includes different types of skills and competences. With the development of technology, computer programs, in the 20th century 70s, mainly in America and England, the first books for beginners were published, which could be used to making animation films (Anderson 1970, Barton 1972, Bourgeois, Hobson 1979 Cleave 1973). It was found that animation films can be made at home, not only by the professional animators, but also by children. Consequently, it can be concluded that in the 20th century 70s animation film making exists in children non-formal education.

Thanks to new technologies and simplified animation assembly programs around the 20th century 90s in the United States, European countries and Russia, start to use animation film making in childrens' formal education, namely, in interest education: where interest education programs, projects, camps, workshops were organized during which children have gained insights into the animation film making processes. Thus is a disciplinary approach, during which children learns basic skills of animation film making, which is also regarded as a traditional way of animation use. At the beginning of the 21st century individual enthusiasts, animators, pedagogues from the United States, Australia and European countries (Denmark, Norway, Sweden, England, France, Spain,

etc.), while the rise of the importance of media pedagogy in the teaching content, is discovered the idea, that animation film making can be successfully used not only in the interest education, but also as a teaching tool to learn the content of general education and special education, thus implementing the integrated approach in studying animation.

Summing up the experience of teachers, animators (Algava 1999 and Gunn in 2006, Hoban in 2007, Church, Gravel, Rogers in 2007, and Hayward in 2010) together with children created the animation films in the learning process (lessons, extended-day classes, projects, camps and educational activities, interest education classes, etc.). This can be defined as:

- 1) There are teachers who represent disciplinary approach in their activities they learn animation as an art discipline within the interest education.
- 2) There are teachers who see the use of animation in education in a wider context, they use an integrated approach in their pedagogic work, realize animation film making as a teaching form/method, fore teach a subject (housekeeping, language, mathematics, physics, visual arts, etc.) or for fulfilling specific learning objectives in special education.

Teachers who use an integrated approach in their work, implement pedagogical innovation, revealing perspective approach to the use of animation and provide a multi-modal learning in the classroom. Outright the film making, children and young people learn not only to consume, but also to create their own ideas and visual images as media. Working with multi-modal language code systems, children learn not only to live in the virtual world, but also to create and to design a world themselves and creatively functions in it. Children gain an understanding of the diverse language concept (textual, visual, audial), in order to develop the language and communicative competence in a wider discourse.

Animation film making in Latvian language lessons at primary school

Realizing the Latvian language education program in primary schools (grade 1-4) acquire listening, speaking, reading, writing skills and implement competencies approach. The primary school phase lays the foundations for the understanding the nature of language, listener, speaker, reader and writer cultural development, communication skill learning, therefore, special attention should be paid to the fact, that pupil should realize beauty, sonority and uniqueness of Latvian language, they should learn clearly, speak literary correctly, read deliberately, understand the meaning of the text and to pronounce the sounds and words correctly, write neatly and technically correctly, enrich their vocabulary, so that they would desire to learn the wealth of the native language and to improve speech (Latvian language pupils, grade 1 – 9, program's sample). To achieve the objectives of the program it is important for teacher to choose the appropriate study materials, forms and methods. In the era of information, when the language concept must be respected in the broader discourse, it is important to integrate visual and audial language code

systems in the study content, which is represented by the technology and media. Because one of the innovative possibilities in the use of technology and media is animation use in Latvian language lessons in primary school, focusing directly on an integrated approach, which reveals the perspective of animation use and pedagogical potential. A significant problem is that teachers lack of experience, knowledge and skills, to use animation film making in their teaching methods. Therefore, the author has carried out action research, where 20 primary school teachers (from 15 schools near Riga) and 340 1-4th graders took part. The aim of action research was to study primary school teacher's experience, which has developed in the learning process, by the use of animation as a teaching method in Latvian language lessons, to assess animation as primary school teachers' professional competence potential component. There were raised three important issues:

- 1) How do teachers experience animation as a teaching method in the Latvian language lessons in primary school?
- 2) How do teachers see the animation using options in the learning process?
- 3) Does the teacher see animation as a teaching method in their pedagogical work?

During the action research teachers learned methodology developed by the author about the use of animation in Latvian language lessons in the primary school and studied basic skills of animation film making. Then they used animation as a teaching method, by making an animated film in the Latvian language lesson. Thus, the pupils were encouraged to realize the beauty and sonority of the Latvian language that was performed a multi-modal approach in the language learning, by constructing linguistic code system in visually audial code system, respectively by converting literary texts into animated film. During the action research teachers gained basic knowledge and skills of the animation as a teaching method in Latvian language lessons.

Structured interviews were used in data obtaining, which were processed by the hermeneutical approach. Summarizing the material of interviews, can be concluded that the teachers animation as a teaching method in the Latvian language lessons experienced as an interesting, meaningful, exciting, informative and different learning process, within which every pupil was able to improve, gaining new experiences and knowledge, thus giving pupils opportunities for self-actualization and respecting pupils' diverse intelligence. Teachers also found that when they experience an animation film making process, the students gained an understanding of how to speak to the audience through visual and audial language, and how to show the things which traditionally are formed with the verbal text with the picture and sound, thus realizing a multi-modal learning in the class and encouraging the understanding of language concept in a broader discourse. Teachers reported: "We are proud of the final results, children's creativity and excitement which revealed, the result is good and pupils for the first time looked at (their created movie) with detained breath." "We did not hear any child saying that he or she did not like it; I was surprised by children's patience and interest; the

process allowed to gain new knowledge, practical skills, to train cooperation skills, by interviewing children, I found that there were no difficulties in this process, there was an opportunity to work using individual approach; all pupils were involved, pupils worked with enthusiasm and great interest, studied to assess progress and parents also loved created animation film, animation is a way to make the learning process more interesting." (Šteinberga, interview protocols, 2014).

The summary of the interview materials allow to make a statement that the teacher welcomes and sees animation as a teaching method within the general education: in primary school for different subjects, elementary and secondary school more for the art classes: language, visual arts, and music lessons. Teachers agree that animation interests and motivates pupils and provides an opportunity to diversify their teaching methods, as well as provides links between subjects in the learning process.

In the conclusion of action research and the interview protocols, all 20 primary school teachers admitted that animation as a modern teaching method and a perspective in Latvian language training, which allows children to change linguistic text to their own production of audiovisual code system. The teacher affirmed their desire to learn animation film-making skills in the near future to be able to lead the learning process during which the animation could be used not only as a didactic teaching tool, but as a teaching method. Teachers also reveal that animation film making skills would give opportunity to make methodological study materials, which would be an important support for students in the learning process.

Conclusions

Nowadays information society, media and technological environment for everyone in the society highlights the need to navigate in different language communicative code systems. In the context of education, this means actualization of the multimodal approach in language learning studies. The author reveals animation as a successful and innovative example of teaching method in the Latvian language lessons in the primary school. The research author actualizes the perspective or integrated animation use approach, revealing animation film making experience in Latvian language lessons in primary school. Primary school teachers experience animation film making in Latvian language lessons as a meaningful, exciting, and cognitive learning process. Teachers reveal animation as a contemporary learning method by which:

- to diversify the learning process, thus encouraging students' learning motivation;
- to provide an individual approach to the learning process;
- to provide multi-modal learning process;
- to provide opportunities for pupils' self-actualization;
- to implement links between subjects of the Latvian language, visual arts, housekeeping, music and literature.

The study reveals animation film making and analytical skills as a primary school teacher professional competence of new potential dimension. It provides the need to substantively improve the current teacher further education offer in Latvia, as one of the skills of learning exactly technological and media skills in the new contexts.

References

- Algava A. 1999. *Animated Learning. Educational leadership*. Feb.56, 5, ProQuest Education Journals, p.58.-60.
- Anderson Y. 1970. *Teaching Film Animation to Children*. London, New York: Van Nostrand Reinhold Company, p. 112.
- Armstrong T. 1998. *Awakening Genius in the Classroom*. Publisher Association for Supervision & Curriculum Deve, ICD, USA, p. 81.
- Barton C. H. 1972. *How to Animate Cut-Outs*. London: Focal Press, p. 120.
- Church W., Gravel B., Rogers C. 2007. *Teaching Parabolic Motion with Stop-Action Animations*, TEMPUS Publications, Printed in Great Britain, p.1.-7.
- Cleave A. 1973. *Cartoon Animation for Everyone*. London and Morgan, New York: Fountain Press, p. 130.
- Fišers R, 2005. *Mācīsim bērniem domāt*. Rīga: Raka, 325 lp.
- Gardner H. 1994. *Frames of Mind. The Theory of Multiple Intelligence*. London.
- Gravel, B. 2009. *Science of SAM: Why Animation is Good for the Classroom*. Tufts University for Engineering Education and Outreach, p. 6.
- Gunn K. 2006. *Pixilation Animation in the Art Room*. School Art, 2006.
- Hoban G.F. 2007. *Using Slowmation to Engage Preservice Elementary Teachers in Understanding Science Concept Knowledge*. Contemporary Issues in Technology and Teacher Education (Online serial), 7 (2) ,1.-9.
- Inglis W. 1911. *Interview with T. Edison. T. Edison and New Education*. Harper's Weekly, nov. 4., p.5.,8.
- Jukes I., Dosaj A. 2006. *Understanding Digital Children, Teaching & Learning in the New Digital Landscape*. The Info savvy Group, Prepared for the Singapore MOE Mass Lecture.Pieejams:<http://edorigami.wikispaces.com/file/view/Jukes++Understanding+Digital+Kids.pdf>, (27.05.2014)
- Kress G. 2003. *Literacy in the New Media Age*. Published by Routledge (London), p.196.
- Latviešu valoda 1.–9. klasei. *Mācību priekšmeta programmas paraugs 1. variants*. Izstrādāts IZM un PB Izglītības sistēmas attīstības projektā, LR Izglītības un zinātnes ministrija.Pieejams:http://visc.gov.lv/vispizglitiba/saturs/dokumenti/programmas/pamskolai/latval1_9.pdf, (27.05.2014)
- Pahl K., Rowssel J. 2005. *Literacy and education: Understand the New Literacy Studies in the Classroom*. Paul Chapman Publishing, SAGE Publications Company, printed in Great Britain
- Prensky M., 2001. *Digital Natives, Digital Immigrants*. On the Horizon (MCB University Press, Vol. 9 No. 5, October
- Šteinberga L. 2014. 20 protocols of teachers, who were involve in action research.
- Vellinga-Firimita C.M. 2010. *The language of images. An interview with Stan Hayward about children drawings and the future of (visual) communication*. Pieejams: http://www.psyc.bbk.ac.uk/research/DNL/personalpages/The_language_of_images_BBKsite_V5.pdf (27.05.2014)

COOPERATION-ORIENTED LEADER'S COMPETENCE FOR DEVELOPMENT OF INSTITUTION OF VOCATIONAL MUSIC EDUCATION

Vita Stīge-Škuškovnika

Business University *Turība*, Graudu street 68, Rīga, LV-1058, Latvia
vita.stige@gmail.com

Jelena Davidova

Daugavpils University, Parādes street 1, Daugavpils, LV-5401, Latvia
jelena.davidova@du.lv

Abstract

Cooperation-oriented leader's competence for development of institution of vocational music education

Keywords: *cooperation, competence, educational management, school leadership, development*

The role of the cooperation has increased in last years and has become very important in educational field because of its impact on any processes of the school's internal and external environment.

Educational leadership and management has progressed from being a new field dependent upon ideas developed in other settings to become an established discipline with its own theories and significant empirical data testing their validity in education. This transition has been accompanied by lively argument about the extent to which education should be regarded as simply another field for the application of general principles of leadership and management, or should be seen as a separate discipline with its own body of knowledge. (Bush 2008)

The main object for the research is the cooperation-oriented leader's competence for the development of institution of vocational music education.

The aim of this paper is to study and analyse cooperation-oriented leader's competence for the development of institution of vocational music education with deeper overview of music education industry in Latvia. To achieve the aim the previous research and scientific literature were studied.

In this article authors a) analyse competence-oriented leader's competence for development of institution of the vocational music education whose leadership is very important in the context of education system and pupils growth as whole; b) give an overview of a vocational music education system in Latvia and focus on the main aspects of development trends of music education industry.

Kopsavilkums

Uz sadarbību orientēta vadītāja kompetence profesionālās ievirzes mūzikas izglītības iestādes attīstībai

Atslēgas vārdi: *sadarbība, kompetence, izglītības vadība, skolas vadība, attīstība*

Pēdējos gados sadarbības loma ir pieaugusi un kļuvusi ļoti svarīga izglītības jomā, jo tā ietekmē daudzus iekšējās un ārējās vides procesus skolā.

Izglītības vadība ir progresējusi no jaunas idejas kļūstot par disciplīnu ar savām teorijām un nozīmīgiem empīriskiem datiem, pierādot to noderīgumu izglītībā. Tāpat izglītības vadība jau tiek uzskatīta par atsevišķu disciplīnu ar konkrētu zināšanu kompleksu, nevis uztverta kā klasiskās vadības nozares atzars. (Bush 2008)

Galvenais šī raksta pētījuma objekts ir uz sadarbību orientēta vadītāja kompetence profesionālās ievirzes mūzikas izglītības iestādes attīstībai.

Raksta mērķis ir izpētīt un analizēt uz sadarbību orientēta vadītāja kompetences profesionālās ievirzes mūzikas izglītības iestādes attīstībai, ietverot padziļinātu Latvijas mūzikas izglītības industrijas pārskatu. Lai to sasniegtu, tika analizēta zinātniskā literatūra un pieejamie zinātniskie pētījumi.

Rakstā autore a) analizē uz sadarbību orientēta vadītāja kompetences profesionālās ievirzes mūzikas izglītības iestādes attīstībai, kas ir ļoti svarīgas izglītības sistēmas kontekstā un audzēkņu izaugsmes veicināšanā; b) sniedz profesionālās mūzikas izglītības sistēmas Latvijā pārskatu un fokusējas uz dominējošām mūzikas izglītības attīstības tendencēm.

Introduction

Music education in Latvia is available to all school students within the general school program, and is usually taught by music specialists. Children may attend vocation-oriented education in arts and music in addition to attending regular school. The so-called little art and music schools are generally founded and maintained by municipal governments.

Cultural education system in Latvia consists of state, municipal and private education institutions that provide vocation-oriented, vocational secondary and higher education programmes. They provide training of professional artists, musicians, dancers, cultural and pedagogical professionals. Industrial and field policy is prepared by the Ministry of Culture, its' implementation is coordinated and managed by the Latvian National Cultural Centre.

The leadership and development of institutions of the vocational music education in Latvia is a responsibility of the music school leaders, who mostly are educated in music, performing arts, pedagogy, but very rarely they have specific education – even basic knowledge and skills in management and leadership.

The goal of the research is to define the most important conclusions about the development trends for institutions of vocational music education. Using a method of analysis in theoretical literature, the explanation of the concepts connected with this problem has been made precise. Also data gathering and compilation for the overview of the music education industry was used and created.

Educational management or school leadership?

The concepts of *leadership* and *management* overlap. By leadership, authors mean influencing others' actions in achieving desirable ends. Leaders are people who shape the goals, motivations, and actions of others. Frequently they initiate change to reach existing and new goals. Leadership takes much ingenuity, energy and skill. Managing is maintaining efficiently and effectively current organisational arrangements. (Bush 2008)

Educational leadership and management is first and foremost an applied field of study. Historically, field's theoretical contributions to scholarship in related fields of organizational behavior, management, leadership, psychology, and sociology have been few and far between. Thus, research on educational leadership and management must be evaluated primarily in terms of its ability to inform policy and practice in educational organizations. (Hallinger and Chen 2015)

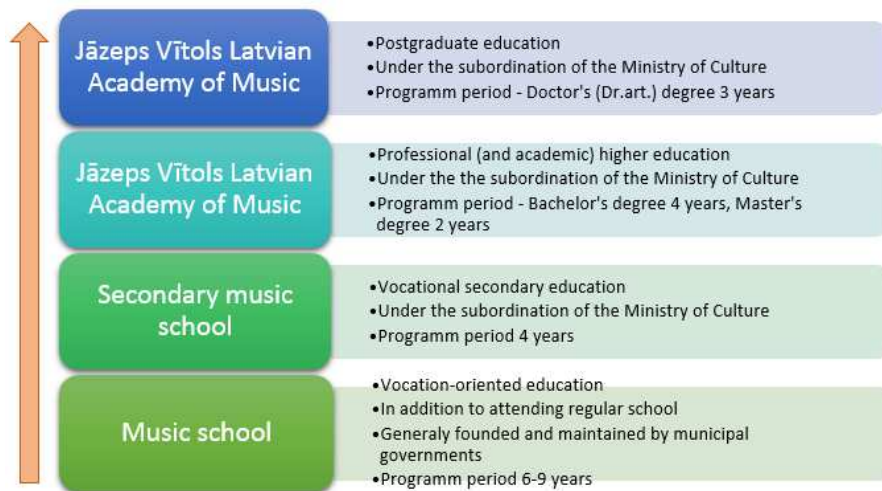
Another approach pays attention to the traits of managers and leaders. Core difference rests in their ways of perceiving the organization and the strategies by which they deal with problems from the internal and external environment. Leadership is also defined as an influence relationship among leaders and followers who intend real changes that reflect their mutual purposes, and management is an authority relationship between at least one manager and one subordinate who coordinate their activities to produce and sell particular goods and/or services. (Sun 2014)

The various theories of educational leadership and management reflect very different ways of understanding and interpreting events and behaviour in schools. (Bush 2007) In many schools, however, goal setting is a corporate activity undertaken by formal bodies or informal groups.

The structure of music education system in Latvia

For music education system representation authors of this article offer Figure 1 where the direct sections and grades of music education levels are shown. It's important to note that in addition to Jāzeps Vītols Latvian Academy of Music (JVLAM) it's also possible to obtain some of the higher education and postgraduate programmes in music education field in such institutions as Riga Teacher Training and Educational Management Academy (RTEMA), Liepāja University and Daugavpils University.

Figure 1. *The Music Education System in Latvia (created by authors)*



Parallel with general school classes is the system of music schools operating throughout the country, providing a more concentrated training in various aspects of music. Music school tuition is available in practical performance, ensemble activities (choirs, instrumental ensembles), theory, music history and musicianship. Music school courses are completed by the age of 14-16, coinciding with the completion of the six- or nine-year Certificate of Education.

Vocational education is mainly maintained and supervised by the Ministry of Education and Science in strong cooperation with branch ministries and social partners. Only art and music schools are placed under the authority of the Ministry of Culture.

Regarding music education industry, authors conclude that at this moment there are 112 music schools in Latvia, which officially are called institutions of vocation-oriented music education, founded by state and local authorities. From previously mentioned institutions 49 are music schools and 63 – music and art schools. In addition, in supervision of the Ministry of Culture of Latvia in biggest cities there are 9 secondary music schools with vocational secondary education, but professional (and academic) higher education and postgraduate education is carried out in few institutions mentioned in Figure 1.

Overview of the institutions of vocation-oriented music education

In year 2013 vocation-oriented cultural education system in Latvia consisted of 151 vocation-oriented education institutions, 29 vocational secondary education institutions and 20 higher education institutions. (ESL; VE) Referring to previous, industrial and field policies are prepared by the Ministry of Culture, its implementation is coordinated and managed by the Latvian National Cultural Centre.

As shown in Table 1, in previous study year 2013/2014 in Latvia there were 145 municipality and 6 private education institutions which were providing vocation-oriented music, art and dance education programmes. 55 of these institutions are music schools, 35 art schools, 59 music and art schools and 2 dance schools.

Table 1. *Number of institutions of vocation-oriented education programmes in 2013/2014 (annual report of Latvian National Cultural Centre)*

| Education field | Education institutions founded by municipalities which are providing vocation-oriented education programmes | Education institutions founded by private persons which are providing vocation-oriented education programmes | Grand TOTAL |
|-----------------|---|--|-------------|
| Music | 51 | 4 | 55 |
| Art | 35 | | 35 |
| Music and art | 59 | | 59 |
| Dance | | 2 | 2 |
| TOTAL | 145 | 6 | 151 |

Within this research authors communicated with representatives of Latvian National Culture Centre and had a chance to explore annual reports of the last five years of music schools and music and art schools. Based on these reports authors offer following figures.

Figure 2 and Table 2 provide detailed information about total number of music school pupils by regions.

Figure 2. *Music school pupils 2009-2013 (by planning regions) (created by authors)*

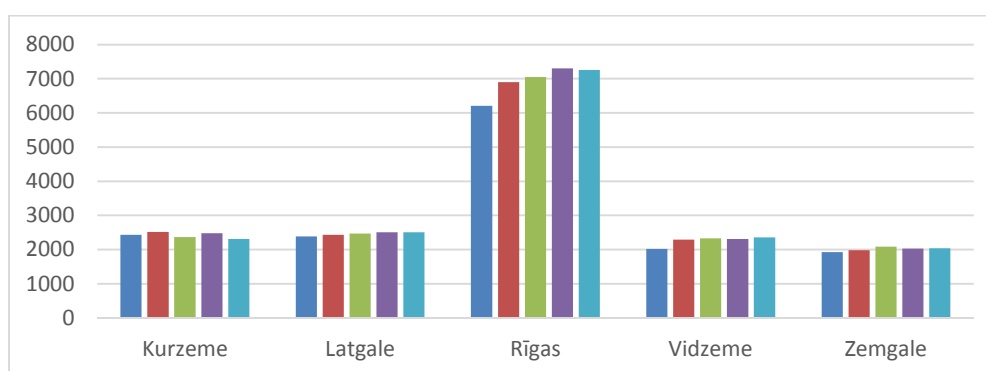


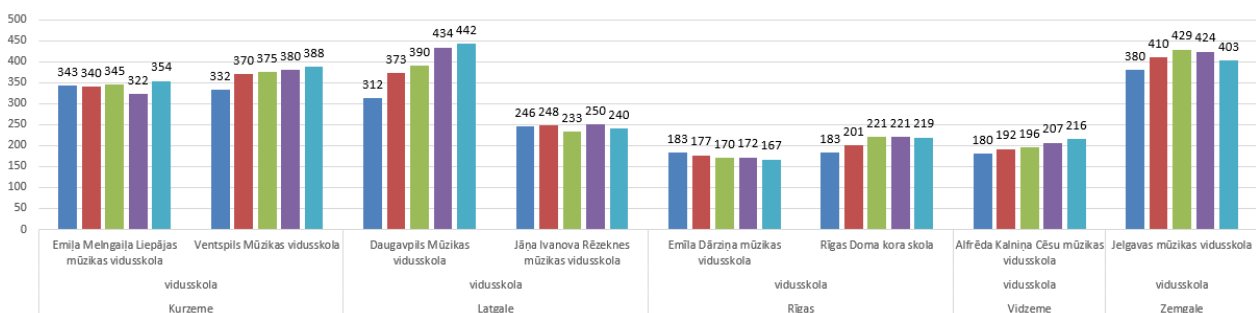
Table 2 shows slightly increasing number of pupils within each year shown in figure. In year 2009 there were 14964 pupils in vocation-oriented music education programmes, but by year 2013 already 16461. This goes in hand with a fact that the lowest point of demographic decrease is showing its effect in the first years of high schools, whereas there is increase of population in younger ages.

