

UNIVERSITY OF LATVIA
FACULTY OF BUSINESS, MANAGEMENT AND ECONOMICS
PRODUCTIVITY RESEARCH INSTITUTE
"UNIVERSITY OF LATVIA THINK TANK LV PEAK"



UNIVERSITY OF LATVIA
FACULTY OF BUSINESS,
MANAGEMENT
AND ECONOMICS

ANNEX. ECONOMIC BAROMETER

No. 2 (2) December 2022

YOUTH SENTIMENT SURVEY

In August and September 2022, the Research Centre SKDS conducted a youth survey with the aim of finding out:

- general mood of confidence among young people regarding economic processes in the country;
- factors and risks affecting economic development from the point of view of young people;
- conformity assessment of the acquired knowledge (skills) with labour market demand;
- assessment of the current financial situation and the possibilities and ways of improving it.

Target group: Latvian residents aged 16 to 29

Survey method: CATI (telephone interviews)

Sampling method: Random sampling

Geographic coverage: Latvia

Sample size achieved: 201 respondents

Survey period: 28.07.2022.–06.10.2022.

SUMMARY

The survey results show that young people anticipate the economic situation of Latvia to deteriorate in the next 12 months. The development of the economy in the future has a relatively better assessment. The majority of respondents believe that the acquired knowledge and skills ensures a competitive position in the labour market. Most of young people are confident about their future.

ECONOMIC DEVELOPMENT TRENDS

The majority of respondents (68%) believe that the economic situation in the country will worsen over the next 12 months. Changes in the labour market are assessed as insignificant. Almost 45% of respondents believe that the unemployment rate will not change or will decrease slightly (15%), in addition, 40% of respondents expect a slight increase in the unemployment rate. 91% of respondents deem that consumer prices will rise in the next 12 months (including 33% of respondents predicting a rapid rise in prices). Moreover, the assessment of wage dynamics is different. Almost 45% of respondents believe that salaries will increase, while 42.8% expect them to remain unchanged. Assessments of the dynamics of consumer prices and wages for the next 12 months indicates a possible deterioration of the financial situation of young people. Regarding emigration flows, the assessment is relatively unanimous - the majority (68.7%) believe that emigration will continue to increase and only 3.5% believe that it may decrease.

The assessment of Latvia's economic situation in the medium term is generally positive. With a slight majority (38.8% of the total number of respondents), young people believe that the economic situation in Latvia will improve in the next five years. 34.8% of respondents anticipate the deterioration of the economic situation. It should be noted that young people with secondary, vocational secondary education, as well as those studying at a college or university, are more optimistic about the future.

The most significant risks that can affect the growth of Latvia's economy in the short term are the increase in the prices of energy resources, food products and raw materials. But the most significant medium-term challenges of the Latvian national economy in youth opinion are the limited state budget opportunities, the reduction of the shadow economy and corruption, the reduction of the social inequality of the population, as well as the adaptation of the education system to the rapidly changing conditions.

COMPETITIVENESS IN THE LABOUR MARKET AND BUSINESS (ENTREPRENEURIAL ACTIVITIES)

