Committee: International Labour Organization

Issue: Training and practising the professions of 2030

Country: Latvia

The Republic of Latvia recognizes the profound impact that artificial intelligence (AI) is already having on labour markets worldwide and sees the growing need to address its integration into the Latvian workforce. Latvia is committed to ensuring that the adoption of AI across various sectors not only contributes to socio-economic growth but also supports job creation and sustainable development, all while protecting the rights and well-being of its workforce in order to achieve equality and prosperity.

Latvia is well-positioned to take advantage of AI development, thanks to its small population and a workforce with above-average digital skills compared to the rest of the EU. With 64% of Latvians aged 16-74 having basic digital skills—higher than the EU average of 58%—Latvia's population is better prepared to adapt to AI-driven changes across industries. This strong foundation in digital literacy, along with government initiatives like the Latvian AI Strategy and participation in the European Digital Innovation Hubs (EDIH), gives Latvia a distinct edge in promoting AI innovation, particularly in education, healthcare, and small to medium-sized enterprises (SMEs). As AI becomes more integrated into the economy, Latvia's tech-savvy workforce and forward-thinking policies will help ensure the country's long-term economic growth and competitiveness in the global labour market.

Furthermore, Latvia remains open to exploring solutions like Universal Basic Income (UBI) to support citizens in the face of job displacement caused by automation. However, as a lower-income country, Latvia views UBI as feasible only with the financial backing of international organizations, which would enable the government to provide this safety net while continuing its focus on long-term economic resilience.

In recent years, Latvia's gender pay gap has been narrowing, though with some fluctuations. Latvia's gender pay gap stands at 22.3%, slightly higher than the EU average of 13%, but among younger workers aged 18-25, the gap was just 9.5%. This lower gap suggests that educational reforms in Latvia have helped create more equal career opportunities for young people. As these trends continue, it shows that both men and women are increasingly benefiting from an inclusive education system that equips them with the skills needed to compete in the workforce. However, the Latvian government remains committed to further addressing wage disparities, especially given the challenges posed by an ageing population and ongoing emigration. To this end, Latvia is prioritising policies aimed at promoting wage equity and improving labour market conditions to maintain sustainable economic growth.

Latvia has made significant strides in prioritizing mental health in the workplace, recognizing its critical importance for overall productivity and well-being. The government has implemented regulations requiring employers to provide access to mental health resources, including counselling and support services. Additionally, Latvia promotes workplace cultures that emphasize work-life balance and mental wellness, acknowledging the increasing pressures brought on by technological advancements like AI. Latvia believes that fostering mentally healthy work environments is essential to maintaining a strong, innovative, and sustainable workforce.

The Ministry of Economics is spearheading the development of several value chain ecosystems to drive research and innovation in key sectors. Currently, three pilot projects are underway in the fields of Smart Materials, Biomedicine, and Smart Cities. These projects are aligned with Latvia's Smart Specialization Strategy, which focuses on using the country's strengths to boost innovation-driven growth. These ecosystems foster collaboration among private companies, public institutions, and academic establishments to advance research and commercialization efforts. AI plays a crucial role as a driving force behind these initiatives, helping to streamline processes and enhance efficiency. By leveraging AI, Latvia aims to accelerate progress in these areas, improve competitiveness, and promote sustainable development in sectors critical to the country's long-term prosperity.

As in regard of the present, the integration of AI in Latvia's strategic sectors will likely spur innovation and economic growth, but it could also lead to significant job displacement, particularly in industries vulnerable to automation. This may widen socio-economic inequalities, with high-skilled workers in AI-related fields benefiting more, while low-skilled workers face greater challenges. However, Latvia's focus on digital literacy and retraining programs can help mitigate these effects. Furthermore, AI technologies in smart cities and environmental management can positively contribute by optimising resource use, reducing carbon emissions, and advancing sustainability, positioning Latvia as a forward-thinking economy with strong socio-economic and environmental outcomes. With international support for initiatives like UBI, Latvia can ensure that the socio-economic challenges of automation are met with effective, equitable solutions for its citizens.

To conclude, Latvia is fully equipped and ready to integrate AI into its workforce, supported by a strong foundation in digital literacy and ongoing government initiatives. The country has taken significant steps to prepare its industries and workers for the adoption of AI technologies, ensuring that both the private and public sectors are aligned with this technological shift. By investing in upskilling programs, fostering innovation through strategic projects, and collaborating with international partners, Latvia is positioning itself to harness the benefits of AI while maintaining a focus on job creation, economic growth, and workforce sustainability.