Table 2. *Number of music school pupils 2009-2013 (by planning regions) (created by authors)*

| Region | Pupils in 2009 | Pupils in 2010 | Pupils in 2011 | Pupils in 2012 | Pupils in 2013 |
|-------------|----------------|----------------|----------------|----------------|----------------|
| Kurzeme | 2435 | 2512 | 2366 | 2476 | 2307 |
| Latgale | 2380 | 2427 | 2465 | 2506 | 2506 |
| Rīgas | 6208 | 6904 | 7048 | 7304 | 7252 |
| Vidzeme | 2018 | 2287 | 2327 | 2310 | 2360 |
| Zemgale | 1923 | 1983 | 2087 | 2029 | 2036 |
| Grand Total | 14964 | 16113 | 16293 | 16625 | 16461 |

Figure 3 shows number of students in vocational secondary education institutions. In total there are no drastic changes through these years. The regional institutions have higher number of attendants. This could be due to low competition in regions where they are located or due to higher demand of art and music education in regions. This phenomenon requires in depth analysis.

Figure 3. *Number of pupils in vocational secondary education institutions 2009-2013 (created by authors)*








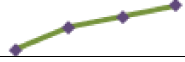
In study year 2013/2014, in all of previously mentioned institutions that provide vocation-oriented education in music, art and dance programmes there are 3745 pedagogical employees (including school principals, principal assistants, teachers, librarians etc.) Table 3 offers the overview of number of teachers according to education field.

Table 3. *Number of teachers in all vocation-oriented schools and vocational secondary education schools in 2013/2014 (created by authors)*

| Education field | Number of teachers |
|-----------------|--------------------|
| Music | 2349 |
| Art, design | 796 |
| Dance | 59 |
| TOTAL | 3155 |

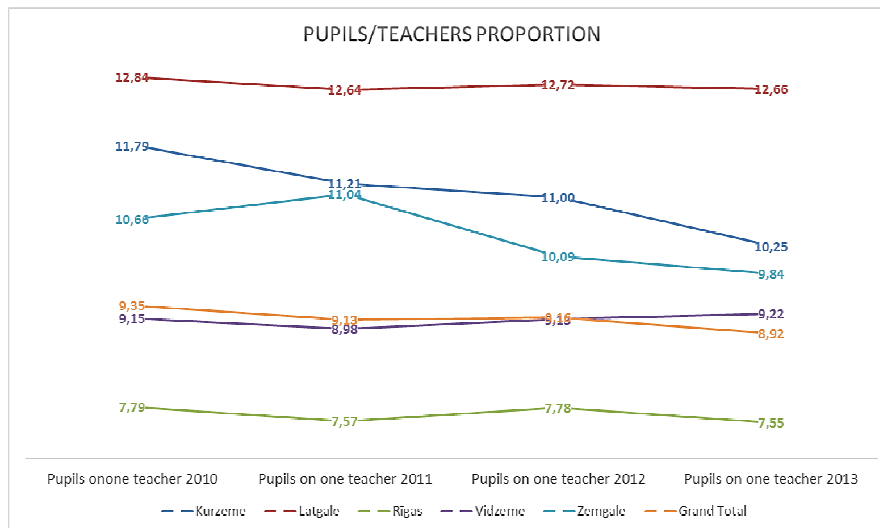
The number of teachers who work directly as music pedagogues are shown in Table 4. As can be seen the total number of teachers is slowly increasing through year 2010 to 2013. Last column of the table shows tendency of the change by regions.

Table 4. *Amount of music schools teachers 2010-2013 (created by authors)*

| Region | Teachers in 2010 | Teachers in 2011 | Teachers in 2012 | Teachers in 2013 | Tendency |
|--------------------|------------------|------------------|------------------|------------------|---|
| Kurzeme | 213 | 211 | 225 | 225 |  |
| Latgale | 189 | 195 | 197 | 198 |  |
| Rīgas | 886 | 931 | 939 | 960 |  |
| Vidzeme | 250 | 259 | 253 | 256 |  |
| Zemgale | 186 | 189 | 201 | 207 |  |
| Grand Total | 1724 | 1785 | 1815 | 1846 |  |

The Figure 4 of the overview gives insight in proportion of music school pupils and teachers by regions from 2010 to 2013. Average number of pupils for one teacher changes from seven to 12 pupils. After comparing the results of Table 2 and Table 4 it can be seen that in the last years the number of pupils in music schools is increasing slowly as well as the number of teachers. As the proportion shows a decreasing tendency the relative growth of pupils is slower than the increase of numbers of teachers. This is a similar tendency as in general schools, where smaller schools are shut down and optimized so that the number of pupils in one class is higher. The different thing here is that the number of teachers is increasing whereas it is not the case in general schools.

Figure 4. *Proportion of music school pupils and teachers 2010-2013 (created by authors)*



The general population and labour force structure of Latvia includes its tendencies in the proportion measures. As more people leave regions of Latvia the higher student/teacher ratio in regions comes as no surprise. Also the fact that local music schools are located in small cities away from regional centres helps in decrease of available music teacher force in these schools.

The fact that most of the working places (orchestras, bands, ensembles) for people with music education are located in Riga, helps to understand the low ratio points in graph for Riga (as professionals can combine their professional work with educational work).

Cooperation-oriented leaders' competence for development of the music school

The job of school leader has been transformed by extraordinary economic, demographic, technological and global change. As Steward (2014) mentioned models of school leadership are changing: so-called executive headteachers have responsibility for more than one school. Whatever the model, however, the role of the head teacher remains that of the lead professional.

School leaders need to work in tandem with teachers to enhance students' academic, personal, and social learning and outcomes. (Harris et al. 2013) In public schools, principals reform schools by developing a high level of teacher collaboration. The positive relationship between principals' leadership and schools' collaborative culture has been resulted in researches with its' final proposal: public schools that have stronger principal's leadership are more likely to have a stronger teacher's collaborative culture. (Sun 2014)

Most teachers feel more committed to their tasks when principals are able to create work communities that are supportive and stimulating, student-oriented, facilitate feelings of community, and foster their feelings of efficacy. (Lai et al. 2014) According to Northfield (2014) the effectiveness of schools has been linked to school leaders who foster and develop trust with staff members and educational stakeholders.

Effective school leaders are able to combine a moral purpose with a willingness to be collaborative and to promote collaboration amongst colleagues, both through teamwork and by extending the boundaries of participation in leadership and decision-making. (Spillane et al. 2001)

Black (2007) also highlights the importance of close links between parents and schools to support student learning. Parental involvement is associated with better student achievement, engagement, retention and take-up of further and higher education.

The new management paradigm revolves around teamwork, participation, and learning. It also revolves around improved communication, integration, collaboration, and closer interaction and partnering with customers, suppliers and a wider range of stakeholders. (Jamali 2005)

Using cooperation and compromising methods can successfully increase school effectiveness, states Kuo et al. (2014). It is the best to choose the way of 'cooperation' to increase the school effectiveness.

Conclusions

1. Effective leadership and management are increasingly regarded as essential if music schools are to achieve the wide-ranging objectives set for them by their many stakeholders.
2. In order to support student and staff well-being and develop a context that is supportive of effective learning, school leaders need to build a collaborative learning community which requires commitment and time for all staff members.
3. Music education in Latvia is available to all school students within the general school program. Children may attend vocation-oriented education in addition to attending regular school.
4. Local governments own general education schools at both primary and secondary levels. At these schools the wages of teaching staff are allocated as state donations while the maintenance and infrastructure costs are covered through the local government budgets.
5. The research proves that a number of the factors that are essential to the effectiveness and performance of music schools are under the control of leaders. Effectiveness is possible only by cooperation with internal and external audiences, e.g., teachers, administrators, pupils, parents, government institutions, cooperation partners.
6. Cooperation-oriented competence helps the music school leader to test assumptions and to understand the inputs of others. Cooperation can help gain a commitment through consensus, and can help to get over problems in interpersonal relationships.

References

- Black, R. (2007) *Crossing the Bridge: Overcoming entrenched disadvantage through student-centred learning*. Retrieved from <http://www.fya.org.au/app/theme/default/design/assets/publications/black2007crossingthebridge.pdf>
- Bush, T. (2007) Educational leadership and management: Theory, policy, and practice. *South African Journal of Education*, 27(3), 391-406. Retrieved from http://www.eranet.co.za/zenex/files/292_Bush,%202007.pdf

- Bush, T. (2008) *Leadership and Management Development in Education*. London: SAGE Publications Ltd
- Cultural Education* (Kultūrizglītība). Retrieved from <http://www.lnkc.gov.lv/nozares/kulturizglitiba/>
- Documents: Cultural Education field* (Dokumenti: Kultūrizglītības nozare), Latvian National Cultural Centre. Retrieved from <http://www.lnkc.gov.lv/dokumenti/#subcat-94-80>
- Education in Latvia*. Retrieved from http://www.aic.lv/ENIC/en/enic/ed_in_Latv.htm
- Education System in Latvia*. Retrieved from <http://izm.izm.gov.lv/education/education-system.html>
- Hallinger, P., Chen, J. (2015) Review of research on educational leadership and management in Asia: A comparative analysis of research topics and methods, 1995–2012. *Journal of Educational Management Administration & Leadership*, 43(1), 5-27. Retrieved from file:///C:/Users/Vita/Downloads/Educational%20Management%20Administration%20&%20Leadership-2015-Hallinger-5-27.pdf
- Harris, J., Spina, N., Ehrich, L.C. & Smeed, J. (2013) *Literature Review: Student-centred schools make the difference*. Retrieved from <http://www.aitsl.edu.au/docs/default-source/eCollection/literature-review---student-centred-schools-make-the-difference.pdf>
- Institutions on Dependency of the Ministry of Culture* (Ministrijas padotībā esošās valsts pārvaldes iestādes). Retrieved from <http://www.km.gov.lv/lv/ministrija/padotiba.html# izgl>
- International Directory of Music and Music Education Institutions*. Retrieved from <http://idm.mei.isme.org/index.php/institutions?sid=95:Latvia>
- Kuo, M.Ch., Lin, F.Y., Lin, Ch.Y. & Chen, F.Sh. (2014) A study on relationships among conflict management and school effectiveness. *International Conference on e-Education, e-Business and Information Management* (ICEEIM 2014), 269-272. Retrieved from file:///C:/Users/Vita/Downloads/IMER1121%20(1).pdf
- Jamali, D. (2005) Changing management paradigms: Implications for educational institutions. *Journal of Management Development*, 24(2), 104-115. Retrieved from <http://www.emarketing.net.cn/upload/file/2008/04/09/161207730027028.pdf>
- Lai, T.T., Luen, W.K., Chai, L.T. & Ling, L.W. (2014) School principal leadership styles and teacher organizational commitment among performing schools. *5th International Conference on Business and Economic Research (ICBER 2014) Proceeding*, ISBN 978-967-5705-13-7, 208-220. Retrieved from http://www.internationalconference.com.my/proceeding/icber2014_proceeding/5thicber_proceeding/016_099_5thICBER2014_Proceeding_p208.pdf
- Latvia: System of Education* (2007) Retrieved from http://www.viaa.gov.lv/files/news/1808/educ_in_latvia.pdf
- Northfield, Sh. (2014) Multi-Dimensional Trust: How beginning principals build trust with their staff during leader succession. *International Journal of Leadership in Education: Theory and Practice*, 17 (4), 410-441. Retrieved from <http://www.tandfonline.com/doi/pdf/10.1080/13603124.2013.825011>
- Spillane, J.P., Halverson, R. & Diamond, J.B. (2001) *Building Leadership Capacity simple, complex, paradoxal, necessary*. Retrieved from <http://www.innovationunit.org/sites/default/files/Building%20leadership%20capacity.pdf>
- Steward, J. (2014) Sustaining emotional resilience for school leadership. *Journal of School Leadership & Management: Formerly School Organisation*, 34(1), 52-68. Retrieved from <http://www.tandfonline.com/doi/pdf/10.1080/13632434.2013.849686>
- Sun, R. (2014) *Principal's Leadership, School Management, and Student Learning Outcomes: A study of New York city public schools*. Retrieved from file:///C:/Users/Vita/Downloads/ETD-2014-5629.pdf
- The Education System in Latvia (ESL)*. Retrieved from http://izm.izm.gov.lv/upload_file/en/education_system.pdf
- Vocational Education (VE)*. Retrieved from <http://www.izm.gov.lv/en/education/vocational-education>

PSIHOLOGIJA / PSYCHOLOGY

ANALYSIS OF PERSONAL AND ORGANIZATIONAL CULTURE VALUES AT PUBLIC AND PRIVATE INSTITUTIONS

Maija Ivanova, Irēna Kokina

Daugavpils Universitāte, Parādes iela 1, Daugavpils, LV-5401, Latvia
maija-ivanova@inbox.lv, irena.kokina@du.lv

Abstract

Analysis of Personal and Organizational Culture Values at Public and Private Institutions

Key words: *organizational culture, organizational values, transformation of organizational culture, cultural entropy.*

Besides technological progress, internal changes are made in more and more enterprises. To achieve the best result of planned changes more effectively, it is possible to use a really unique resource of the company – organizational culture. Successful company develops using corporate values, contributing cohesion of members of the group, creating the sense of belonging to organization, loyalty and common future vision. In order to understand, how the enterprise can realize internal changes with changing and improving organizational culture, values of personal and organizational culture are analyzed in proposed article.

There is organizational culture assessment methods of different scientists (R.Barrett, K.Cameron and R.Quinn) also analysed here. Detailed research of organizational culture in this study is based on The Barrett Seven Levels of Consciousness Model by Richard Barrett (USA, 2006), which considers, that successful organization is based on values reflecting the main meaning of company's existence. Every individual perceives values as a priority, which makes sense and gives motivation for existence, including working life. Analyses of personal values gives us opportunity to compare employees' personal values to organization's common results. The identification of personal values and organizational culture values gives employees the possibility to understand the main personal values and compare them to desirable values for organization, which they would like to see in work of the organization, in this way they are able to recognize connection between personal and corporate values and see, how interaction between them can influence the growth of the organization.

Kopsavilkums

Personisko un organizācijas kultūras vērtību analīze valsts un privātajā iestādē

Atslēgvārdi: *Organizācijas kultūra, organizācijas vērtības, organizācijas kultūras transformācija, organizācijas kultūras entropija.*

Līdztekus tehnoloģiju attīstībai, arvien plašāk uzņēmumos tiek veiktas iekšējās pārmaiņas. Lai uzņēmuma iecerēto pārmaiņu rezultātu sasniegtu efektīvāk, ir iespēja izmantot unikālu uzņēmuma resursu – organizācijas kultūru. Sekmīgs uzņēmums savu attīstību veido, balstoties uz organizācijas vērtībām, veicinot grupas dalībnieku saliedēšanu, radot piederības izjūtu pie organizācijas, uzticību un veidojot kopīgu nākotnes redzējumu. Lai izprastu, kā uzņēmums var īstenot iekšējās pārmaiņas, pilnveidojot un mainot organizācijas kultūru, piedāvātajā rakstā tiek analizētas personiskās un organizācijas kultūras vērtības.

Tiek analizētas arī dažādu zinātnieku (R.Barrets, K.Kameron un R.Kvīns) izstrādātās organizācijas kultūras novērtēšanas metodes. Padziļināta organizācijas vērtību izpēte dotajā pētījumā tiek pētīta, pamatojoties uz Ričarda Baretta (ASV, 2006) izstrādāto septiņu apziņas līmeņu modeli, uzskatot, ka veiksmīgas organizācijas pamatā ir vērtības, kas atspoguļo organizācijas pastāvēšanas jēgu un būtību. Katrs indivīds uztver vērtības kā prioritāti, kas rada jēgu un motivāciju dzīvei, tai skaitā arī darba dzīvei. Personisko vērtību izvērtējums sniedz iespēju salīdzināt organizācijas darbinieku personiskās vērtības ar organizācijas kopējiem rezultātiem. Darbinieku personisko vērtību un organizācijas kultūras vērtību apzināšana palīdz darbiniekiem izprast savas svarīgākās personiskās vērtības, kā arī salīdzināt tās ar organizācijai vēlamajām vērtībām, kuras viņi vēlētos redzēt atbilstošās organizācijas darbībā un tādējādi konstatēt, kā personisko vērtību un organizācijas vērtību apzināšana un saskaņošana ietekmē organizācijas izaugsmi.

Introduction

Organizational culture has become a subject for scientific research and analysis in eighties of the 20th century. As the organizational culture in every way of its expression is a mirror of our society, in recent years the studies of organizational culture has drawn more and more attention.

Company managers mostly pay their attention to financial situation of the company, trying to achieve better profit indicators, but inner work environment, thoughts and feelings of collective are not always taken into account. However, we should admit, that managers and executives more and more realize, that successful strategies, knowledge of financial markets and technical knowledge are not enough for achieving continuous headway and successful competition in business environment. Knowledge and understanding of people behaviour, conscious and unconscious aspects of human relationships is necessary for achieving good results. That is the reason, why the topic about creating modern organization, development techniques and assessment methods are becoming increasingly important.

This study includes analysis of the insights on organizational culture research offered by various scholars; it shows main functions and describes characteristics of organizational culture elements (Dubkevics L. 2009; Barrett R. 2006; Renge V. 2008; Praude V., Belcikovs J. 2001; etc.).

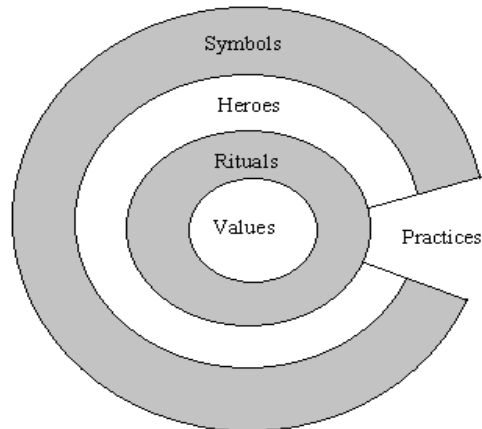
For today scientists offers more than 250 definitions of the term organizational culture.

- ✓ R. Harrison describes an organization as a set of shared assumptions or ideology (Harrison 1972)
- ✓ The organization is an established system, in which all human activities are deliberately coordinated to achieve common objectives (Forands 1999: 69)
- ✓ Organizational culture is a relatively resistant set of collective beliefs, values and social norms inside the organization, which is formed by strengthening organizations internal integration and adaptation to the surrounding socio-economical environment (Renge 1999:97)
- ✓ “Organizational culture is a relatively resistant set of collective beliefs, values and social norms inside the organization, which is formed by strengthening organizations internal integration and adaptation to the surrounding socio-economical environment. These beliefs, values and norms define the way of perception, thinking and feeling of organizational members and reflect in their activities and in formation of organizations own environment” (Schein 1983, 1985)
- ✓ Organizational culture is the set of beliefs, values, social norms and standards of behaviour in organization. (Omarova 2001: 142)

There are invisible culture elements, conventions, common assumptions, beliefs, values etc. in every organization. Exactly these elements are the ones, which determine individual and collective behaviour, supporting or inhibiting the development of organization.

Hofstede depicts the most essential elements of organizational culture in a schematic way in several levels (see Figure 1), emphasizing, that the manifestations of organizational culture from three outer layers (symbols, heroes and rituals can be real as well as imaginary) are easier to observe in human behaviour and other forms. However, the deepest layer of organizational culture consists of values. (Hofstede 1994)

Figure 1. *G.Hofstede Model for organizational culture*



Source: Hofstede, Hofstede, 2005

Values are considered to be the core of organizational culture. This is an elusive and directly externally invisible part of organization, which is not obvious and measurable, that is why managers so often ignores this significant unit. However, researches (Ackoff 1994; Collins, Porras 1995) show that exactly clear system of organizational values is one of the indicators in organization, which has contributed to long-term operational efficiency and high financial results.

Values are socially significant and in particular society or social group assumed ideas about human destiny, goals and meaning (higher values) of life, about social systems and the importance of their elements (priorities such as patriotism, democracy and private property), and about necessity of moral, religious and ideological norms. (Zepa, Zobena 1997: 93)

A value system forms for both individuals and organizations. Organizational values are beliefs, principles, and internal rules of behaviour, as well as standards, which contribute or impede organization in achieving its goals. In recent years, several recognized scientists (Barrett 2006; Cameron, Quinn 1999) have admitted, that successful company bases its development on organizational values, favouring integration of the group members, creating a common future vision and the sense of belonging to organization.