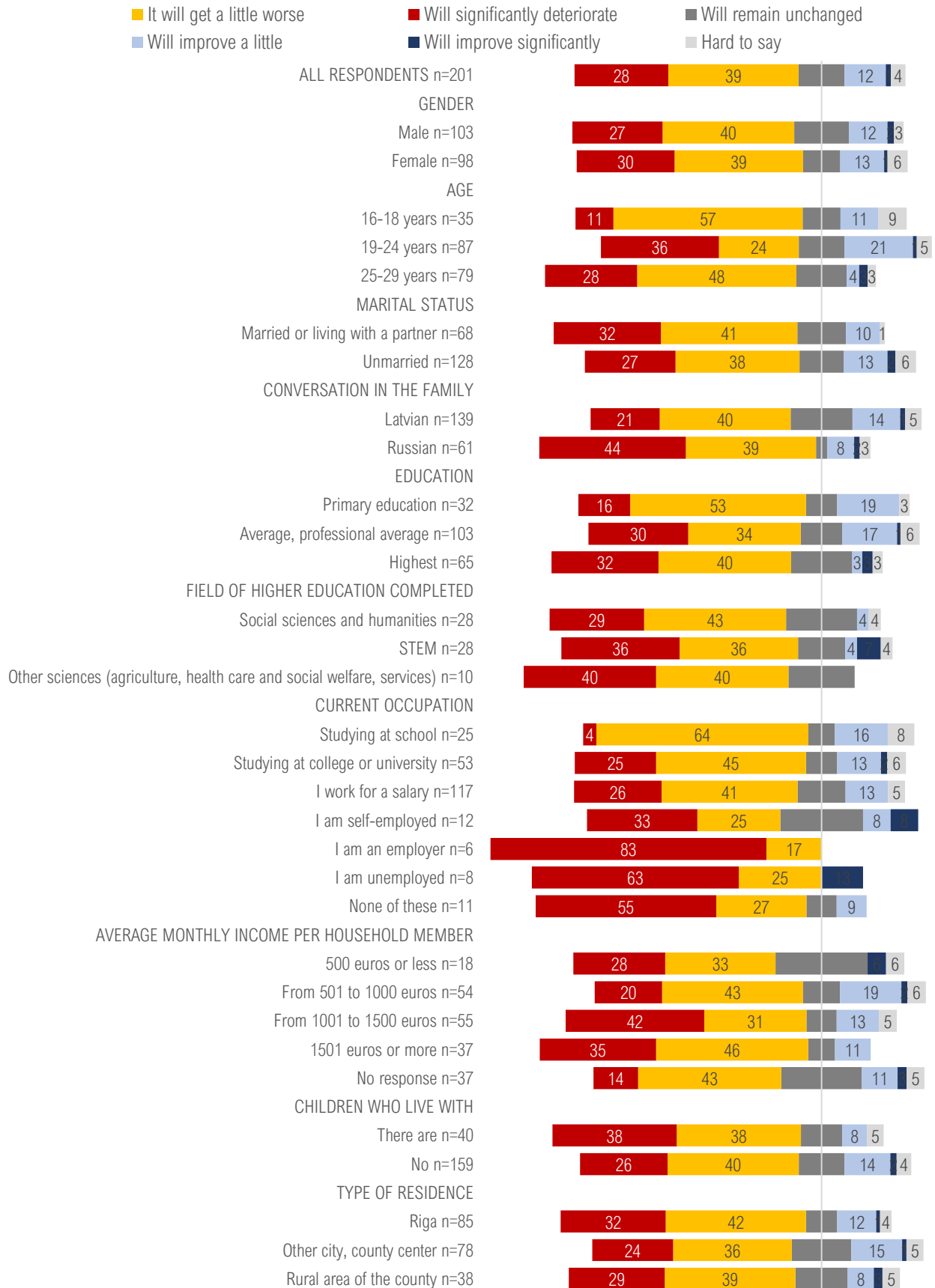
In general, young people believe that the acquired knowledge and skills corresponds to the prospects of working in a highly paid job, provides the opportunity to start their own business and ensures a stable position in the labour market today and in the future. Almost all respondents believe that it is necessary to acquire new knowledge and skills throughout the lifetime. The main obstacles for gaining additional knowledge and improving skills to increase personal competitiveness are the lack of financial resources, difficulties in combining work with studies, and difficulties in combining studies and family life. However, almost 1/3 of the respondents indicate that there are no such obstacles.

PERSONAL WELFARE AND SAFETY

The majority (69%) of the respondents are generally satisfied with the current financial situation, while a third of the respondents answered that they are not satisfied with it. In the next 12 months, 49% of young people expect an improvement in their financial situation, 12% of them believe that these improvements will be significant. In addition, 31% of respondents indicate that the financial situation will remain unchanged. About 2/5 of respondents believe that their chances of getting a better paid job will improve, while almost half (46%) believe that there is no such opportunity. To improve their financial situation, in the near future 39.8% plan to look for a higher-paid job in Latvia, 27.4% of them will look for a job in their profession. Almost 17% intend to start a business in Latvia. 16.5% of respondents think about the possibility of looking for a job or starting a business abroad. The assertive majority (76%) are confident about their future.