The objective of the study is to explore interaction between organizational culture values and personal values of managers and employees of company and impact on level of entropy in organization.

The study about harmonization between cultural values of public and private organizations and individual values of their employees

The reconciliation and reception of organizational values and individual values is a part of work environment mostly invisible culture. You can find declared, outward facing values, as well as real values in any organization. The management of organizational values is necessary for establishing, maintaining or changing organizational values, which are the most important during

the relevant period. Every organizations aim is to strengthen those values, which will lead company to success and will help to avoid all external threats and pressures.

Behaviour of any individual derives from values and beliefs. In order to understand, how organization can implement internal changes through developing and changing organizational culture, there are personal and organizational culture values reviewed and analyzed in this article.

Many scientists offer several techniques or methods for measurement and evaluation of culture, this study is based on scientific methodology, R. Barrett the Seven Levels of Consciousness model. Before we talk about creating a value-oriented organization, we should mention Richard Barrett’s definitions of the following terms:

Cultural resilience is defined as the ability of an organization or any human system to withstand shocks and remain sustainable under prolonged conditions of duress. (Barrett 2006:2)

Cultural entropy is defined as the proportion of energy in an organization or any human system that is consumed by non-productive activities such as bureaucracy, internal competition, empire building, and so forth. (Barrett 2006: 2)

In process of assessing the organizational culture values, there is also the level of cultural entropy in organization defined. Explanation about the meaning of entropy level is provided in Table 1 “Significance of Different Levels of Cultural Entropy”, which is also a recommendation for desirable actions in organization.

Table 1. *Significance of Different Levels of Cultural Entropy*

| Cultural entropy | Implications |
|------------------|--|
| ≥ 40% | Critical Issues—Requiring cultural and structural transformation, selective changes in leadership, leadership mentoring, leadership coaching, and leadership development |
| 30 – 39% | Serious Issues - Requiring cultural and structural transformation, leadership mentoring, leadership coaching, and leadership development |
| 20-29% | Significant Issues - Requiring cultural and structural transformation and leadership coaching |
| 10-19% | Minor Issues - Requiring cultural and/or structural adjustment |
| < 10% | Prime - Healthy functioning |

Source: Dubkevics 2009: 126

Hereafter the Seven Levels of Consciousness model will be analyzed in order to understand, how this method can be used to evaluate or diagnose the organizational culture values.

The Seven Levels of Consciousness model by R. Barrett is based on seven stages of personal development. This model applies to all individuals and human group structures or organizations. Each stage focuses on a particular existential need that is inherent to the human condition. These seven existential needs are the principle motivating forces in all human affairs. R. Barrett the Seven Levels of Organizational Consciousness model is used to develop detailed diagnostics for organizational culture. Evaluation of organizational consciousness is based on one of instruments from the set of cultural transformation tools, namely, cultural values assessment.

The seven existential needs that constitute the seven stages in the development of personal consciousness are shown in Table 2.

Table 2. *The Seven Stages/Levels of Personal Consciousness*

| Level | Motivation | Focus |
|-------|---------------------|--|
| 7 | Service | Leading a life of self-less service |
| 6 | Making a difference | Making a positive difference in the world |
| 5 | Internal cohesion | Finding personal meaning in existence |
| 4 | Transformation | Finding freedom by letting go of our fears about survival, feeling loved, and being respected by our peers |
| 3 | Self-esteem | Feeling a sense of personal self-worth |
| 2 | Relationship | Feeling safe, respected, and loved |
| 1 | Surviva | Satisfying our physical needs |

Source: Barrett 2008: 12

The “lower” or basic needs, levels 1 to 3, focus on need for physical survival, and emotional need for self-esteem. The “higher” or “spiritual” needs, levels 5 to 7, focus on needs—the need to find meaning in lives, the need to make a difference in the world, and service.

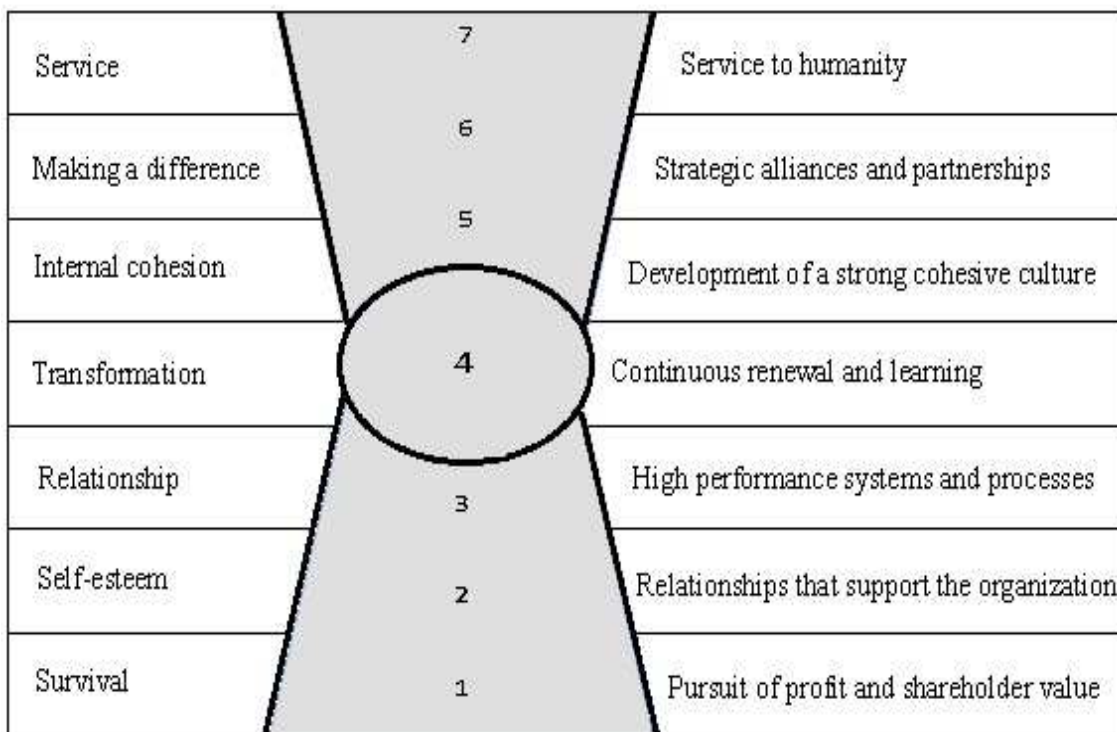
The first three levels focus on our personal self-interest—meeting the needs of the ego. The last three levels focus on the common good— meeting the needs of the soul.

The focus of the fourth level is transformation—a shift from self-interest to the common good. This is where the ego learns to let go of its fears so that it can become one with the soul. Individuals, who focus exclusively on the satisfaction of the lower needs, tend to live self-centred,

shallow lives, subconsciously or consciously dominated by the fears of the ego. The fears of the (Barrett 2008: 13)

Organizations grow and develop in the same way as individuals. They have seven well-defined developmental stages. Each stage focuses on a particular existential need that is common to all human group structures. Organizations develop and grow by learning to master the satisfaction of these needs. Organizations that learn how to master all seven needs operate from full-spectrum consciousness. (Barrett 2008: 26) As pointed out by Barrett that these are the most resilient and profitable corporations because they have the ability to respond appropriately to all business challenges. The seven levels of organizational consciousness are shown in Figure 2.

Figure 2. *Seven Levels of Organizational Consciousness*



Source: Barrett 2008: 26

The “lower” needs, levels 1 to 3, focus on the basic needs of business: the pursuit of profit, satisfying customers, and high-performance systems and processes. The emphasis is on the self-interest of the organization and its shareholders. The “higher” needs, levels 5 to 7, focus on group cohesion, building mutually beneficial alliances and partnerships, and the role of the organization in a local and societal context. The emphasis is on enhancing the common good of all stakeholders—employees, customers, and society. The focus of the fourth level is transformation—a shift from fear-based, rigid, authoritarian hierarchies to more open, inclusive, adaptive systems of governance that empower employees to operate with responsible freedom (accountability). (Barrett 2008: 26)

Organizations, which want to obtain substantive success and maintain their vitality, must complete all levels of consciousness and operate in the full spectrum of consciousness.

Organizations that focus exclusively on the satisfaction of the lower needs are not usually market leaders. They can be successful, but in general they are too internally focused and self-absorbed, or too rigid and bureaucratic to be market leaders, they are unable to adapt to changing conditions and do not empower employees. (Barrett 2008: 27) These organizations are often ruled by fear and are not healthy places to work. Employees often feel frustrated and complaint about stress.

Organizations that focus exclusively on the satisfaction of the higher needs lack the basic business skills necessary to operate effectively. They are ineffectual and impractical when it comes to financial matters, they are not customer-oriented, and they lack the systems and processes necessary for high performance. They are simply not grounded in the reality of business. (Barrett 2008: 27)

R. Barrett offers classification of values and styles of behaviour dividing them in positive and potentially limiting. Table 3 depicts value and style of behaviour classification according to their types, and their positive or potentially restrictive nature. Dividing values in positive and potentially limiting was used to assess the organizational and individual values.

Table 3. Allocation of Values/Behaviors to Value Types and Positive and Potentially Limiting Values

| | Individual Values/ Behaviors (I) | Relationship Values/Behaviors (R) | Organizational Values/Behaviors (O) | Societal Values/ Behaviors (S) |
|-----------------|--|--|--|--|
| POSITIVE | Adaptability Commitment Honesty Integrity Enthusiasm | Accountability Compassion Conflict resolution Mentoring Open communication Trust Customer satisfaction | Continuous learning Efficiency Financial stability Productivity Professional growth Profit Employee Health | Environmental awareness Future generations Social responsibility Volunteer work |
| LIMITING | Caution | Arrogance Blame Control Information hoarding Internal competition Manipulation Rivalry | Bureaucracy Chaos Image Job security | — |

Source: Barrett 2008: 24

The Research Methods and Participants

Profound analysis of organizational values is based on the Seven Levels of Consciousness model, developed by Richard Barrett (2006, USA), considering that successful organization is based on values, which reflects essence and meaning of its existence. In this paper the empirical data collection is used as well as a survey to find out the opinion of respondents. The aim of the survey was to find out thoughts of employees about the aspects in their work, which are the most essential and important for them, about their values and reconciliation of their individual values and values of rated organization. Clarification of employees' point of view is considered to be a relevant factor that could help to set priorities in further work, to improve relationships between executives and personnel and to make rational, well-considered decisions about staff and development of organization. It can also be used to improve mutual communication and to develop organization strategy. Questionnaires were created based on scientific Richard Barrett methodology of the Seven Levels of Consciousness method. There is statistical data processing used for data compilation here.

The choice of research object – private and public organization – was based on such criteria as number of employees, location and similar sphere of activity. It is the main reason, why two organizations operating in the field of education was selected.

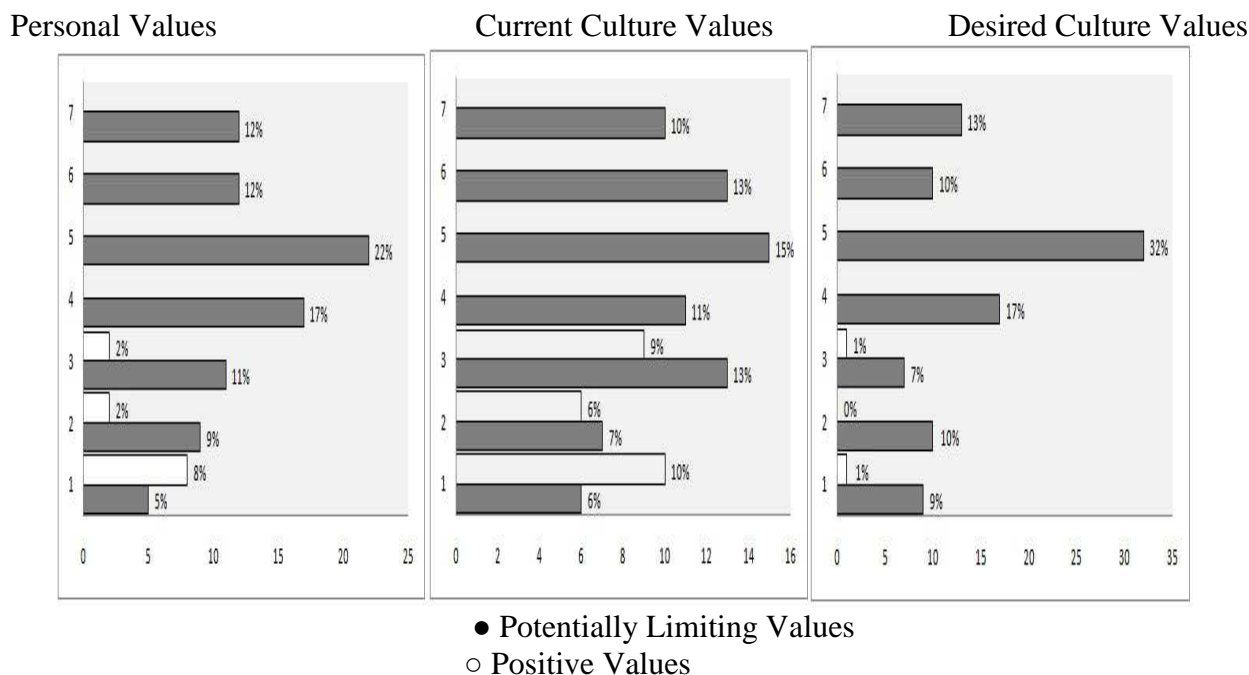
At first the templates or lists of cultural values were created, separately emphasizing personal values and current and desired organizational values. The template of personal values was created to identify the values, which are the most imports for employees in their personal life. The template of organizational values was made by similar principles. Respondents – private and public organization employees (private N=16; public N=39) - were asked to estimate the values. In survey participated 55 respondents, from which 4 men and 51 women, age of respondents – from 23 to 62 years. Respondents' age has only informative meaning, as the age breakdown have no effect on the results of this study. According to scientific point of view declared by several psychologists, human values framework is very stable and changes through the lifetime are insignificant. This point of view is based on opinion of Max Scheler. Axiology representative Max Scheler stresses that the value should not be understood as a general concept; value exists in emotional assessment and attitude, person is going through it rather than abstractly deduce it. Values are eternal, unchanging, the experience changes, for example, love is eternal value despite of the attitude of society to it. (Garleja 2006: 89)

Both managers and employees were surveyed. Survey of managers is highly important because, as R. Barrett acknowledges, an organization cannot operate at a higher level of consciousness than the personal consciousness of the leadership group. (Barrett 2008: 80)

The Results of the Research

The graph shows the positive and potentially limiting values in horizontal bands, so it is easier to compare the number of votes for personal values, current organizational values and desirable organizational values in each of the levels of consciousness.

Figure 3. Personal and organizational values in public organization (%)



Source: Authors` calculations from employees` survey data in public organization.

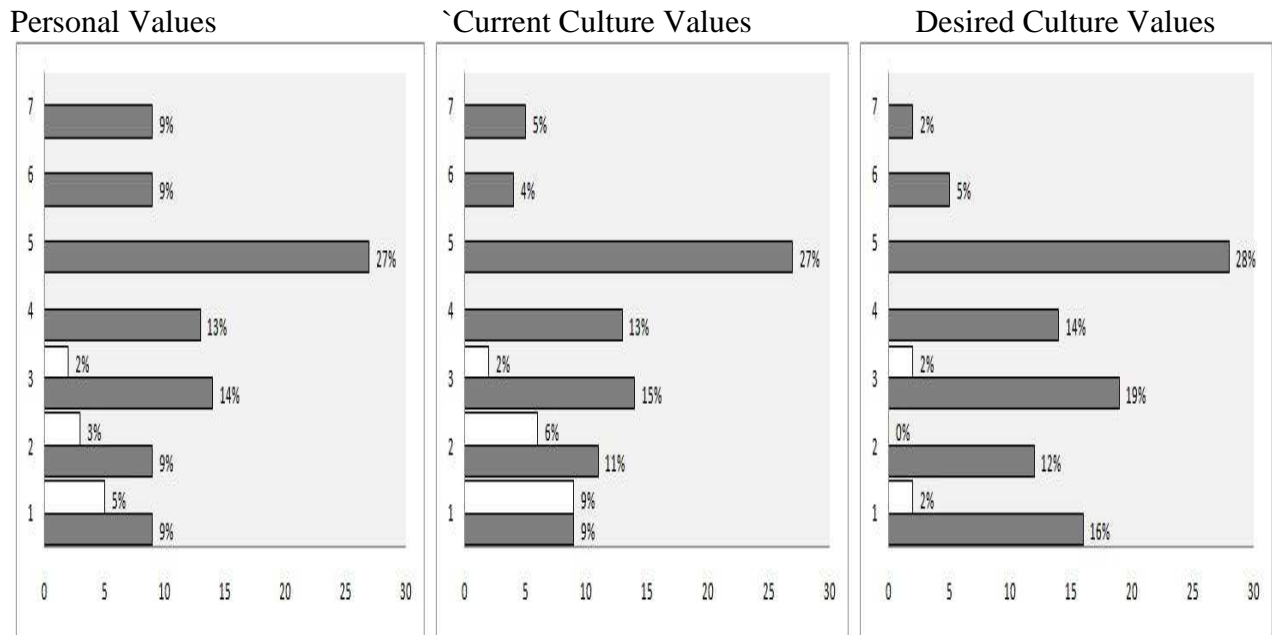
The diagram is plotted on the Seven Levels of Consciousness model. The number of votes for personal values, current culture values and desirable culture values is compared in the diagram.

As we can see in the diagram, on the first level in current culture potentially limiting values take precedence, it means that employees are concerned about survival and do not feel confident about their future.

It should be mentioned, that on the fifth level only 15% of votes are granted to the current culture, while 22% and 32% respectively to personal values and desired cultural values. Employees would wish greater commitment and wider cooperation.

On the fourth level the number of votes for personal and desirable culture values is equal, it indicates, that employees are able to develop, but as we can see in the diagram current organizational culture is not ready for changes.

Figure 4. *Personal and organizational values in private organization (%)*



- Potentially Limiting Values
- Positive Values

Source: Authors` calculations from employees` survey data in private organization.

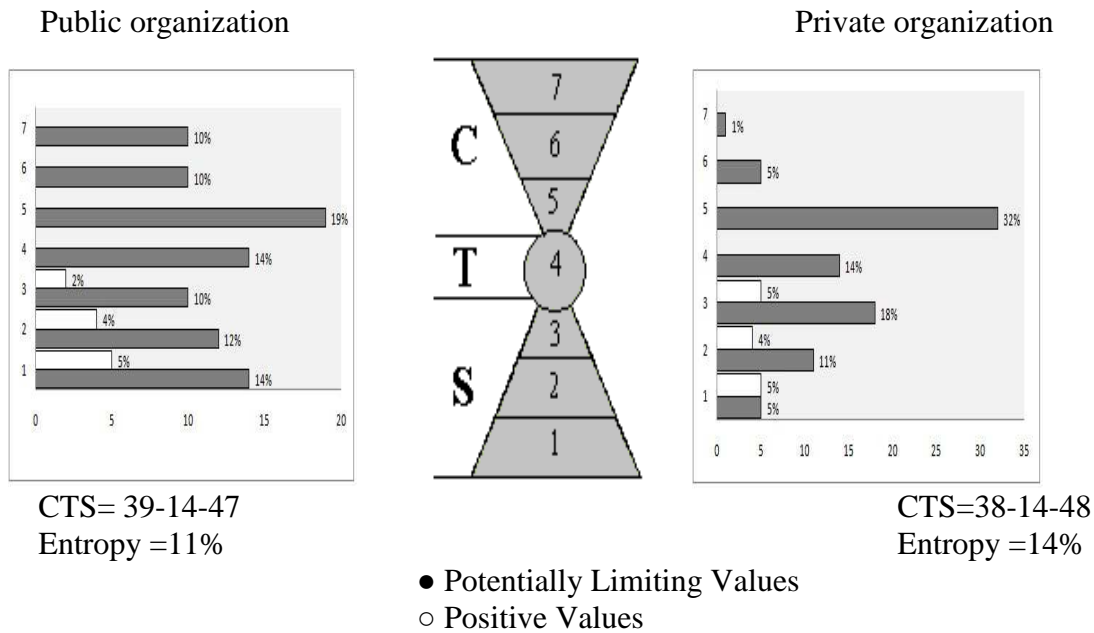
On the first level employees of private organization put great emphasis on the desired culture values (16%), this indicator is much higher than the indicator for personal values and current organization values, therefore it can be assumed, that the organization still has not acquired the first level. The organization is concerned about survival, it is possible that there is exaggerated supervision and precautions in organization.

On the third level the highest rate is for desired culture values (19%), the key issue in this level of consciousness is continuous self-improvement culture. Prerequisite for continuous improvement is facilitation of excellence and reward.

On the fifth level 28% of the votes are granted to desired culture values, but 27% to personal values and current culture values. This is a good indicator, which means that employees are united in common culture and there is the collective capacity developed in organization. There are shared future vision and shared values in this level of consciousness.

In transformation or the fourth level number of votes is equal for current culture values and personal values. It means that teamwork in organization is on good level and values are in balance.

Figure 5. *Personal values of managers in public and private organizations (%)*



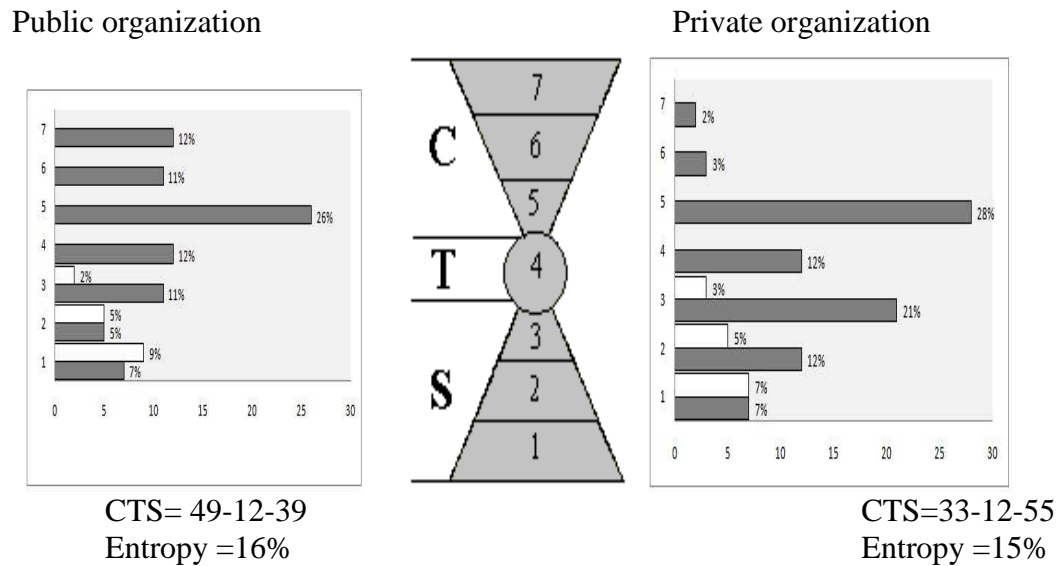
Source: Authors` calculations from managers` survey data in public and private organizations.

Personal values of managers in public and private organizations are displayed in CTS proportions. Figure 5 shows the CTS ratio (Common good, Transformation, Self-interest), which is arrived at by the addition of the percentage of votes for the three higher levels of consciousness (C), the percentage of votes at level 4 (T), and the addition of the percentage of votes for the three lower levels of consciousness (S).

When we look at the given figure, at first sight it appears that the managers of both organizations are very different, but the proportions of CTS are very similar – in public organization 39-14 -47, in private organization 38-14-48.

Both organizations have equal value proportion in transformation level. Self-interest gets the maximum of votes, 47% of managers in public organization and 48% - in private organization. This indicates that the senior executives in those organizations are focused on serving their own needs.

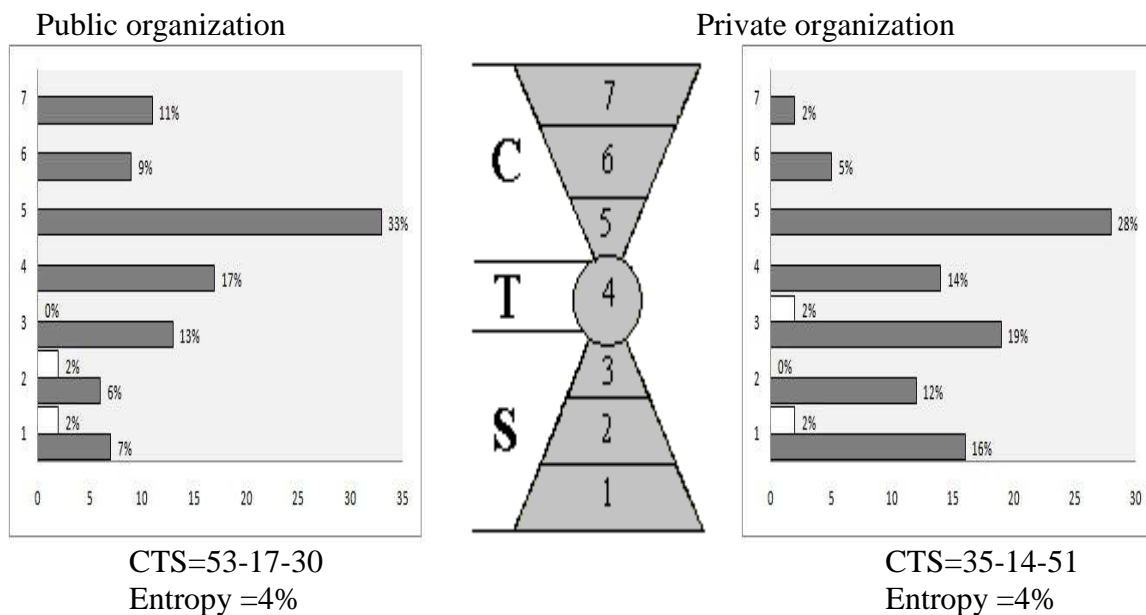
Figure 6. *Current culture values in public and private organizations (%)*



Source: Authors` calculations from managers` survey data in public and private organizations.

Breakdown of the current culture values by CTS proportions is 49-12-39 in public organization and 33-12-55 in private organization. Public organization bases its activity on slightly higher levels of consciousness than private organization; common self-interest in public organization achieves 49%, in private organization – 33%. Just like in personal values chart the number of votes in transformation level is equal for both organizations – 12%.

Figure 7. *Desired culture values in public and private organizations (%)*

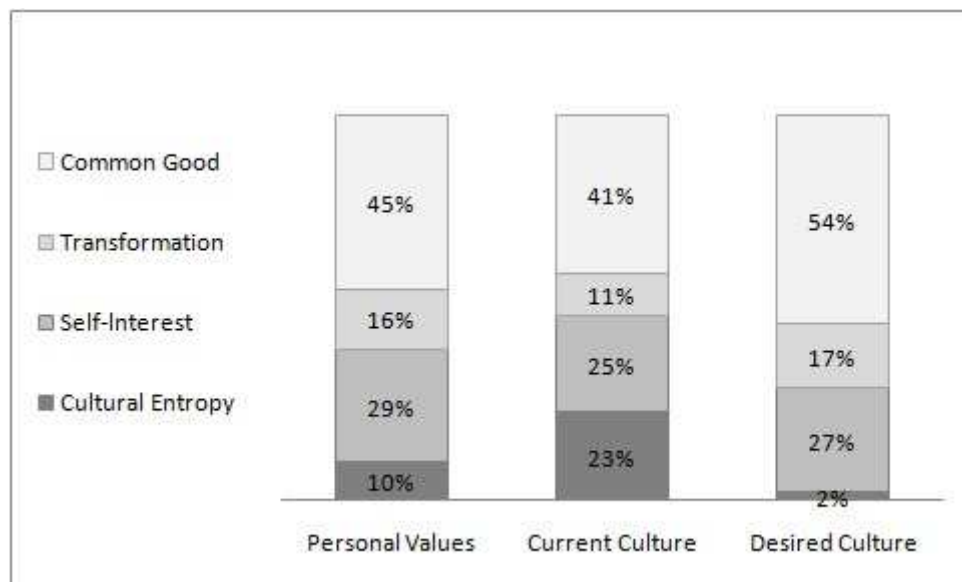


Source: Authors` calculations from managers` survey data in public and private organizations.

Breakdown of the desired culture values by CTS proportions is 53-17-30 in public organizations and 35-14-51 in private organizations. The management of public organization chooses values in higher levels of consciousness than managers in private organization do. It also complies with desired cultural values for employees in both organizations, employees working in public organization, as has been pointed out, works based on higher level of consciousness than those, who work for private organization.

In order to find out whether there is difference in entropy level in public and private organizations or not, survey data are analyzed and displayed in diagrams. To compare the entropy level in two organizations, firstly the level of entropy was set for each organization separately. Criteria, which are used to determine level of cultural entropy, are shown in Table 1.

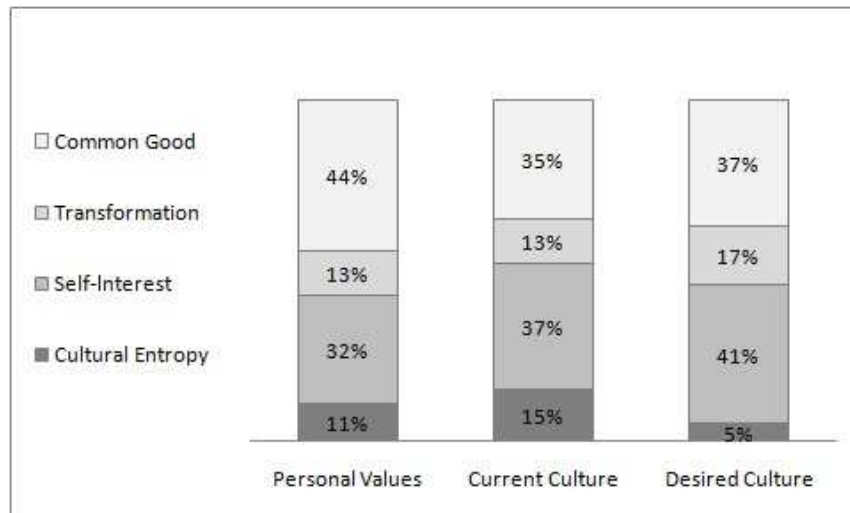
Figure 8. *Cultural entropy in public organization*



Source: Authors` calculations from employees` survey data in public organization.

As we can see in Figure 8, entropy level in public organization receives 23%, which leads to the conclusion, that in the public organization there are significant issues requiring cultural and structural transformation and leadership coaching.

Figure 9. *Cultural entropy in private organization*



Source: Authors` calculations from employees` survey data in private organization.

According to the results of the survey, the level of cultural entropy in private organization is 15%, this is a good result, and it allows to conclude, that organization should deal with current issues – the cultural and/or structural adjustment and satisfaction of needs is required.

Analyzing personal and organizational values in private and public organizations, it is concluded that there are no significant differences between values of managers in private and public organizations on transformation level, but there is a slight difference between the desired organizational culture values. Managers in public organization tend to operate in higher levels of consciousness. According to the breakdown of CTS proportions (C - Common good, T - Transformation, S – Self-interest), distribution of the desired culture values in public organization is 53-17-30 and in private organization – 35-14-51. Overall, organizational values in public and private organizations complies with value system of employees, they acquire a significant and meaningful job, while organizations – loyal employees, who are ready for changes and development of organization.

Conclusions

- Organizational culture is a unique resource, which can be effectively used to improve the organization. Management of organizational culture values provides a stable operation of the organization in process of changes. Evaluation of organizational culture, precise diagnostics and management of cultural values is the first step in process of changes. Well-timed assessment of organizational culture can detect and correct its shortcomings.
- The transformation of organizational culture is reorientation from personal benefit (self-interest) to general benefit (common good), and it is possible only then, when managers of the organization are ready for changes. The research results shows, that the managers in both studied organizations are not ready for changes. It means - there are not any changes expected

in those organizations although from the staff assessment it can be concluded, that it is time for changes and they are ready for it.

- Overall, organizational values in public and private organizations complies with value system of employees, they acquire a significant and meaningful job, while organizations – loyal employees, who are ready for changes and development of organization.
- For the private organization it is advisable to clarify the distribution of responsibilities and structure, this will help to build confidence of employees about common goals and objectives. There is a need for a small adjustment in organizational culture.
- Public organization should pay more attention to the basic needs of its employees; for example, improve the bonus system. It is desirable to improve the organizational culture, as well as to make structural changes and organize leadership training for managers in order to reduce the level of cultural entropy in organization.

References

- Ackoff R. L. 1994. The democratic corporation : a radical prescription for recreating corporate America and rediscovering success. New York : Oxford University Press.
- Barrett R. 2006. Building a Values-Driven Organization: A Whole System Approach to Cultural Transformation. London: Butterworth Heinemann, Elsevier.
- Barets R. 2008. Vērtīborientētas organizācijas izveide: visas sistēmas kultūras transformācijas koncepcija. Rīga: Biedrība „Domas spēks”.
- Bartlett C. A., Ghoshal S. 1989. Managing Across Borders: The Transnational Solution. Harvard Business School Press.
- Cameron S. K., Quinn R. E. 1999. Diagnosing and Changing Organizational Culture Based on Values Framework. Addison-Wesley Publishing Company. Inc.
- Collins J.C., Porras J.I. 1995. Building a Visionary Company. California Management Review. 37(2); Winter, 80-100.
- Dāvidsone G. 2008. Organizāciju efektivitātes modelis. SIA O.D.A.
- Denison D., Hooijberg R., Lane N., Lief C. 2012. Leading Culture Change in Global Organizations: Aligning Culture and Strategy. San Francisco: Jossey-Bass.
- Dubkēvičs L. 2008. Organizācijas kultūra. Jumava.
- Garleja R. 2003. Darbs, organizācija un psiholoģija. Rīga: RaKa.
- Harrison R. 1972. Understanding your organization's character. Harvard Business Review, (May/June), 119-128.
- Hofstede G. 1991. A Culture and Organizations. Great Britain: McGraw-Hill International (UK) Limited.
- Hofstede G., Hofstede G.J. 2005. Cultures and Organizations: Software of the Mind. New York: McGraw – Hill.
- Omārova S. 2001. Cilvēks dzīvo grupā. Rīga.
- Reņģe V. 2007. Mūsdienu organizāciju psiholoģija. Rīga: Zvaigzne.
- Reņģe V. 2002. Sociālā psiholoģija. Rīga: Zvaigzne.
- Schein E.H. 1992. Organizational Culture and Leadership. San Francisco: Jossey-Bass Schein E.H. Three Levels of Organisational Culture. http://www.valuebasedmanagement.net/methods_schein_three_levels_culture.html [05.01.2015]. Zepa B.& Zobena A.1997. Socioloģijas skaidrojošā vārdnīca. Rīga.

TIESĪBU ZINĀTNE / LAW

CLASSIFICATION PECULIARITIES OF MURDERING AN UNDERAGE PERSON IN THE CRIMINAL LAW OF THE REPUBLIC OF LATVIA

Jeļena Amosova

Daugavpils University, Parādes street 1, Daugavpils, LV-5401, Latvia
jelena.amosova@inbox.lv

Abstract

Key words: *murder, infanticide, underage (adjective), law classification, corpus delicti*

The aim of the research is to explore the peculiarities of murdering an underage person. In the report the following things were examined: classification peculiarities of infanticide committed by its mother and peculiarities of murder of a helpless person.

The main conclusions are the following: murdering of an underage person in most cases can be classified according to the two articles of the Criminal Law. To classify murdering of an underage person in compliance with Article 119 it is necessary to establish a number of circumstances: the victim is a newborn child up to one day old; the murder was committed by its mother during or immediately after the birth, and the mother was acting under the influence of physical and mental condition caused by the childbirth. This condition is to be established applying comprehensive expertise. It is very important that there were no intent to kill. Otherwise, the crime should be classified in accordance with the second paragraph of Article 117 of the Criminal Law. Classifying infanticide in accordance with the second paragraph of Article 117 of the Criminal Law it is necessary to keep in mind that perpetrator's awareness of killing an infant is mandatory. It is also unacceptable to classify the crime by items 2 and 12 simultaneously since it is necessary to distinguish between the murder of an underage person and the murder of a juvenile.

Kopsavilkums

Atslēgvārdi: *slepkavība, jaundzimuša bērna slepkavība, mazgadīga persona, juridiskā kvalifikācija, nozieguma sastāvs*
Pētījuma mērķis ir izpētīt mazgadīgas personas slepkavības kvalifikācijas īpatnības. Mērķa sasniegšanai tiks veikti sekojošie uzdevumi: izpētītas jaundzimuša bērna slepkavības kvalifikācijas īpatnības un bezpalīdzībā esošas personas slepkavības kvalifikācijas īpatnības.

Var secināt, ka vairākumā lietū mazgadīgas personas slepkavība var tikt kvalificēta saskaņā ar diviem Krimināllikuma pantiem. Lai varētu kvalificēt slepkavību saskaņā ar Krimināllikuma 119.pantu ir nepieciešams konstatēt, ka noslepkavota persona ir jaundzimušais bērns, kurš nav vecāks par vienu dienu, ka slepkavību izdarīja viņa māte dzemdību laikā vai uzreiz pēc dzemdībām, un, ka māte rīkojās dzemdību izraisītā psihiskā vai fizioloģiskā stāvokļa ietekmē. Minēto mātes īpašo stāvokli var pierādīt, noteicot komplekso ekspertīzi. Nodoms noslepkavot nevar būt iepriekšējs, un tas ir ļoti svarīgi, jo iepriekšēja nodoma gadījumā noziegums jākvalificē saskaņā ar Krimināllikuma 117.panta 2.punktu. Kvalificējot slepkavību saskaņā ar 117.panta 2.punktu svarīgi atcerēties, ka obligāta ir vainīgas personas apzināšanas, ka viņš nogalina mazgadīgo bērnu. Nozieguma kvalifikācija saskaņā ar Krimināllikuma 117.panta 2. un 12.punktu nav pareiza, jo pastāv nepieciešamība norobežot mazgadīgas personas slepkavību no nepilngadīga slepkavības.

Introduction

Protection of a human's life as a highest value is of top priority in a modern society. The right to life is the most important guarantee of human rights which does not allow even a slightest form of deviation. The most important role in this process is played by the standards of the Criminal Law. The Criminal Law protects human's life by applying its specific methods, by formulating *corpus delicti* (bodies of crimes) directed against a human's life and by imposing severe sanctions for committing them.

The theme topicality is due to the fact that such an outrageous crime as murder has always provoked negative and disapproving attitude of society to the persons who committed it; it is

especially true about murder of the most unprotected member of society, a child. The public response provoked by child's murder has always been very strong, which proves the undisputable topicality of the theme.

For people it is important to realize that their basic rights, which include the right to life, from their birth on are protected by law, i.e. by legal regulations, and that if needed these legal regulations will be applied as the right which cannot be applied loses its function and becomes a useless piece of text written by people. Application of correct and fair regulations is guaranteed by the state, and there must be no concerns among its citizens that it is done not as appropriate. Correct and fair application of the Criminal Law standards to regulating real life situations makes the society confident of the fact that a human's life is the highest value which is safely protected by the law and that anyone including a child, who being underage fully depends on the adult members of the society, can count on his or her protection.

Discussion

Analysing chapter XII "Murder" of the Criminal Law of the Republic of Latvia it can be concluded that a human's life in our state is sufficiently protected by the means of the criminal law. It is testified by the severity of sanctions imposed for committing a crime of this type. In the Criminal Law of the Republic of Latvia murdering of an underage person in most cases can be classified according to the two articles of the Criminal Law:

- paragraph two article 117, which prescribes criminal liability for killing a person who is in a helpless state;
- article 119, which prescribes criminal liability for murdering an underage person done by the child's mother.

Article 117 of the Criminal Law of the Republic of Latvia contains classified *corpus delicti* (components of crime) committed under aggravating circumstances. It is necessary to point out that if murder has been committed under the circumstances mentioned in some paragraphs of the article, it is classified according to all these paragraphs.

Paragraph two of article 117 regulates the responsibility for murdering a person whose helpless state has been previously known by the accused. The sanction of this chapter imposes the most severe punishment - life sentence - or as its alternative - ten to twenty years imprisonment under the control of the police for a term up to three years with or without the seizure of property.

The two basic laws which it is necessary to determine within this article are, firstly, the fact that the victim was indisputably in a helpless state and, secondly, the fact that the accused was aware of the helpless state of the victim.

In the Criminal Law a helpless state is the inability of the victim party to understand the nature and meaning of the actions directed towards him or her as well as the inability to resist the

culprit because of the victim's physical or mental state. Those can be physical defects or infancy, mental derangement or another diseased or unconscious state (Par tiesu praksi, piemērojot likumus, kas nosaka kriminālatbildību par dzimumnoziegumiem. Latvijas Republikas Augstākās Tiesas Plēnuma 1992.gada 19.oktobrī lēmums Nr.6). Thus, infancy of the victim party along with other circumstances in the criminal procedure doctrine is treated as a helpless state, and the Criminal Law clearly determines the border of this age, 14 years (Krimināllikums. Vispārīgā daļa. II nodaļa. 11.pants).

The judicial practice of Latvia also confirms the definition of “a helpless state” stated in the criminal procedure doctrine. Thus, the Judicial panel of the criminal cases of the Latgale regional court in their decision dated December 11, 2007 with regard to the case of R.K. for murdering his/her two-month-old grandchild by throwing it out of the third-floor window, resolved: “The court has no reason to separately discuss and prove the fact that the criminal act was directed against a person in a helpless state. The murdered person was born on July 17, 2006, and being two months old was unable to protect, preserve and save itself from any influence from the outside, and it fully depended on the environment and individuals” (Latvijas Republikas Augstākā tiesa. Tiesu prakse krimināllietās par slepkavībām 2009-2010). The awareness of the helpless state of the victim on the part of the accused in this case is only stated as this fact, according to the court opinion, is obvious and does not need to be proved.

However, in Latvian law books one may come across another opinion about murdering a child of tender years. Doctor of Juridical Science, Professor Dainis Mežulis states that in case when a helpless person is murdered because of being of tender age such as an infant, this act must be classified according to paragraph 12 of article 117 of the Criminal Law. In this case, as D.Mežulis puts it, the decisive factor will be the age as the murdered person was a person under the age of 18 (Mežulis 2001).

Disagreeing with the opinion mentioned above, it is necessary to note that this article has been edited several times. By June 15, 2000, paragraph two of article 117 prescribed the responsibility for murdering a child of tender age or of another person in a helpless state. The exclusion of the word “of tender age” is considered only a drafting amendment of the article content, as in theory and in the judicial practice the tender age has always been considered a helpless state, and, thus, using this term was redundant. In its turn, by including in article 117 a new aggravating circumstance - “murdered underage” - legislature enhanced the responsibility for intentional murdering of a person of the age of 14-18 as well because underage murder had been previously classified as simple murder (article 116 of the Criminal Law of the Republic of Latvia) if other aggravating circumstances had not been determined.

It is also necessary to point out that the classification of murder of a juvenile person in respect to both paragraphs of article 117 simultaneously, the second one and the twelfth one, is wrong. The Judicial panel of the criminal cases of the Vidzeme regional court in their decision dated July 10, 2010 with regard to the case of A.S. for murdering his one month old daughter, who struck not less than 7 fist blows in the area of chest and head, discussing the question of classification of this crime, came to the conclusion “that in the judicial practice juveniles who are under the age of 14 belong to the category of persons in a helpless state as they are unable both to understand the nature and meaning of the actions directed towards them and to protect themselves. The victim party was only one month old, which means she was of tender age, so she objectively was in a helpless state. The accused – her father – was fully aware of it.” (Latvijas Republikas Augstākā tiesa. Tiesu prakse krimināllietās par slepkavībām 2009-2010)

It is necessary to state the fact that during the prejudicial inquiry, the crime committed by A.S. was classified according to both paragraph two of article 117 and paragraph twelve of the same article. The court quite justifiably excluded from A.S.’s charge paragraph twelve of article 117 by stating that both tender age being a helpless state and underage are two independent aggravating circumstances.

In article 11 of the Criminal Law of the Republic of Latvia it is stated that a juvenile person is a person under the age of 14, and such a person is not subject to criminal sanctions as he or she cannot fully realize the consequences of their actions and he or she cannot bear responsibility for them. Thus, it is concluded that a juvenile person cannot fully realize the nature of the actions directed towards him or her, to protect himself or herself and his or her interests, and to save himself or herself from the imminent danger, i.e. he or she is in a helpless state, and murdering of such a person is classified according to paragraph 2 of article 117 of the Criminal Law. Whereas if the age of the victim lies within 14-18 years period, in such murder there are *corpus delicti* (bodies of crime) of paragraph 12 of article 117 of the Criminal Law, i.e. murder of an underage person.

Paragraph 12 of article 117 of the Criminal Law of the Republic of Latvia appeared comparatively recently; it was introduced with amendments on May 18, 2000, and came into effect on June 15 of the same year.

Despite the fact that Latvian legislator while formulating paragraph 12 of this article did not state directly such an important feature as awareness of the victim’s being underage by the culprit, in theory and in practice it is accepted without doubt that to incriminate *corpus delicti* of paragraph 12 of article 117 of the Criminal Law it is necessary to state both the fact that the victim was underage and the fact that the accused was aware or deliberately assumed that his or her deliberate actions were directed against the underage person aged 14-18.

Including paragraph 12 in article 117 of the Criminal Law can be explained by several reasons. According to a part of article 1 law 3 *About protection of child's rights*, a child is a person who is under the age of 18 excluding those who have been announced full age or those who got married until 18 (Bērnu tiesību aizsardzības likums. I nodaļa. 3.pants. Pirmā daļa). Determination of child's rights results from the basic ideas stated in the Universal Declaration of Human Rights. A separate paragraph of the declaration devoted to children says that "mothers and children have a right to special protection and assistance" (ANO Vispārējā cilvēktiesību deklarācija. 25.pants. 2.punkts). Acknowledging equal rights of children to all the liberties announced in the declaration, the international community admits the necessity for additional assistance and support for children. In the framework of the United Nations Organizations in 1959 the Declaration of the Rights of the Child was adopted, in which social and legal principles of children's welfare and protection were announced. In this declaration it was pointed out that because of its physical and mental immaturity a child needs special protection and care including proper legal protection both before and after its birth.

Thus, danger to life of an underage person is a criminal act of increased danger and exactly this view is held by Latvian legislator by including murder of an underage person in the rank of murder under aggravating circumstances.

It is necessary to point out that among the three Baltic States (Latvia, Lithuania and Estonia), murder of an underage person as separate *corpus delicti* (bodies of crime) was stated only by the Criminal Law of Latvia. The Criminal Code of the Republic of Lithuania and the Penitentiary Code of the Republic of Estonia do not contain such *corpus delicti*.

Analysing law classification of murdering underage children, it is also necessary to pay attention to the basic peculiarities of infanticide classification, determined in article 119 of the Criminal Law of the Republic of Latvia. The given article prescribes responsibility for murdering one's own child committed by his or her mother during or right after the delivery under the influence of special mental and physical states caused by the process of delivery.

Because of several peculiarities of committing this type of murder, the analysed article is privileged, i.e. the perpetrator's responsibility is considerably less severe as the sanction imposes the punishment either in the form of imprisonment for a term up to five years, or a short-term imprisonment (up to three months), or community service (Krimināllikums. Sevišķā daļa. XII nodaļa. 119.pants.). A similar sanction in the Criminal Law of the Republic of Latvia is prescribed for murdering in the state of extreme mental disturbance (in the heat of passion). Thus, it is necessary to stress one more time that despite the fact that the direct object of crime of article 119 is vital interests of the person being born or of a child who has just been born (infant), social danger of

such type of murder is not as high as, for instance, social danger for killing a juvenile person prescribed by paragraph 2 of article 117 of the Criminal Law.

To classify infanticide correctly it is necessary to state a range of features prescribed by law within this type of murder: special subject of the crime is a mother; time of commission of the crime is during or right after the delivery; there also must be a special state of the subject of the crime caused exactly by the delivery process.

From the disposition of the article it is possible to conclude that the victim of the given crime can become only one's own baby who has just been born or who is being born. Such conclusion is drawn on the basis of the time of commission of the crime, which is determined in the article – during the delivery or right after it.

It is worth pointing out that, according to Professor D.Mežulis, “infanticide right after the delivery is a crime committed right after the delivery until the baby's mother has done some actions in order to preserve its life” (Mežulis 2001). Thus, depending on the situation and factual circumstances of the case, the time period “right after the delivery” can differ and it is not limited by strictly determined bounds. Here the legislator gives the opportunity to the court to interpret the regulation according to the case under consideration. This circumstance is essential as the proper classification of infanticide depends on the correct determination of this period. It is also important to distinguish between the infanticide, where the child is privileged, and the classified type of murder, which is murdering of a person whose helpless state was previously known by the accused.

The role of the criminal intent is also very important in the classification of this type of murder. The criminal intent that appeared suddenly, as a rule, is typical for the crimes committed in the heat of passion as well as under other extenuating circumstances. Infanticide can be undoubtedly classified as the crime of this type as it is possible to commit it only with a sudden criminal intent. Exactly the special state of the woman caused by the delivery process influences the appearance of this intent. Thus, the criminal intent in this case can never appear before the appearance of such a state, i.e. before the delivery process. Previously planned and carefully thought out infanticide as well as the act of it during or right after the delivery cannot be classified according to the privileged regulation, which is article 119 of the Criminal Law. It must be classified as murder under aggravating circumstances – murdering of a person whose helpless state was previously known by the accused. This is one more very important circumstance which allows to distinguish between infanticide and murdering of an underage person.

Having analysed the articles of the Criminal Law which prescribed liability for deliberate murdering on an underage person in the Criminal Law of the Republic of Latvia, it is possible to conclude that *corpus delicti* are quite clearly formulated, which allows without any problems to put them into practice. The distinction of the analysed types of murder is closely connected with the

proper legal classification; in practice it must not present a problem for the law enforcement official. It is also important to point out that introduction in the Criminal Law of the component of crime which prescribes enhanced liability for murdering of an underage person, was quite justifiable as in this way the legislator of Latvia once more stressed the special protection of child's rights and the increased social risk of such type of crime.

References

- ANO Vispārējā cilvēktiesību deklarācija. 25.pants. 2.punkts / Starptautiskā deklarācija. Pieņemta un pasludināta ar Ģenerālās Asamblejas 1948. gada 10. decembra 217. A (III) rezolūciju. / <http://www.tiesibsargs.lv/tiesibu-akti/ano-dokumenti/ano-vispareja-cilvektiesibu-deklaracija>
- Bērnu tiesību aizsardzības likums. / Latvijas Republikas likums. Pieņemts Latvijas Republikas Saeimā 19.06.1998.; stājies spēkā 22.07.1998., publicēts – "Latvijas Vēstnesis", 199/200 (1260/1261), 08.07.1998.
- Krimināllikums. / Latvijas Republikas likums. Pieņemts Latvijas Republikas Saeimā 17.06.1998.; stājies spēkā 01.04.1999., publicēts – „Ziņotājs”, 15, 04.08.1998.
- Latvijas Republikas Augstāka tiesa. *Tiesu prakse krimināllietās par slepkavībām 2009-2010 (Krimināllikuma 116.-118.pants)*. // <http://at.gov.lv/lv/judikatura/tiesu-prakses-apkopojumi/kriminaltiesibas>
- Mežulis D. 2001. Personas krimināltiesiskā aizsardzība. Rīga: Zvaigzne ABC.
- Par tiesu praksi, piemērojot likumus, kas nosaka kriminālatbildību par dzimumnoziedzumiem. Latvijas Republikas Augstākās tiesas Plēnuma 1992.gada 19.oktobrī lēmums Nr.6. // Latvijas Republikas Augstākās tiesas Plēnuma lēmumu krājums. Tiesām saistošie LR Augstākās Tiesas Plēnuma izskaidrojumi par likuma piemērošanu krimināllietu izskatīšanā tiesās (1991-2002). 2002. Rīga: [b.i.].

PECULIARITIES OF THE CRIMINAL LAW DEVELOPMENT METHODOLOGY AND ITS CURRENT PROBLEMS

Vadims Kalašnikovs

University of Latvia, Raiņa Blvd. 19, Riga, Latvia, LV-1586, Latvia
ka.vadim@inbox.lv

Abstract

Peculiarities of the criminal law development methodology and its current problems

Key Words: *legal methodology, legal acts, concept, comprehension.*

Despite the major reform recently performed, the issue regarding amendments to the Criminal Law and the necessity of its editing is still topical in the latest scientific researches. Therefore, it could be established that the legislator has not been able to increase functional efficiency of the law by the means of the recurrent amendments to the Criminal Law; consequently, more new amendments are required. A similar tendency has been observed in the other fields of law, where it is proposed to amend almost every existing regulatory enactment. This process of active revising the legislative acts, in particular, the rapid increase in the number of amendments, have led to the initiative at the government level to develop a new legislative act, which, in the future, could help to reduce the number and volume of amendments of other regulatory enactments.

In the framework of criminal law, the methodology has an exceptional significance and impact both for the assessment of the criminal offence and for the punishment determination process. The core of the methodology is strongly related with social and political processes in the country, with the level of economic development and welfare, and, of course, with the legal doctrine chosen. Therefore, the paper is focused on the peculiarities of the construction of the norms of the Criminal Law, nuances of their interpretation, and importance of the doctrine. The objective of the article is to distinguish the role of legal methodology in creation of legal norms of criminal law.

Kopsavilkums

Krimināltiesību normu izstrādes metodoloģijas īpatnības un aktuālā problemātika

Atslēgvārdi: *metodoloģija, likums, jēdziens, izpratne.*

Jaunākajos zinātniskajos pētījumos, jautājums par grozījumiem Krimināllikumā, neskatoties to, ka vērienīgā reforma ir pabeigta, arvien ir aktuāls. Konstatējams, ka ar veiktajiem grozījumiem Krimināllikumā, likumdevējam tā arī neizdevās paaugstināt paša likuma funkcionālo efektivitāti un tādēļ nepieciešams veikt kārtējos grozījumus. Līdzīga tendence normatīvo aktu pieņemšanā, novērojama arī citās tiesību nozarēs, kas, savukārt, pat valdības līmenī rada satraukumu un rosina uzsākt darbu pie normatīvā akta izstrādes ar kura palīdzību cer nākotnē samazināt likuma grozījumu skaitu un tā apjomu.

Krimināltiesību ietvaros metodoloģijai ir īpaši svarīga nozīme un ietekme gan noziedzīgā nodarījuma izvērtējumā, gan sodu noteikšanas procesā. Metodoloģijas būtība ir tieši atkarīga no sociāliem un politiskiem procesiem, kas norisinās valstī, no valsts ekonomiskās attīstības un labklājības līmeņa, un, protams, no izvēlētās tiesību doktrīnas. Tādēļ rakstā uzmanība tiek pievērsta arī Krimināllikuma normu konstruktīvajām īpatnībām, interpretācijas niansēm un doktrīnu nozīmei. Raksta uzdevums ir izprast juridiskās metodoloģijas lomu krimināltiesisko normu jaunradē.

Studies of the legal disciplines are always related with obtaining the preliminary theoretical knowledge about the rules and causal relationships of the legal system, as well, about the theoretical and practical methods that are used to explore, recognize and apply these causal relationships in developing the national law and order. In other words, any person studying the legal discipline has to learn a minimum of the legal methodology that would allow him/her to work successfully with the legal norms in the future: to analyse structure of the legal system, to highlight shortcomings and to develop proposals for their elimination. General knowledge about the methodology of a particular field of law could be covered both in the profiling study course and a separate general course; in the latter instance, it is much easier for students to grasp the study material to be learnt. However, notwithstanding the significance and importance of the issue about organization of the study process and course syllabus, the objective of the article is not related with the above

mentioned; rather, it is aimed at the practical nuances deriving from the application of already learnt methodology in daily work of lawyers. The objective of the article is to distinguish the role of legal methodology in creation of legal norms of criminal law. Special emphasis is paid for identification of shortcomings of the existing norms and legal technical peculiarities for their elimination.

An essential input in clarification of the term of legal methodology, exploration of its constituent elements and dogmatic approach to its understanding has been provided by the honourable and internationally recognized professor Karl Larenz. He reviews methodology in two aspects: legal dogmatics that is reflected in application of the methods – *practical aspect*, and theory and philosophy of law – *theoretical aspect*. The correlation existing between these two aspects, as the author explains, is a foundation of any legal doctrine (Larenz 1995: 5).

Similar view on the legal methodology has once been expressed by the Latvian professor V. Yakubanetz, defining it as a “system of modes and principles of constructing and organization of theoretical and practical actions, as well as a teaching about this system” (Jakubaņecs 2005: 202). When the methodology for creation of the legal norms of criminal law is evaluated within the framework of this definition, it is necessary to consider and analyse two of its most significant aspects – content-related and formal.

Content-related aspect of the methodology includes structure of a scientific theory; rules of originating, functioning and modification of scientific theories; framework of the terms of scientific disciplines; interpretation schemes that are used in criminal law; structure and operational content of the scientific methods; prerequisites and criteria of scientific character. In turn, a **formal** aspect is related with scientific language analysis; formal structure of scientific interpretation; typology of formal and formalised research methods, including methods of creating and description of scientific theories, and systems of knowledge, etc (Jakubaņecs 2005: 202).

Regardless the extensive reform implemented, the issue on the necessity of amendments to the Criminal Law is still topical in the researches carried out in Latvia during the recent years. However, the frequency of the amendments to the Criminal Law has raised comprehensive discussions among the experts of law about the stability of the Law itself (Judins 2013). A stable law saves the national resources, increases trust of the people towards the state, which results in feeling of stability and safety in society in general (Nikuļceva 2008). Though, is a stable law at the same time an efficient one? What should be done in the case, if the norms of the Criminal Law do not ensure/ provide an efficient and, what is even more important, a fair solution to the problem?

Often, in the search for an answer, the legal methodology and limits of its application that have been learnt during the studies are forgotten. As a result, a reasoned opinion appears in the legal literature more and more often that, in the result of the comprehensive amendments of the Criminal Law, nothing has changed as regards sentencing; the confirmation of this view could be found in

the researches on the legal practice and in the case law (Liholaja 2014). Therefore, it could be established that the legislator has not been able to increase functional efficiency of the law by the means of the recurrent amendments to the Criminal Law; consequently, more new amendments are required. Similar tendency in the process of passing the legal acts could be observed in other areas of law as well. That causes alarming situation even at the government level and encourages to commence creation of a new legal regulation, which could hopefully to decrease a number and extent of the law amendments.

One of the reasons of the problem mentioned above is linked with the formal understanding of the law, when those who apply the law and, mainly, the legislators focus only on the precise construction of the norm. In accordance with this presumption, deficiencies of the methodology in criminal law have to be searched for in the legal doctrine.

Taking into consideration the study on the law construction by famous European law investigator professor N.Horn, it is established that it is not possible to ensure compliance with the requirement for justice in long term only by the means of the positive law (Horns 2000: 358). Similar interpretation dominates both in the German law and the legal systems of Scandinavian countries, where judges are provided with much more extensive possibilities to contribute and to justify their ruling in the process of sentencing. In accordance with German professor M.Stolleis, the objective conditions stipulated in the law have to be viewed in combination with a possibility of subjective ruling by the judge; that is an essence of the term “*Richterrecht*” (Stolleis 2000). In turn, the Latvian legislator tends to define the rights of the judges as specifically as possible in the legal regulations, and to design a sentencing procedure as a strictly ordered system. With this objective in a view, the calls have been expressed to elaborate and to accept the sentencing guidelines, which, in terms of theoretical interpretation, would be an analogue of a law (Maizītis 2014).

At the end of the 19th century, Russian lawyer M.Chubinsky had expressed worthy ideas on how to align the criminal law system and what content should be included into the regulations, pointing out the excessive reliance upon the formal aspect of the law wherein the objective criteria dominate. Judges should assess personality of an offender and identify stimulating motives and aims of an individual themselves; that would secure a fair sentencing (Чубинский 2010: 380).

A legal norm, as it has been defined precisely by E.Melkisis, however indispensable it may be, cannot turn itself into the legal reality spontaneously. Between the norm and the reality, there always is a person who applies the legal norm, or an adopter of the law. The legal norms will turn into the reality only in a result of conscious, determined and legitimate activities of the law adopter (Melkisis 2003: 6-7). Any law is objectively imperfect; however precise the definition of the norm may be, its efficiency always will be limited by the time circumstance and by a subjective factor of the adopter (Larenz 1995: 440).

To review the legal methodology in relation with legal regulations elaboration technique, it is necessary to focus on the following aspects: detecting/ recognizing a problem, generating possible solutions and their analysis, reasoning of the final solution and its rebuttal, support of the solution and its implementation in legal circulation.

Mainly, the legal methodology inhere a reasonable stability, especially in relation with development of norms of the criminal law; at the moment the norms are adopted, their application boundaries are known and efficiency of the new regulations capacity is envisaged. One of the most essential changes in the process, during the last decade, is related with a continuing digitalization in the legal area. The methodology has been enriched with application of electronic tools, thus both accelerating the process of the research and analysis of the norms and making it possible to carry out an extensive research on the efficiency of the legal regulations verifying their relevance with the recently adopted and ratified international treaties, the EU resolutions, as well as observing the implementation of the process in neighbouring countries with minimal resources and in short time. Hence, the Criminal Law, which has undergone more than 50 amendments, nowadays is available only in digital format; program function enables reviewing the existing law in force, its previous versions or the regulations, which are adopted but has not come into force yet. The Ministry of Justice secures fulfilment of the function of timely systematization of the legal acts and ensures free access to the information at the website www.likumi.lv.

At the official website of the Saeima of the Republic of Latvia www.saeima.lv, anyone has a free access to the information about the initiatives to change the legal regulations and the process of the proceedings on the issue. Therefore, it is worthwhile to analyse one of the Criminal Law Amendment projects, employing vast possibilities provided by electronic resources, focusing on the techniques of proposing a new norm and reasoning employed.

The draft law “Criminal Law Amendments” No.90/TA – 1184 (2013), supported at the meeting of the Cabinet committee on 16 July 2013, envisages *to replace a word „fifteen” with a word „sixteen” in the Point 6 of the Article 48*. The amendments’ initial impact assessment report (the annotation) by the officials of the Ministry of Justice indicates that a rationale for the amendment is the following: *this is the only one provision of the Criminal Law extending to the individuals of this age group, and there is no objective foundation for that. This provision causes an inconsistency in the regulations of the Criminal Law, since, in other provisions of the Criminal Law, the significance is attributed to the following circumstances; 1) underage of an individual (a person has not attained age of 14); 2) age of sexual maturity (a person has not attained age of 16– in accordance with the Article 161 of the Criminal Law, a person until age 16 is not mature enough to get involved in any sexual activities); 3) minor age of an individual (a person has not attained age of 18).*

The mentioned assessment report has to single out the necessity of the amendments – that *it has no objective foundation*; however, it is overlooked that, at the age of 15, an individual obtains an identity document (passport) and that, in accordance with the Article 37 of the Labour law, it is the age when a person is permitted to be employed permanently. A formal initiative of the norm invention, without consideration the essence of the aggravating circumstances, encourages a formal perception of the norm. Nonetheless, is attainment of the *age of sexual maturity* of any importance even if a person is defrauded or robbed? The age of sexual maturity is not an invariable unit in medicine, though, in the legal framework, it should be defined in accordance with the provisions of the Civil Law, i.e., the majority age and the marriage licence. It is possible to refute an argument about the essence of the Article 161 of the Criminal Law: in the case a person, who is elder than 14 but has not attained age of 16, is involved in sexual relationship with his/her minor peer, the criminal liability is not foreseen!

To sum up, it can be concluded that the situation regarding the necessity of the Criminal Law amendment is not clear enough. If it is identified that there is a lack of the objective foundation, the new provision has to be based on thorough justification in order to prevent the necessity of recurrent amendment of the law in the future for the same reason. The real content/ essence of the norm often is lost behind a formal and scrupulous definition. Somewhat, it can be admitted that an aggravating circumstance should be related with the age of 16, as the person at this age acquire the rights to purchase, to hold and to carry self-defence devices and to apply them for self-defence. Though, this circumstance should not be considered as an aggravating in the case if the crime is committed by the peer of victim, pregnant woman or a disabled person. Moreover, in Denmark and Norway, the moral and educating aspect is emphasized, and the circumstance becomes aggravating if the crime is committed merely in the presence of a child.

References

Legal acts (international acts)

Bekendtgørelse af straffeloven. Pieejams: <https://www.retsinformation.dk/Forms/r0710.aspx?id=152827>[16.03.2015].

Bērnu tiesību aizsardzības likums: Latvijas Republikas likums. Latvijas Vēstnesis, 1998. 8.jūlijs, Nr.199/200.

Darba likums: Latvijas Republikas likums. Latvijas Vēstnesis, 2001. 6.jūlijs, Nr.105.

Eiropas Savienības Padomes 1994.gada 22.jūnija direktīvas 94/33/EK par jauniešu darba aizsardzību. Oficiālais Vēstnesis L 216. Pieejams: <http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31994L0033:LV:HTML> [16.03.2015].

Grozījumi Krimināllikumā: Latvijas Republikas likums. 2012. gada 13. decembris. Latvijas Vēstnesis, 2012. 27. decembris, Nr. 202 (4805).

Krimināllikums: Latvijas Republikas likums. 1998. gada 17. jūnijs. Latvijas Vēstnesis, 1998. 8. jūlijs, Nr. 199/200.

Latvijas Vēstnesis. Latvijas Republikas oficiālais izdevums. Pieejams: <https://www.vestnesis.lv/> [16.03.2015].

Likumprojekta „Grozījumi Krimināllikumā” Nr.90/TA-1184 (2013) sākotnējās ietekmes novērtējuma ziņojums (anotācija). Pieejams: <http://titania.saeima.lv/LIVS11/SaeimaLIVS11.nsf/0/A27D6DE7097B3AB1C2257BB10021A54D?OpenDocument> [16.03.2015].

Lov om straff (straffeloven). Pieejams: <http://lovdata.no/dokument/NL/lov/2005-05-20-28> [16.03.2015].

Mazinās normatīvo aktu un to grozījumu skaitu. 2014. Tieslietu ministrijas ziņojums. *Jurista Vārds*. 26.augusts. Pieejams: <http://www.juristavards.lv/zinas/265065-mazinas-normativo-aktu-un-to-grozijumu-skaitu/> [16.03.2015].

Oficiālo publikāciju un tiesiskās informācijas likums. Latvijas Republikas likums. Latvijas Vēstnesis, 2012. 20. jūnijs, Nr. 96. (4699).

Personu apliecinošu dokumentu likums. Latvijas Republikas likums. Latvijas Vēstnesis, 2012. 1.februāris, Nr.18. (4621).

Special literature

Horns N. 2000. Ievads tiesību zinātnē un tiesību filozofijā. *Likums un Tiesības*, 12, 354.-362.

Jakubaņecs V. 2005. *Juridiski terminoloģiskā, skaidrojošā vārdnīca*. Rīga: „P&K”.

Judins A. 2013. Izvairīšanās no nodokļu nomaksas: vai piespriežamie sodi ir taisnīgi un samērīgi. *Jurista Vārds*, 15. oktobris, Nr. 42 (793), 10.–14. lpp.

Larenz K. 1995. *Methodenlehre der Rechtswissenschaft. 6, neu bearbeitete Auflage*. Berlin: Springer.

Liholaja V. 2014. Par sodu taisnīgumu un samērīgumu. *Jurista Vārds*. 11. februāris, Nr. 6 (806), 10.-21. lpp.

Maizītis J. 2014. Sodu politika un vienkāršotie procesi. No: *Tiesību efektīvas piemērošanas problemātika: Latvijas Universitātes 72. zinātniskās konferences rakstu krājums*. Rīga: LU Akadēmiskais apgāds. 262. – 266. lpp.

Meļķis E. 2003. Juridiskās mācības un tiesību normas piemērošanas metodoloģijas jēdziens un nozīme. No: *Juridiskās metodes pamati: 11 soļi tiesību normu piemērošanā: rakstu krājums*. Dr. habil. iur., Edgara Meļķiņa zinātniskā redakcijā. Rīga: „Ratio iuris”, 5.-17. lpp.

Nikuļceva I. 2008. Likums un tā grozījumi. *Jurista Vārds*. 8. aprīlis, Nr. 14, 1.-7. lpp.

Stolleis M. 2000. Der Historiker als Richter – der Richter als Historiker. Buch: *Geschichte vor Gericht: Historiker, Richter und die Suche nach Gerechtigkeit. Herausgegeben von Norbert Frei, Dirk van Laak und Michael Stolleis*. München: Verlag C. H. Beck, S. 173–182.

Чубинский М.П. 2010. *Очерки уголовной политики: понятие, история и основные проблемы уголовной политики как составного элемента науки уголовного права*. Москва: ИНФРА-М.

INSTITUTE OF MEDIATION

Marina Kamenecka-Usova

Lawyer at AS SRR, Elizabetes iela 2, Riga, Latvia

marina_k.usova@yahoo.com

Abstract

Key words: *alternative dispute resolution, mediation, dispute resolution procedures, mediator, escalation clause*

Mediation together with arbitration, ombudsman procedures and structured negotiation is deemed to be a type of alternative dispute resolution (ADR). But very essential features help to distinguish mediation from the other forms of ADR:

1. the voluntary nature, i.e., mediation is based on the voluntary participation of the parties;
2. the neutral intermediary's (the mediator) lack of adjudicatory competence, where he systematically facilitates communication between the parties with the aim of enabling the parties themselves to take responsibility for resolving their dispute;
3. the flexible and self-determined approach, in which all aspects of the conflict, independent of their legal relevance, may be considered.

Hence, the goal of mediation is for the parties to reach a voluntary settlement which is then reduced to writing and becomes a contract. In this process a neutral third party helps disputants to come to consensus on their own by assisting the parties to find a resolution to their conflict in a sustainable and self-determined way.

According to author, mediation, although it is a rather young concept, is a well thought out instrument that in the presence of systematized rules on both European and national scales can significantly diversify and facilitate dispute resolution procedures.

This article shall facilitate the understanding of the mediation institute.

Kopsavilkums

Atslēgvārdi: *alternatīva strīdu izšķiršanas kārtība, mediācija, strīdu risināšanas procedūras, mediators, eskalācijas klauzula*

Mediācija, arbitražā, ombuds, kā arī strukturētās sarunas tiek uzskatītas par alternatīvu strīdu izšķiršanas kārtību (Alternative Dispute Resolution- ADR). Tomēr ļoti būtiskas iezīmes ļauj atšķirt mediāciju no citām ADR formām:

1. tās brīvprātība, citiem vārdiem sakot, mediācija balstīta uz brīvprātīgu pušu līdzdalību;
2. neitrālā starpnieka (mediatora) iztiesāšanas kompetences trūkums, sistemātiski veicinot komunikāciju pušu starpā ar mērķi, lai puses pašas uzņemtos atbildību par strīda atrisināšanu;
3. elastīgums un paša noteikta pieeja, kurā var tikt ņemti vērā visi konflikta aspekti, neatkarīgi no to juridiskās saistības/būtiskuma.

Ņemot vērā visu augstāk minēto, mediācijas mērķis ir panākt to, lai puses brīvprātīgi sasniedz strīda risinājumu, kuru pēc tam pieraksta un tas kļūst par līgumu. Šajā procesā neitrālā trešā puse ļauj strīda dalībniekiem pašiem nonākt pie vienprātības, palīdzot pusēm atrast konflikta risinājumu ilgtspējīgā un pašu noteiktā ceļā.

Pēc autora domām, mediācija, lai arī ir salīdzinoši jauns jēdziens, ir labi pārdomāts instruments, kas pastāvot sistemātiskiem noteikumiem, gan Eiropas, gan valstu mērogā, var būtiski dažādēt un veicināt strīdu risināšanas procedūras.

Šis raksts ir veltīts mediācijas institūta izpratnes veicināšanai.

The essence of the Mediation

Mediation together with arbitration, ombudsman procedures and structured negotiation is deemed to be a type of alternative dispute resolution (ADR)⁵. But very essential features help to distinguish mediation from the other forms of ADR:

1. the voluntary nature, i.e., mediation is based on the voluntary participation of the parties;

⁵ According to Katherine V.W. Stone, a professor of law, UCLA School of Law, in American legal system also such mechanisms as fact-finding, mini-trial, summary Jury trials, Med-Arb, Small claim courts and rent-a judge are part of ADR. (Stone 2004).

2. the neutral intermediary's (the mediator) lack of adjudicatory competence, where he systematically facilitates communication between the parties with the aim of enabling the parties themselves to take responsibility for resolving their dispute;
3. the flexible and self-determined approach, in which all aspects of the conflict, independent of their legal relevance, may be considered (Steffek 2012).

Whereas, for example, arbitrators and ombudsman have the competence to issue (at least partly) binding decisions, in mediation it is up to the parties and not the mediator to decide whether and how to solve the conflict (Steffek 2012: 2).

Taking into the account all of the above, the goal of mediation is for the parties to reach a voluntary settlement which is then reduced to writing and becomes a contract (Stone 2004). In this process a neutral third party helps disputants to come to consensus on their own (the Editors of Negotiation Special Report 2012) by assisting the parties to find a resolution to their conflict in a sustainable and self-determined way (Steffek 2012).

Bernard Mayer, in his book "Beyond Neutrality", raises some useful observations about the nature of the mediation. The essence of mediation lies in four characteristics:

- **Impartiality.** Mediators do not see their job as trying to promote one person or group's interests at the expense of another.
- **Process orientation.** Mediators conduct a process to assist people in communication about the issues that are of concern to them. They do not focus on the issues alone (although the role mediators may play with regard to substance may vary considerably).
- **Problem solving.** Mediators do not simply try to decide what the law dictates; they endeavor to help solve the problems that underlie the conflict. Often, but not always, this means taking an integrative or interest-based approach.

➤ *'Integrative bargaining (also called "interest-based bargaining," "win-win bargaining") is a negotiation strategy in which parties collaborate to find a "win-win" solution to their dispute. This strategy focuses on developing mutually beneficial agreements based on the interests of the disputants. Interests include the needs, desires, concerns, and fears important to each side. They are the underlying reasons why people become involved in a conflict' (Spangler 2003).*

- **Client focused.** The mediator's goal is to attain a solution that the disputants will accept rather than to impose one on them. Usually this means focusing on client's interaction, communication, emotions, needs, and decision-making process (Mayer 2004).

Historical appearance of the Mediation and its road to European Union

What we know from the books of history, in ancient times many conflicts were "settled" by the sword. However, in more peaceful civilizations, they were more often settled by the wise men or elders of each village, or the leaders of the local church. In ancient times, the history of

mediation was the history of diplomacy. Villages had at least one leader who was skilled at helping people solve problems. People who followed the Roman example even created professional job descriptions – intercessors, conciliators, etc. – for those who ran back and forth between the bickering parties and traded offers of goods and services for the promise of peace (Johnson 2009).

Speaking about XX century, much of the structuring of the mediation process, which prepared the process to become institutionalized and legitimized as a regular part of the legal landscape began in the divorce context in the mid 1970's with more people seeking the dissolution of marriage and finding the legal process particularly cumbersome. Not surprisingly, this social phenomenon began in California, which was among the first in the USA, and the world for that matter, to formally include marriage conciliation and mediation as court services. Shortly thereafter, a private market for divorce mediation emerged throughout the USA, based on the work of O.J. Coogler, an Atlanta lawyer, who structured the mediation process so that it could be replicated and taught. The structuring of the process allowed it to spread America wide and abroad by the end of the 1980's. This development of a mediation structure and format allowed the process to be applied and adapted beyond divorce and family matters to many other dispute context and the core of the model remains in use (Benjamin 2012).

Referring to nowadays history, in 2002, UNCITRAL developed the Model Law on International Commercial Conciliation (“UNCITRAL Model Law on Conciliation” or “Model Law” adopted by the United Nations General Assembly). It should be noted that, in this document, conciliation is understood broadly to mean a voluntary process controlled by the parties and conducted with the assistance of neutral third persons, whether such a process is referred to by expressions "conciliation", "mediation" or an expression of similar import. The Model Law was prepared with the contribution of some 90 States, 12 intergovernmental organizations and 22 non-governmental international organizations representing different legal traditions and different levels of economic development (CLOUT Bulletin 2009). In its resolution 57/18, the United Nations General Assembly noted that “dispute settlement methods, referred to by expressions such as conciliation and mediation and expressions of similar import, are increasingly used in international and domestic commercial practice as an alternative to litigation” and recommended that “all States give due consideration to the enactment of the Model Law, in view of the desirability of uniformity of the law of dispute settlement procedures and the specific needs of international commercial conciliation practice” (General Assembly Resolution 2002).

In the same year 2002 the European Commission, presumably relying on the principles of UNCITRAL Model law, presented a Green Paper on alternative dispute resolution in civil and commercial law, taking stock of the existing situation as concerns alternative dispute resolution methods in the European Union and initiating widespread consultations with Member States and

interested parties on possible measures to promote the use of mediation (Directive 2008/52/EC: recital 4).

As a result, later in year 2008, the European Parliament and the Council of the European Union adopted the Directive 2008/52/EC on certain aspects of mediation in civil and commercial matters with the aim to promote the use of mediation in cross-border civil and commercial disputes (hereinafter- Mediation Directive) and ensure that parties having recourse to mediation can rely on a predictable legal framework. Therefore, EU Member States were advised till 21 May 2011 bring into force the laws, regulation and administrative provisions necessary to comply with the Mediation Directive (Directive 2008/52/EC: article 12).

Speaking about Latvia, in November 2012 Ministry of Justice developed and forwarded to the examination of the Presidium of Saeima draft of “Law on Mediation”. On June 18, 2014 “Law on Mediation” entered into force.

Types of the Mediation

Taking into the account the relationship between court proceedings and mediation, three types of mediation are to be distinguished:

- 1) *Private mediation* is completely independent from judicial proceedings and it often takes place without any subsequent court proceeding.
- 2) *Court-annexed mediation* is initiated by the court, but then takes place without any further involvement of the court.
- 3) *Judicial mediation* is more intensely connected with the court as an institution in terms of venue and personnel. However, even judicial mediation is not performed by a judge with adjudicatory competence in the specific case (Steffek 2012).

Mediation Directive states that mediation in the sense that Directive gives to this term in its Article 3, “may be initiated by the parties or suggested or ordered by a court or prescribed by the law of a Member State. It includes mediation conducted by a judge who is not responsible for any judicial proceedings concerning the dispute in question. It excluded attempts made by the court or the judge seised to settle a dispute in the course of judicial proceedings concerning the dispute in question”. Therefore, it can be concluded that the terms of the Mediation Directive extend to all three types of mediation.

Although, regardless of the mediation type used, author believes there is a list of questions that should be answered and considered in order to determine whether the dispute is “mediable”:

- Are the key parties, and important decision-makers within parties, willing to participate?
- Are there any absent parties who could overturn an agreement?
- Do the parties stand to gain more by mediating than by taking other actions? What are the gains in reaching agreement with other parties versus acting autonomously (BATNA) exploration?

➤ **BATNA**— *best alternative to a negotiated agreement*. A negotiator's BATNA is the course of action he will pursue if the current negotiation results in an impasse. An evaluation of best alternative to a deal is critical if party is to establish the threshold at which it will reject an offer (the Editors of Management Report 2012). Therefore, BANTA is the standard against which any proposed agreement should be measured (Fisher&Ury 2012: 101).

- Are there risks to any of the parties in participating? In not participating?
- Are there sufficient incentives/motivations to reach agreements?
- Can parties agree on the scope of issues addressed?
- Is there adequate time for negotiations? Is there a deadline by which a decision must be reached?
- Does the available mediator have a high degree of credibility and/or authority in the eyes of the parties?
- How much active hostility exists between the parties?

Building bridges between Arbitration and Mediation

Acknowledging that the recourse to the mediation is not very often found in Latvian agreements, the author would like to bring to the attention of the reader a clause that could be used in order to give parties a chance to use mediation to resolve a dispute. It is necessary to point out, that frequently arbitration is a "safety net" if parties do not succeed to reach a mutually beneficial agreement with the help of the mediation. So, below is a "Multi-Tier" Clause proposed by the experts of German Institution of Arbitration (DIS)⁶ that has developed its rules for both mediation and arbitration.

Escalation ("Multi-Tier") Clause:

(1) Any dispute or difference arising out of or in connection with this contract shall be settled through good faith negotiations between executives of both parties who have authority to settle the dispute and who are at a higher level of management than the persons with direct responsibility for administration or performance of this agreement. Negotiations begin with a written request to negotiate received by one party from the other party.

(2) If a dispute referred to in Subsection 1 above cannot be settled through negotiations as provided for in that Subsection within 14 days after receipt by one party of a written request to negotiate from the other party or any longer period agreed upon by the parties, then either side must refer that dispute to mediation according to Mediation Rules of the German Institution of Arbitration.

⁶ German Institution of Arbitration (DIS) www.dis-arb.de

(3) If the mediator notifies both parties in writing that the mediation initiated pursuant to Subsection 2 above has failed or if one party so notifies the other party in writing, each party may within 20 days after receipt of said written notice- refer the dispute to arbitration according to the Rules of Arbitration of the German Institution of Arbitration (DIS). The Dispute shall be decided by three arbitrators. The seat of the arbitration shall be The language of the arbitration shall be.....”.

Conclusion

According to the author, mediation, although it is a rather young concept, is a well thought out instrument that in the presence of systematized rules on both European and national scales, can significantly diversify and facilitate dispute resolution procedures. Especially, considering Article 6 of the Mediation Directive that establishes the procedure when a written agreement resulting from mediation can be made enforceable by a court or other competent authority in a judgment or decision in accordance with the law of the Member State where the request is made, what to authors mind makes mediation a full and decent alternative to litigation and arbitration.

References

- Benjamin Robert 2012. The Natural History of Negotiation and Mediation: The Evolution of Negotiative Behaviors, Rituals and Approches. Accessed: www.mediate.com/articles/NaturalHistory.cfm 17.03.15.
- CLOUT Bulletin 2009. Accessed: http://cedep.files.wordpress.com/2009/02/clout-bulletin_feb09_final.pdf 20.03.2015.
- European Union Directive 2008/52/EC on certain aspects of mediation in civil and commercial matters. Accessed: http://europa.eu/legislation_summaries/justice_freedom_security/judicial_cooperation_in_civil_matters/133251_en.htm 20.03.2015.
- Fisher Roger, Ury William 2012. Getting to YES. Negotiating an agreement without giving in. Random House Business Books p. 101.
- Johnson Erin 2009. A short history of Mediation. Accessed: <http://cfrmediation.com/a-short-history-of-mediation/> 16.03.15.
- Spangler Brad 2003. Integrative or Interest-Based Bargaining. Accessed: <http://www.beyondintractability.org/essay/interest-based-bargaining> 16.03.15.
- Steffek Felix 2012. Mediation in the European Union: An Introduction. Cambridge, June 2012 p. 1-2.
- Stone Katherine V.W. 2004. Alternative Dispute Resolution. Encyclopedia of Legal History.” Research Paper 04-30. UCLA School of Law. p.1.
- The Editors 2012. BATNA Basics: boost your power at the bargaining table. Harvard Law School Management Report. Accessed: www.pon.harvard.edu 21.03.2015.
- The Editors 2012. Mediation secrets for better business negotiations. Harvard Law School Negotiation Special Report #7. p.1. Accessed: www.pon.harvard.edu 16.03.15.
- UNCITRAL Model Law on International Commercial Conciliation 2002. Article 1 (3). Accessed: http://www.uncitral.org/uncitral/en/uncitral_texts/arbitration/2002Model_conciliation.html 16.03.2015.
- United Nations General Assembly Resolution [on the report of the Sixth Committee (A/57/562 and Corr.1)] 57/18. Accessed: www.worldlii.org/int/other/UNGARsn/2002/93.pdf 20.03.2015.

IS LATVIAN JUVENILE JUSTICE A UTOPIA OR AN UNAVOIDABLE PERSPECTIVE?

Jānis Teivāns-Treinovskis

Daugavpils University, Parādes street 1, Daugavpils, LV-5401, Latvia
janisteivans@inbox.lv

Deniss Ignatovs

Daugavpils University, Parādes street 1, Daugavpils, LV-5401, Latvia
deniss.ignatovs@gmail.com

Abstract

Is Latvian Juvenile Justice a Utopia or an Unavoidable Perspective?

Key Words: *Juvenile delinquency, juvenile justice, crime, violence*

Juvenile delinquency is being seen as an actual social problem, especially, taking into consideration the fact that minors form a new generation of criminal world. In other words, in the process of natural reproduction young people are those with whom prison lodger population will be supplemented. Having, at least partially, solved the juvenile delinquency problem, and, especially, juvenile delinquency recidivism problems, it is possible to significantly reduce the prison burden on the state budget and social disintegration. In many foreign legal systems Juvenile Justice is increasingly gaining popularity in this direction, its main objective is a special approach used to take various national coercive measures working with minors. In the Eastern Europe, including Latvia, the attitude to this legal institution is ambiguous - from denial to complete supporting. The authors of the research analyze legal and rational opinions on which different Latvian and foreign authors base their concepts, as well as offer their own view on the problem under research.

Kopsavilkums

Juvenālā tiesa Latvijā – utopija, vai neizbēgama perspektīva?

Atslēgvārdi: *jauniešu noziedzība, juvenālā justīcija, noziegums, cietsirdība*

Nepilngadīgo noziedzība aizvien tiek uzskatīta par aktuālu sabiedrības problēmu, vēl jo vairāk tamdēļ, ka nepilngadīgie veido jauno kriminālās pasaules paaudzi. Respektīvi, dabiskā atražošanas procesa ietvaros, tieši jaunieši ir tie, kam ir lemts papildināt cietumu iemītnieku rindas. Vismaz daļēji atrisinot nepilngadīgo noziedzības, un, it sevišķi, jauniešu recidīvās noziedzības problēmas, ir iespējams būtiski samazināt penitenciāro slogu valsts budžetam un sociālo dezintegrāciju. Vairāku ārvalstu tiesību sistēmās arvien lielāku popularitāti šajā virzienā gūst juvenālās tiesas, kuru pamatmērķis ir speciālu pieeju izmantošana dažādu valsts piespiedu līdzekļu pielietošanā nepilngadīgajiem. Austrumeiropā, tai skaitā arī Latvijā, attieksme pret šo tiesību institūtu ir neviennozīmīga - no klajas noliegšanas līdz dedzīgam atbalstam. Pētījuma autori analizē legālos un racionālos apsvērumus, uz kuriem balstās dažādu koncepciju autori Latvijā un ārvalstīs, kā arī piedāvā savu skatījumu uz pētāmo problēmu.

Crime as a socio-legal phenomenon has a universal and comprehensive nature that makes it an integral part of any society. In the overall criminal structure a special place is occupied by a crime in which in one or another way a minor is involved, it means a person under 18 years of age having become either a juvenile offender or a victim.

Children's rights protection in criminal proceedings as well as the idea of a special Juvenile Justice policy creation is not a novelty. At different stages of the world society development, many countries tried to develop normative regulations that would be sufficiently effective in the fight against crime including juvenile delinquency which, in fact, until a certain time had not been processed separately.

Juvenile Justice in English means – young offender's court.

Difference in the opinions concerning Juvenile Justice issue is observed between legal scholars and radically minded social organizations. While, for example, a Doctor of Law, a deputy a

of the Latvian parliament, Andrejs Judins believes that Latvian Juvenile Justice does not actually exist and should be urgently introduced, a psychologist Irina Medvedeva puts Juvenile Justice together with liberalism and sodomy.⁷ A quite exhaustive and, at the same time, concrete enough, definition of Juvenile Justice is provided by a Russian professor O. Vedernikov: "Juvenile Justice as a concept must not be connected only to Juvenile courts, but must be considered as a system including the following elements:

- specific group of people referring to this system (minors);
- special criminal law created for minors;
- specific procedural rules governing criminal procedures and judicial review in relation to minors;
- judicial organs and specialized institutions created for reviewing criminal cases of this type;
- institutions and organizations intended for criminal execution in relation to minors."⁸

However, O. Vedernikov's definition requires some additions because his definition draws attention to the consequences but it is also important to provide institutions that would deal with prevention of juveniles delinquency.

During the last years in Post-Soviet society the main idea is that the state Juvenile Justice has unlimited freedom to take remove a child from the family to actually destroy the family institute. The problem occurs at the moment when a sphere which demands special knowledge and skills, is occupied by people who have no idea about the essence and content of this Institute. As a result, the Internet and social networks are full of such slogans as "Juvenile Justice" in Latvia is a Satan's smile.⁹ In average, the population is not interested in scientific publications describing thoroughly and in detail all the advantages and disadvantages of Juvenile Justice. Thus, when major changes in the legal system happen, a perfect opportunity to acquire a political capital by means of manipulating with public consciousness appear.

Currently, Latvia has no specialized Juvenile Justice system but there is a range of different organizations dealing with children's rights. As a Doctor of History I.Gavrilova mentioned in her article "cardinal solutions can be only systemic, that is why establishment of Juvenile Justice is indispensable, such an approach gives possibility to solve the problem systemically, however, if some people do not like this definition, a new one can be proposed."¹⁰ Unfortunately, now society has an a priori negative attitude towards Juvenile Justice but one should agree to the opinion that

⁷ LATVIAN JUVENILE JUSTICE FEATURES Jānis Teivāns-Treinovskis, University of Daugavpils, Latvia; DAUGAVPILS UNIVERSITY 54th INTERNATIONAL SCIENTIFIC CONFERENCE MATERIALS, page 508

⁸ O.N.Vedernikova Tendencies in Juvenile Justice Development Abroad// Russian Justice. — 2005. — Nr. 3. — P. 43.

⁹ <http://spektrs.com/video/%E2%80%9Ejuvenala-justicija-latvija-satana-smajds/>

¹⁰ I.N.Gavrilova «About Inevitability of Introduction of Juvenile Justice» link: <http://cyberleninka.ru/article/n/o-neizbezhnosti-vvedeniya-yuvenalnoy-yustitsii>

rejecting a phenomenon for which there is no understanding, or the essence and meaning of which are understood in a wrong way, is an absurd¹¹.

Retrospective analysis of legal sources leads to the conclusion that the ancient and medieval legal science had no legal concept of childhood, specially protected by legal mechanisms, and as a result the legislation did not contain laws for special protection of children and adolescents, designed for cases when a criminally liable child or teenager was held in prison or released from it.¹²

Juvenile Justice cannot function in a proper way outside a special system.¹³ This statement is completely justified as far as an efficient functioning of a legal mechanism is possible only if a whole system exists but not separate components of this system.

To understand whether Latvia is characterized by the problem of Juvenile Justice introduction necessity, it is indispensable to analyze statistical data on crimes committed by people under 18 years of age.

In this table made on the basis of the judicial information system data a very positive dynamics is seen, the total number of minors having criminal penalty decreases annually. If in 2005 there were 1421 convicted people under 18 years of age, in 2014 the number of people has decreased to 319 people or 5 times. This data is attributed to those instruments of Juvenile Justice which have already been working in a limited mode and giving contribution to reduction of crimes committed by minors in Latvia.

Therefore it can be stated that the Juvenile Justice techniques are being developed in Latvia. Unfortunately, the society perceives Juvenile Justice only as a legitimate opportunity to remove a child from the family, but in reality it is a very complex phenomenon ensuring protection of the children's rights, promoting child's psycho-emotional, cultural and physical development.

Adopting a positive European country experience Latvia should critically examine it taking only positive features that coincide with our cultural and economical traditions. Conversely, a blind adopting could lead to negative consequences.

Juvenile Justice in European countries has a very rich experience. For example, in France the first Juvenile Court appeared in 1914. The current procedures of the Juvenile Justice system in France are governed by the law No 45-174 passed on the 2nd of February 1945 and dealing with offenses committed by minors. This law states that the teenager's, having committed a crime,

¹¹ I.N.Gavrilova «About Inevitability of Introduction of Juvenile Justice» link: <http://cyberleninka.ru/article/n/o-neizbezhnosti-vvedeniya-yuvenalnoy-yustitsii>

¹² History of Juvenile Justice. Experience and Perspectives of Juvenile justice in Russia Link:http://www.eurasialegal.info/index.php?option=com_content&view=article&id=1985:2013-04-02-08-45-07&catid=232:2013-04-02-08-41-21&Itemid=1

¹³ Juvenile Justice and its Perspectives in Russia. <http://cyberleninka.ru/article/n/2-5-yuvenalnaya-yustitsiya-i-ee-perspektivy-v-rossii>

education (re-socialization) is more important than criminal penalties, and the law recognizes the minors' right to be educated.¹⁴

According to this law, French Juvenile Justice is aimed at:

- 1) recovery of young people's social communications;
- 2) fight against juvenile delinquency;
- 3) effective protection of young people who are at risk;
- 4) social support for youths and minors to improve their re-socialization.

Obviously, the idea that the main goal of Juvenile Justice is to remove a child from the family is not true but the above mentioned positive experience can be a very big step for future generations in crime reduction.

German Juvenile Justice (Jugendamt) is regulated by the law about children's rights and child protection. Under this law, every city or region has a department dealing with minors' rights. These departments may be named differently, for example, "Youth, Family and children's department", "Social Education and Youth Department" etc., however, the functions are approximately the same everywhere:

- 1) all-round educational process for a child;
- 2) social assistance for young people;
- 3) new family support;
- 4) help provided for parents in difficult living conditions;
- 5) organization of day schools;
- 6) help in child upbringing.

"Jugendamt" is responsible for implementing the following activities: informing students from graduating classes about possibilities to acquire a profession; promoting healthy lifestyle among young people; explaining that drugs and crimes are bad; organizing courses for young parents, where they learn to care about a child: to swaddle, to feed, to dress; organizing consultations on such topics as a conflict with children and solving critical problems; controlling place provided for child's education and upbringing; if there are problems with bringing up children, explaining the rights and obligations but in a critical situation taking decision to remove children from family.¹⁵

As it can be seen, the duty volume of this department's staff is quite big, whereas, monitoring "bad parents" is only one of the responsibilities. That is why the opinion that the main aim of German Juvenile Justice is to remove children from benevolent families is completely wrong.

¹⁴ „How Juvenile Justice Works in France”, link: http://index.org.ru/nevol/2006-8/sadov_n8.htm

¹⁵ Jugendamt - department for youth in Germany, link: <http://www.tupa-germania.ru/zhizn/jugendamt.html>

The answer to the question about the necessity to introduce Juvenile Justice should be unequivocal - to adopt European experience, of course, taking into consideration the peculiarities of our society. Adoption of European countries' experience, where Juvenile Justice has been developing for more than fifty years, can give a significant benefit for future crime rate reduction not only among minors but also in the entire population. Taking into account changes in population dynamics, which are negative at the moment, each case when a person, particularly a minor, is pulled from the criminogenic environment, is very important for Latvia and our society.

The statement that the Juvenile Justice is a legitimate opportunity to remove a child from the family is not justified. It is one of Juvenile Justice functions, not primary or secondary, it is the last possibility to respond to an inappropriate child upbringing. It is also worth mentioning that the number of children who suffer from violence is very significant, that is proven by statistics.

| Children having received social rehabilitation support | | In the institutions for child rehabilitation | | At home | | Total in the country | | |
|--|---|--|-------------|------------|------------|----------------------|-------------|-------------|
| | | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | |
| suffering children (total) | | 1317 | 1 322 | 1329 | 1416 | 2646 | 2738 | |
| Among them children suffering in family | | 1156 | 1117 | 969 | 997 | 2125 | 2114 | |
| types of violence | Emotional violence | Suffering children (total) | 315 | 318 | 777 | 856 | 1092 | 1174 |
| | | Among them children suffering in family | 297 | 276 | 545 | 587 | 842 | 863 |
| | | Among them suffering girls (total) | 171 | 170 | 375 | 396 | 546 | 566 |
| | | Among them girls suffering in family | 162 | 145 | 271 | 278 | 433 | 423 |
| | Physical violence | Suffering children (total) | 71 | 93 | 81 | 74 | 152 | 167 |
| | | Among them children suffering in family | 51 | 55 | 60 | 50 | 111 | 105 |
| | | Among them suffering girls (total) | 37 | 54 | 35 | 22 | 72 | 76 |
| | | Among them girls suffering in family | 28 | 32 | 24 | 18 | 52 | 50 |
| | Sexual violence | Suffering children (total) | 51 | 66 | 41 | 48 | 92 | 114 |
| | | Among them children suffering in family | 26 | 19 | 16 | 22 | 42 | 41 |
| | | Among them suffering girls (total) | 28 | 42 | 27 | 27 | 55 | 69 |
| | | Among them girls suffering in family | 17 | 12 | 11 | 14 | 28 | 26 |
| | Neglection | Suffering children (total) | 215 | 258 | 81 | 74 | 296 | 332 |
| | | Among them children suffering in family | 212 | 235 | 81 | 74 | 293 | 309 |
| | | Among them suffering girls (total) | 114 | 145 | 39 | 25 | 153 | 170 |
| | | Among them girls suffering in family | 111 | 133 | 39 | 25 | 150 | 158 |
| Combined violence | Cietušie bērni kopā | 665 | 587 | 349 | 364 | 1014 | 951 | |
| | Among them children suffering in family | 570 | 532 | 267 | 264 | 837 | 796 | |
| | Among them suffering girls (total) | 332 | 268 | 152 | 156 | 484 | 424 | |
| | Among them suffering girls (total) | 285 | 232 | 121 | 122 | 406 | 354 | |

The table was copied from the project of National notification "Protection and socio-psychological help provided for suffering children".¹⁶

During conversations with one of social rehabilitation workers in an orphanage the situation opposite to the one presented in the mass media was revealed - children are generally removed from their families (of course, it refers to unfavourable families) very late, when a child had already been being exposed to violence for several years, that had resulted in a very deep psychological and physiological trauma and deeply influenced child's mental health. Whereas, the statement that children always feel better with their parents has no basis.

The need to introduce Juvenile Justice is an indisputable fact, proven by the experience of many European countries, however, hurrying with blind adopting of legal proceeds is unnecessary. It is necessary to organize discussions, conferences, special working groups to develop a set of means and methods which will give maximal benefit to the society and state.

References

Jānis Teivāns-Treinovskis, LATVIAN JUVENILE JUSTICE FEATURES, University of Daugavpils, Latvia; DAUGAVPILS UNIVERSITY 54th INTERNATIONAL SCIENTIFIC CONFERENCE MATERIALS, page 508.

O.N.Vedernikova Tendencies in Juvenile Justice Development Abroad// Russian Justice. – 2005. – Nr. 3. – P. 43.

I.N. Gavrilova «About Inevitability of Introduction of Juvenile Justice», link: <http://cyberleninka.ru/article/n/o-neizbezhnosti-vvedeniya-yuvenalnoy-yustitsii>

<http://spektrs.com/video/%E2%80%9Ejuvenala-justicija-latvija-satana-smajds/>

History of Juvenile Justice. Experience and Perspectives of Juvenile justice in Russia Link: http://www.eurasialegal.info/index.php?option=com_content&view=article&id=1985:2013-04-02-08-45-07&catid=232:2013-04-02-08-41-21&Itemid=1

„How Juvenile Justice Works in France”, link: http://index.org.ru/nevol/2006-8/sadov_n8.htm

Jugendamt – department for youth in Germany, link: http://www.tupa_germania.ru/zhizn/jugendamt.html

<http://www.bernskacietusais.lv/lv/petijumi/parskati/zinojums-par-vardarbibu-pret-bernu-latvija-2013-365/>

¹⁶ <http://www.bernskacietusais.lv/lv/petijumi/parskati/zinojums-par-vardarbibu-pret-bernu-latvija-2013-365/>

HISTORICAL DEVELOPMENT OF ADOPTION

Ārija Vitte

Turība University, Graudu iela 68, Rīga, LV-1058, Latvia
vittearija@inbox.lv

Abstract

Historical Development of Adoption

Key words: *right, civil rights, family law, adoption.*

The article discusses the concept - adoption of children. The historical development of adoption starting with the ancient world and middle ages till nowadays is described. The peculiarities of the children adoption process in social life of different nations are analysed. The importance of the Hague Convention resolutions in the development of the children adoption process is explained. Detailed description and analysis of the historical development of adoption in Latvia is given starting with specificity of common law and formation of legislation with Latvia being within the Russian Empire up to the present development of adoption after Latvia gained its independence.

Institution of the adoption of children is one of the oldest civil law institutions and has had relevant importance in all stages of the development of mankind starting already from the most ancient times, as adoption is an important decision that changes the legal status of a child (Apsītis, Blūzma, Lazdiņš, 2006).

The word adoption originates from the Latin word *adoptio* - adoption as a child (Vēbers, 2000: 89). Today the following terms are most common - in Latvian (*adopcija*), English (*adoption*), German (*Adoption*), Russian (*усыновление, удочерение, адопция*), French (*adoption*). Terminology source: the academic term database “AkadTerm” of the Latvian Academy of Sciences that gives also the following definitions of the term „adoption”: adoption is a legal act - creation of parental rights for a family or individual in respect of a child of other parents, conferring on the child in respect of the family or individual the status of a full-fledged family member” and “a statutory legal process that terminates the legal rights and responsibilities of the natural parents towards the child, conferring on the adopting parents in respect of the child such rights and responsibilities”.

The roots of adoption can be found already in the primeval society when it was a common practice and involved much more forms than today within our civil society. From the point of view of tribe psychology, adoption was a religious rather than a legal act: jealous Gods (who as if were blood relatives) were sceptical towards foreigners. Therefore, consent of the whole tribe was necessary, special manipulations had to be performed for reconciliation of the Gods, and adoption was always accompanied by religious ceremonies and symbolic procedures (Фрезер, 1989).

Nowadays, adoption is an integral part of the family law that is known all over the world, it is commonly used to ensure that a child who is left without the parental care can live in a family as its full-fledged member. In the course of time, adoption has not lost its original importance and its main idea is being continuously developed. The definitions of adoption are changing, but its essence

and role stay unchanged - acceptance of a child without the parental care in a family, with all the rights and responsibilities resulting from that.

In various countries, the institution of the adoption adjusting to the social life requirements historically has developed differently, and due to that there are relatively big differences in their legal systems. In the today's society, when increasingly more attention is paid to the protection of children's rights, the adoption problems are being continuously investigated and legal norms are developed to solve the issues related to adoption within an international level.

Issues related to adoption are covered by such international documents as the European Convention on the Adoption of Children of 1967, the UN Convention on the Rights of the Child of 1989, Council of Europe Convention on the Exercise of Children's Rights of 2001 and the Convention on Protection of Children and Co-operation in Respect of Intercountry Adoption of 2001.

In the Ancient Rome, the society was based on patrimonial farmer family (*familia*). They were large patriarchal families consisting of several generations of the family father (*pater familias*): father, his wife, sons, grandsons with their wives, married daughters, also clients and slaves. Their laws imposed that only the family father has the say (*sui iuris*), and the others only belong to him (*non sui iuris*, also *alieni iuris*). This way the father had the rule over the children (*pater potestas*) and other family members. Regardless of the age, it was an unlimited power for whole life over his own and adopted children (*filius familias*) (Бартошек, 1989: 239). This power (*pater potestas*) was terminated only in case the father voluntarily gave up the power or lost it due to any legal reason.

One became a family member being born in legal marriage and after a ritual ceremony. *Pater potestas* could be established also in relation to children that were not blood relatives or adults, accepting them in his family and under his rule after ensuring compliance with certain requirements.

They are described in Law of the Twelve Tables where the issues related to adoption are relatively covered in Table IV "Rights of Family Fathers" and Table V "Inheritance and Custody". Family law is discussed generally, paternity determination and buying - selling of children is discussed as well. Roman jurists considered that adoption "imitates nature" (*adoptio enim naturum imitatur*), therefore it would not be natural if the adopting person was a little older, the same age or younger than the adopted person (Kalniņš, 1972: 316).

Two kinds of adoption were common:

1. *Arrogatio*, if a person *sui iuris* (has the say over oneself) had to be adopted;
2. *Adoptio*, if a person *alieni iuris* (under somebody's command) had to be adopted.

As elsewhere, also in Russia orphans were adopted or taken into custody in pagan times. In these distant ages, when Russia was not a united country, the grand duke or the church (monastic children) had custody over orphans. It was arranged according to moral and religious considerations and considered to be pleasing God. These times have left a proverb: do not fast, do not pray, but provide shelter for an orphan. Little children worked in cloister kitchens, but adults were appointed to work on the fields.

The adjusted Roman law complied with the needs of the emerging new civil society of the XVI-XVII century that was based on equal legal opportunities, free market relations and property rights. After that, the third stage of reception of the Roman law started when the Roman law institutes were transposed by European countries.

The Hague Convention on Jurisdiction, Applicable Law, Recognition, Enforcement and Cooperation in respect of Parental Responsibility and Measures for the Protection of Children became effective in 1965. However, it was incomplete, as it only stipulated a narrow scope of procedural problems related to adoption. Its further development required drafting of a basically new conception providing for certain cooperation practices for supporting international adoption and ensuring compliance with the internationally recognized human rights and national legislation of countries ratifying the convention.

Development of common policy included adoption issues with the aim of reducing problems caused by the national differences and promoting welfare of the adopted children. In this respect, the member countries of the Council of Europe drafted and passed the European Convention on the Adoption of Children of 1967. The convention set the following principles to be transposed into national legislation of all member countries.

Legal adoption of a child can take place, if the child has not attained the age of 18. A child may be adopted only if the adopter has attained the minimum age prescribed for the purpose, this age being neither less than 21 nor more than 35 years. The number of children who may be adopted by an adopter shall not be restricted by law (Eiropas Konvencija par bērnu adopciju, 2000: 3;7.1; 12.1).

Adoption in other country may be considered an alternative means of ensuring care for a child, if the custody over the child cannot be passed to or the child cannot be accepted in a family which is able to ensure proper care or adoption, and if it is impossible to ensure any proper care in the child's country of origin. It should be ensured that in case of adoption, the other country applies the same guarantees and norms which it applies in case of adoption within its own jurisdiction.

Each member country takes the necessary steps to ensure adoption of a child (in other country) involves no opportunities to gain unreasonable financial benefits for the persons concerned. Member countries promote the achievement of the Convention aims, concluding

bilateral or multilateral agreements or treaties and on the basis of that strive to guarantee that adoption (in other country) is arranged by the competent authorities or institutions (Konvencija par bērnu tiesībām, 1991: 3.1; 21).

For now, the prevailing international legislation on cooperation in relation to protection of children, including adoption, is the Convention on Protection of Children and Co-operation in Respect of Intercountry Adoption of 1993. The Convention has been ratified by 78 countries.

The aim of this Convention is to guarantee that intercountry adoption is arranged according to the interests of the child, and to establish a cooperation system among the contracting countries to ensure these guarantees, thus preventing child abduction, trade or illegal movement. Article 2 of the Convention specifies that by means of intercountry adoption, permanent family relationships may be ensured for a child for which a suitable family cannot be found in his or her country of origin.

Latvia has signed and applies also the Hague Convention of 1996, which provides for common legal regulations specifying the national authorities which are competent to implement the necessary children protection measures.

Conclusions

1. The documented roots of adoption date back to the beginning of civilisation in Mesopotamia and Ancient Rome, and its main notion - the acceptance of a child of another person as one's own - is the same also today.
2. Historical development of adoption from the most ancient times until nowadays marks one important tendency - decrease in the age of the adopted persons. Initially the societies adopted mostly independent adults, however today children and mostly little children are adopted.
3. The context of the historical development of adoption reveals that there is only comparatively recent legislation on the adoption secret, and the need for such legislation is still a problematic and arguable issue.
4. The form of adoption which is most common nowadays, after its historical evolution, comprises all its stages of development, starting from care for family unity and prevention of property loss in case of lack of successors, until the very deepest today's manifestations of humanism.
5. In different world regions, the countries have interpreted the principles, procedures and legal consequences of adoption differently. However the long process of evolution of adoption demanded common children adoption principles and practices, resulted in the need to minimize difficulties due to the national differences, as well as to promote the welfare of the adopted children.

References

- Apsītis R., Blūzma V., Lazdiņš J. (2006). *Latvijas tiesību avoti. 2.s.* Rīga: Juridiskā koledža, 408 lpp.
- Eiropas Konvencija par bērnu adopciju. Publicēta: Latvijas Vēstnesis, 30.03.2000. Nr. 115/116. Pēdējie grozījumi 12.06.2009.
- Kalniņš V. (1972). *Latvijas PSR valsts un tiesību vēsture I sēj.* Rīga: Zvaigzne, 360 lpp.
- Konvencija par bērna tiesībām. ANO Ģenerālā asambleja. Latvijas Vēstnesis, 237 (5297), 28.11.2014.
- Latvijas Republikas Satversme. Latvijas Vēstnesis, 01.07.1993, Nr. 43. Pēdējie grozījumi 08.07.2014.
- Par Eiropas Padomes Konvenciju par bērnu tiesību piemērošanu. Latvijas Vēstnesis, 18.04.2001., Nr.60. Pēdējie grozījumi 26.06.2009.
- Par Hāgas konvenciju par bērnu aizsardzību un sadarbību starpvalstu adopcijas jautājumos.. Latvijas Vēstnesis, 09.11.2001, Nr.162 (2549). Pēdējie grozījumi 26.06.2009.
- Par Hāgas konvenciju par jurisdikciju, piemērojamiem tiesību aktiem, atzīšanu, izpildi un sadarbību attiecībā uz vecāku atbildību un bērnu aizsardzības pasākumiem. Latvijas Vēstnesis, 31.10.2002. Nr. 460/464. Pēdējie grozījumi 29.04.2009.
- Бартошек М. (1989). *Римское право.* Москва: Юридическая литература, 448 стр. Zemītis G. (2004). *Ārvalstu valsts un tiesību vēsture.* Rīga: Biznesa augstskola Turība
- Фрезер Д.Д. (1989). *Фольклор в ветхом завете.* Москва: Издательство политической литературы, 542 стр.

FOOTBALL FANS AS AN INFORMAL ASSOCIATION OF SUPPORTERS WITH SIGNS OF CRIMINAL BEHAVIOR IN LATVIA AND ABROAD

Karina Zalcmane

Rīga Stradiņš University, 16 Dzirciema Street, Rīga, LV-1007, Latvia

karina.zalcmane@gmail.com

Abstract

Football fans as informal association of supporters with signs of criminal behaviour in Latvia and abroad

Key words: Criminology, football fans, ultras, football hooligans, subculture

The research of the informal association of football fans from the criminological point of view is quite promising.

First of all, the study will make it possible to realise the essence of football fanaticism and signs of criminal behaviour of entities, who consider themselves as a football fans.

Secondly, the study is also of a great practical importance. For example security institutions might use it in order to prevent the conflict situation or a crime. The organisers of the football competition might use it in order to achieve high standards of safety during the football game, taking into account the specific characteristics of football fans.

Aims of this paper are: 1) to identify the classification of football spectators; 2) to detect, what types of football spectators in accordance to the mentioned above classification are mostly presented in main European football countries.

Kopsavilkums

Futbola fani kā neformālā līdzjutēju apvienība ar kriminogēnām izpausmēm Latvijā un Ārvalstīs

Atslēgvārdi: Kriminoloģija, futbola fani, ultras, futbola huligāni, subkultūra

Neformālo futbola fanu apvienību izpēti no kriminoloģiskā viedokļa ir pietiekami perspektīvs izpētes objekts, jo, pirmkārt, minētais pētījums radīs iespēju apzināties futbola fanātisma būtību un tā kriminogēnās izpausmes personās, kam raksturīgas futbola fanātisma pazīmes. Otrkārt, pētījums var būt piemērots praksē, piemēram, to var izmantot drošības iestādes konfliktu novēršanai, kā arī futbola matču organizatori, lai attiecīgajos matčos nodrošinātu maksimālo drošības līmeni atbilstoši starptautiskajiem standartiem, ņemot vērā futbola fanu kustības īpatnības.

Referāta mērķi ir: 1) klasificēt futbola skatītājus; 2) atklāt, kādi futbola skatītāju veidi, saskaņā ar iepriekš minēto klasifikāciju, ir pārsvarā sastopami vadošās Eiropas futbola valstīs.

Introduction

Watching football game has a long tradition. The football spectating serves as a universal leisure activity with hundreds of millions of supporters worldwide. However being a “true” supporter, it is not about being an ordinary spectator – it is about being a participant. Match attendance is a commitment, of course, but there is also a duty to engage emotionally in the life of the team in order to impact positively on a team's performance (TSIRC: 4). Unfortunately, some supporters use their emotionality not for the positive impact on a team's performance, but vice versa indeed. For that reason, football supporters are usually considered to be offenders, criminals, vandals and hooligans. Nevertheless, do we have the right to say so about absolutely all football supporters?!

There are many research projects in regard to football hooliganism or offenses committed by the fans, but just few of them describes types of football spectators and explains which group of football spectators exactly are considered to be a group of supporters with signs of criminal behaviour. The report “Football fans as informal association of supporters with signs of criminal behaviour in Latvia and abroad” summarises findings of relevant research projects of the experts in

this field across 7 countries worldwide, mainly European and provides the possible classification of group of people that consider themselves as a football spectators. The objectives of the study were to identify the classification of football spectators and to detect what kind of football supporters¹⁷ in accordance to mention above classification are presented in main European football countries like: England, Germany, Italy, France, the Netherlands, Austria, and Latvia.

Discussion

1. The origin of the subculture. British origins.

As football itself, so the subculture of the football supporters with signs of criminal behaviour emerged in the United Kingdom. The popular term “football hooligans” appeared in early 1960’s, when the hooliganism in general, once again became a serious problem, particularly in the media. This was expressed as a part of the overriding culture of youth rebellion and moral panic at the time (Rowlands 2001). In accordance to the opinion of many notable researchers¹⁸ in the field of football hooliganism, it was a result of rising juvenile crime rates, uncertainty about the future and the lack of appropriate entertainment.

During exactly that time, football supporters with the signs of criminal behaviour began to gather in organised groups. Most of these groups were formed from young unemployed men and the average age of them were 19 (Leeson, Smith, Snow 2012).

Regular support of away games helped to disperse the varying styles across the country (Marsh, Fox, Carnibella, McCann, J. and Marsh, J. 1996: 25). By the end of 1960’s, such group of young men could no longer be characterised simply as “too passionate supporters”. These groups identified and named themselves separately from the teams, and used match days as venues for confrontations with rival groups (Marsh, Fox, Carnibella, McCann, J. and Marsh, J. 1996: 25). Nevertheless, by the middle of 1980’s English supporters were forced to change their attitude to the dangerous behaviour, as they were banned for five years from European club competitions. Liverpool supporters caused panic among rival supporters of Juventus, leading to a wall collapse and the death of 39, mainly Italian, supporters.

After the tragic events in Belgium¹⁹, the new “Casual” style became more popular among the English football hooligans. The rise of this style can be seen to some degree as a strategy of hooligans to not stand out among regular supporters, enabling them to circumvent official controls (Spaaij 2006:82).

Nowadays, there is no common opinion amongst academics and/or police forces on the extent and seriousness of modern football hooliganism in England, as the majority of hooligan

¹⁷ The hypothesis in this part of the research was – There are groups of football supporters with signs of criminal behaviour in all selected countries.

¹⁸ Rowlands J., Cohen S., Spaaij R., Marsh P., Frostdick S., Murphy P. and many others.

¹⁹ On May 29 1985, 39 football fans died when a wall collapsed at the Heysel stadium in Belgium.

confrontations takes place away from football grounds, particularly at railway stations, in city centres or at pubs.

Though football hooliganism is associated with supporters of English teams it is not exclusively English based or influenced problem.

2. Classification of football spectators.

There is no commonly accepted classification of football spectators. It may vary depending on the country. However, football spectators could be divided on the three types in accordance to their attitude to football in general:

- **Football spectators** – they do not support any particular team, apart from the national. Football spectators just like football as game in general.
- **Football supporters** – support specific football club (team). Football supporters usually know everything about the club: names of football players, administration and officials, history of the club and anything else that concerns their favourite club. Nevertheless, supporters are considered as a passive or non-violent group of football spectators. Some of football supporters never been on a stadium or only few times, mainly the game is watched on a TV.
- **Football fans (or supporters with signs of criminal behaviour)** – fans, as well as an ordinary football supporters, care about only specific football club. Fans are more active and organised than supporters. Fans are those people, who usually organise the performances during the game, use pyrotechnic devices, sing chants and do other lawful and unlawful stuff.

As was mentioned above, football spectators and supporters are relatively peaceful spectators. For that reason in further research, the football fans will be discussed.

Football fans could be divided on two types: ULTRAS and FOOTBALL HOOLIGANS.

- **Ultras** – there is no common definition for the group of football fans that consider themselves as Ultras, as not all Ultras are the same. There are groups and movements that differ both from one country to another and with regard to structures, rules, main points of emphasis and even ideas as to what the term “Ultras” means for them (Pilz, Wolki-Schumacher 2010: 5).

Nevertheless, Ultras could be characterised as particularly obsessive, emotional, very loyal and active fans who are fascinated by culture of spurring²⁰ on their team and have made it their job to organise a better, traditional atmosphere in the football stadiums in order to be able to support “their” team creatively and to the best of their ability (Pilz, Wolki-Schumacher 2010: 5). Ultras culture is now the most popular fans' culture in Germany, as well as in Britain, France, Italy and Eastern Europe.

²⁰ In accordance to the research of Pilz and Wolki-Schumacher (2010), this Southern European culture includes not only visual support by means of choreographed displays in the stadium, two-pole banners, hand-held flags, and the use of pyrotechnics, but also acoustic support by means of drums or songs and chants led by megaphone/microphone.

- **Football hooligans** – there is no common definition for the group of football fans that consider themselves as football hooligans. Football hooligans differ from “ordinary” football supporters or Ultras who might only occasionally drink too much and find themselves in disputes with the fans of opposing teams. Football hooligans attach as much, if not more, importance to participating in conflict than participating in the enjoyment of the football matches that provide occasion for it. (Leeson, Smith, Snow 2012).

The main problem of the modern preventive measures in some European countries, including the Republic of Latvia, is that many academics and/or police forces and almost always the society²¹ do not see the difference between Ultras and football hooligans.

Nevertheless, the main difference is:

- the aggression of Ultras and the offenses committed by Ultras will always be spontaneous²² and
- the aggression of Football Hooligans and the offenses committed by the Football Hooligans will always be carefully planned and organised with the help of modern communication devices.

3. The structure of the typical group of football fans and main criminological characteristics of members.

The structure of the typical group of football fans is quite simple, there is a leader (or group of leaders)²³ and members of the groups²⁴ (Kontos & Brotherton 2008). Depending on the country, the organised groups of fans might be impressively large.

In accordance to the research held by Pilz G.A., Wolki-Schumacher F., (2010) and Leeson P.T., Smith D.J., Snow N.A. (2012), football fans in Europe as a whole:

- have an average age of about 20²⁵ years old;
- are mainly made up of male²⁶ “members” without an immigrant background;
- mainly students or a working class. However there might be unemployed members and CEO’s of the corporations in same group;
- do not wear the traditional football supporter clothing and accessories, because they reject the excessive marketing of football and its commercialisation. They do have a certain dress code that displays their group identity and clearly distinguishes them from outsiders;

²¹ Paradoxically, but quite often the young generation of ultras and hooligans, also do not know the difference between the classical concept of Ultras and hooligans. Does this mean that these types of football fans are transformed into a new type of football fan?!

²² It will never be previously organised.

²³ The most experienced and respected fans.

²⁴ Obviously some members of the group are responsible for money, travel or any other issues. However there is no complicated hierarchy.

²⁵ However there might be much younger and older members of the group.

²⁶ As was stated in the research project of Pilz G.A., Wolki-Schumacher F., (2010), the proportion of women within the movement of Ultras varies from one country and one group to another.

- have specific attitude to life. for them, being an Ultra or Football Hooligan means more than just being part of a fan culture – it is a way of life;
 - are very close to each other within one group. For some of them, the group is partly also a kind of surrogate family, which mainly consists of “brothers”;
 - combat “modern football”, commercialisation and the sell-out of the game;
 - consider police forces as enemies.
- 4. Types of football spectators in main European football countries²⁷.**

A. Germany

German football spectators could be divided into three types: “consumers” or “non-violent” supporters, who just wants to see a good game; “supporters” or “prone to violence”²⁸ - decked out in his team’s colours and badges, is a member of the supporters’ club and supports his club most of the time and the “adventure-oriented” or “violent”²⁹, that just wants to see something happen, whether it has anything to do with football or not (Marsh, P., Fox, K., Carnibella, G., McCann, J. and Marsh, J. 1996: 68).

B. Italy

As was concluded by Dal Lago and Di Biasi (1994) and afterwards approved by many other researchers, Italian football culture could be described as “a form of extended municipalism”. Italy is a motherland of a specific form of football fan culture “Ultra”. The battle lines of the ultras are those of the ancient rivalries between regions and towns (Marsh, P., Fox, K., Carnibella, G., McCann, J. and Marsh, J. 1996: 69).

Italian football is often the centre of the attention not only because of the highly organised, theatrical style of support³⁰, but because of clashes outside the stadium between the various groups of football hooligans as well. However as was stated by fans³¹ themselves, the police forces are the only common enemy who unites different ultras and hooligans in whole Italy.

As it could be concluded from many private internet sources, there is still large number of females among ultra as it was 25 years ago and the average age is about 20. However, if to research on those, who is involved in violent incidents, then there are some exceptions, like a 48-year-old postal worker and former AS Roma ultra, that shot three people during violent clashes with Napoli

²⁷ Even though the data analysed in this section were retrieved from the research of 1996. The similar researches were held in the middle of 2000’s and results showed that there were no significant changes in the European fan profiles.

²⁸ The supporter who will be violent given the right opportunity

²⁹ The fan who is determined to be violent

³⁰ This style is distinguished by its emphasis on spectacular displays involving co-ordinated cos-tumes, flags, banners, coloured smoke and even laser-shows – and on choreographed singing and chanting, conducted by ultra leaders using megaphones to prompt their choruses at strategic points during the match (Marsh, P., Fox, K., Carnibella, G., McCann, J. and Marsh, J. 1996: 71).

³¹ 6 of the most dangerous hooligans in Italy. Retrieved 29/04/2015 from <http://hooliganstv.com/6-of-the-most-dangerous-hooligans-in-italy/>

fans just kilometres away from Rome's Olympic Stadium on May 2014³², where later that evening Napoli were set to take on Fiorentina.

C. *France*

The history of French football spectators is not as reach and violent, as in other European countries.

The demographic profile of the French football crowd differs markedly from the other European countries, in that all social classes (apart from the aristocracy) are well represented (Marsh, P., Fox, K., Carnibella, G., McCann, J. and Marsh, J. 1996: 72). As it could be concluded from the social internet networks, not much is changed at the moment. Even though the demographic profile varies, there is no difference in regard sex and age. French supporters with the signs of criminal behaviour are young males.

D. *The Netherlands*

The Netherlands groups of supporters have been heavily influenced by English football fan subculture. However, the Dutch followers of the national team appear to have adopted a more Italian type of football fan (i.e. theatrical style) (Marsh, P., Fox, K., Carnibella, G., McCann, J. and Marsh, J. 1996: 75). For that reason, it could be concluded that in the Netherland, the same as in many other European countries are presented two main types of football supporters with the signs of criminal behaviour and it is hooligans and “Siders” (the Dutch equivalent of ultras).

Football hooliganism in the Netherlands has followed much the same pattern of development as other European countries, with an initial stage of sporadic violence directed mainly at referees and players, followed by a phase of increasing aggressive encounters between rival fans, and between fans and police, inside the stadium, followed by an increase in violence occurring outside the stadium and less obviously related to the game itself (Marsh, P., Fox, K., Carnibella, G., McCann, J. and Marsh, J. 1996: 75).

During the analysis of the social internet network of Dutch football fans³³, it was concluded that average football fan in the Netherland is a young male about 20 years old.

E. *Austria*

As well as in any other European country, the average football fan in Austria is a young male about 20 years old. However the feature of the Austrian supporters with the sign of criminal behaviour is that the clashes might be not only between rival groups of fans but between juvenile fans and other spectators as well (Horak, Reiter and Stocker, 1985).

The other notable and quite sad fact is that as in any other European and not only country, there is an increasing involvement of neo-Nazi skinheads in Austrian football hooliganism.

³² The fascist Italian soccer Ultra who killed a rival fan. 2015 Retrieved 29/04/2015 from https://sports.vice.com/en_us/article/the-fascist-italian-soccer-ultra-who-killed-a-rival-fan

³³ Dutch Belgium Ultra Hooligan Scene. Accessed during the time period between February and April 2015: <https://nl-nl.facebook.com/pages/Dutch-Belgium-Ultra-Hooligan-Scene/642174995836392>

F. Latvia

The subculture of football fans is not something new the modern Latvia. Riga football club “Daugava” had its own fans since 1944. There are two active types of football spectators in Latvia at the moment: spectators and supporters. However, some of the former ultras of FC “Skonto”, FC “Liepājas Metalurģs”, FC “Ventspils”, FC “Jelgava”, occasionally unites, in order to support national football team.

At the moment there is no research on the average age and sex of the Latvian supporters and fans. However it is planned to hold such research during the summer 2015.

Conclusions

The research on the informal association of football fans from the criminological point of view leads to several conclusions:

- Through the historical and comparative analysis of football fan subculture, the different social and cultural aspects and characteristics of football fan communities and groups could be allocated.
- There is no commonly accepted classification of football spectators. However, football spectators in general could be divided on the three types in accordance to their attitude to football in general: Spectators; Supporters; Fans.
- Fans are supporters with signs of criminal behaviour.
- The structure of the group of fans is quite simple: leader or group of leaders and usual, but highly organised and obedient members.
- Ultras and football hooligans are mainly presented in main European football countries like: England, Germany, Italy, France, the Netherlands, Austria, and Latvia.
- The portrait of average European ultras or hooligan, through the last 20 years, did not change much. It is still young male, willing to be a part of something bigger than is around him in everyday life outside the football world. Unfortunately, the word “football” in collocation “world of football” means for the fan everything apart from the game itself.
- The above report cannot be considered completed, as diversity of theoretical approaches motivates to continue further investigations into this phenomenon.
- There are, of course, issues that were not discussed in this paper due to restrictions on length of submissions, but could be assigned for the separate research: a) the criminological characteristics of fans and crimes or/and offense they commit alone or in group; b) subculture of football fans and its place in the criminal subculture; c) everyday life and sociocultural practices of fans, considering particularly the methodological challenges of ethnographic research and participant observation; d) fans and new technologies; e) the commodification of football fans.

References

- Dal Lago A., De Biasi R. 1994. *Italian football fans: culture and organization*. In Guilianotti, Richard, Bonney, Norman, Hepworth, Mike (eds.) *Football violence and social identity*, pp. 73-89. London & New York: Routledge.
- Dutch Belgium Ultra Hooligan Scene*. Accessed during the time period between February and April 2015: <https://nl-nl.facebook.com/pages/Dutch-Belgium-Ultra-Hooligan-Scene/642174995836392>
- Horak R., Reiter W. and Stocker K. 1985. "Hooliganism" Theoretische Überlegungen zur und erste Empirisch-Systematische Überprüfung der Fußballgewalt in Österreich, Projectbericht. Wien.
- Kontos L., Brotherton D.C. 2008 *Encyclopedia of Gangs*. London: Greenwood Press.
- Leeson P.T., Smith D.J., Snow N.A. 2012. Hooligans. Retrieved 29/04/2015 from <http://www.peterleeson.com/Hooligans.pdf>
- Marsh, P., Fox, K., Carnibella, G., McCann, J. and Marsh, J. 1996. *Football Violence in Europe*. Oxford: The Social Issues Research Centre.
- Pilz G.A., Wolki-Schumacher F., 2010 Overview of the Ultra culture phenomenon in the Council of Europe member states in 2009. Retrieved 29/04/2015 from http://www.coe.int/t/dg4/sport/Source/T-RV/T-RV_2010_03_EN_background_doc_Prof_PILZ.pdf
- Rowlands J. 2001. Policing European Football Hooliganism. Retrieved 29/04/2015 from <http://people.exeter.ac.uk/watupman/undergrad/rowlands/index.htm>
- Sir Norman Chester Centre for Football Research. 2001. Fact Sheet 1. Football and Football Hooliganism. Retrieved 29/04/2015 from <http://www.furd.org/resources/fs1.pdf>
- Spaaij R. 2006. *Understanding Football Hooliganism. A Comparison of Six Western European Football Clubs*. Amsterdam: Amsterdam University Press.
- TSIRC 2008. The Social Issues Research Centre. *Football Passion*. Oxford: The Social Issues Research Centre.
- The fascist Italian soccer Ultra who killed a rival fan. 2015 Retrieved 29/04/2015 from https://sports.vice.com/en_us/article/the-fascist-italian-soccer-ultra-who-killed-a-rival-fan
- 6 of the most dangerous hooligans in Italy. Retrieved 29/04/2015 from <http://hooliganstv.com/6-of-the-most-dangerous-hooligans-in-italy/>