ECONOMIC DEVELOPMENT TRENDS

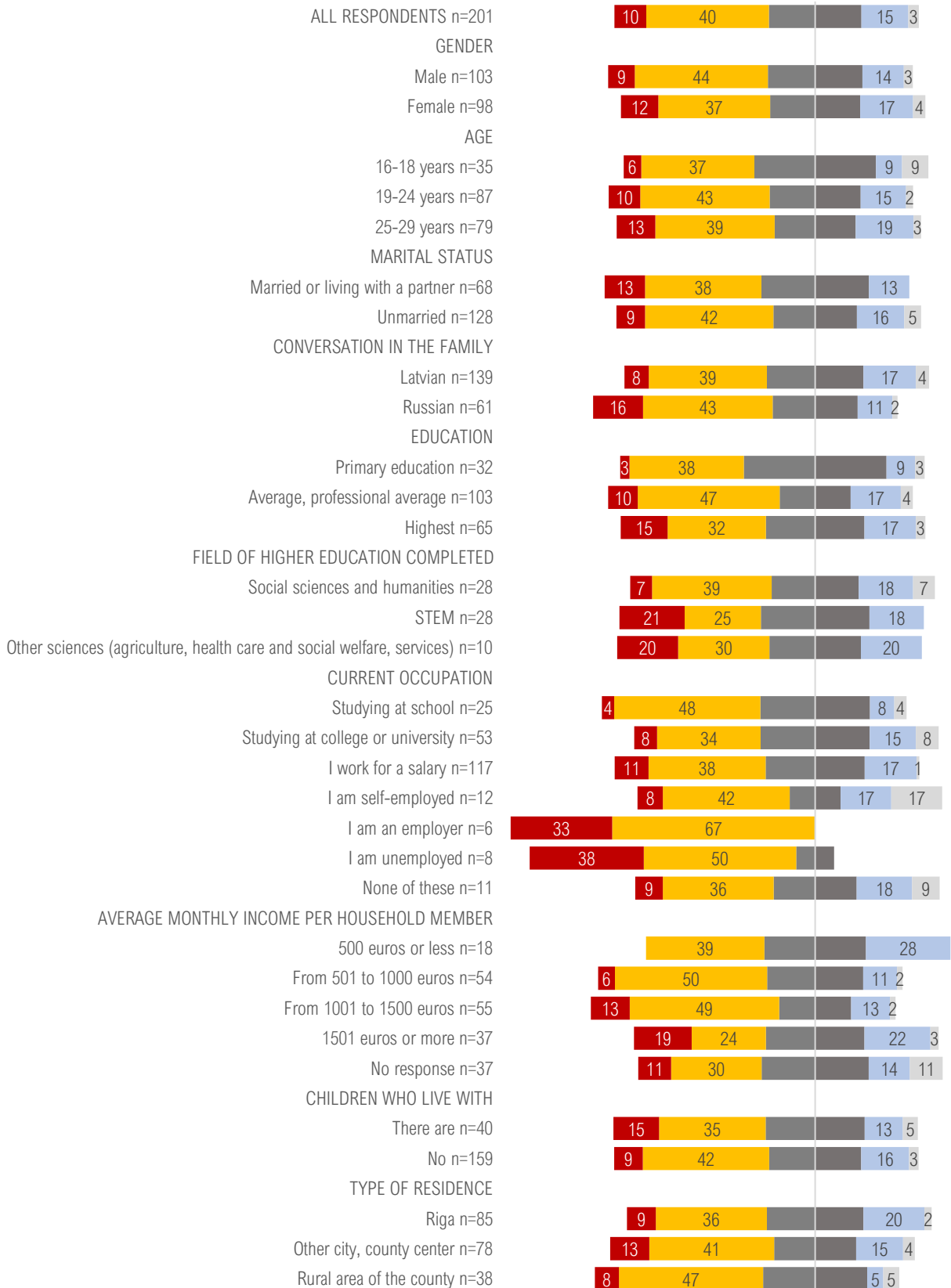
1. "HOW DO YOU THINK THE GENERAL ECONOMIC SITUATION WILL CHANGE IN LATVIA IN THE NEXT 12 MONTHS? OR DO YOU THINK THAT...?"



ECONOMIC DEVELOPMENT TRENDS

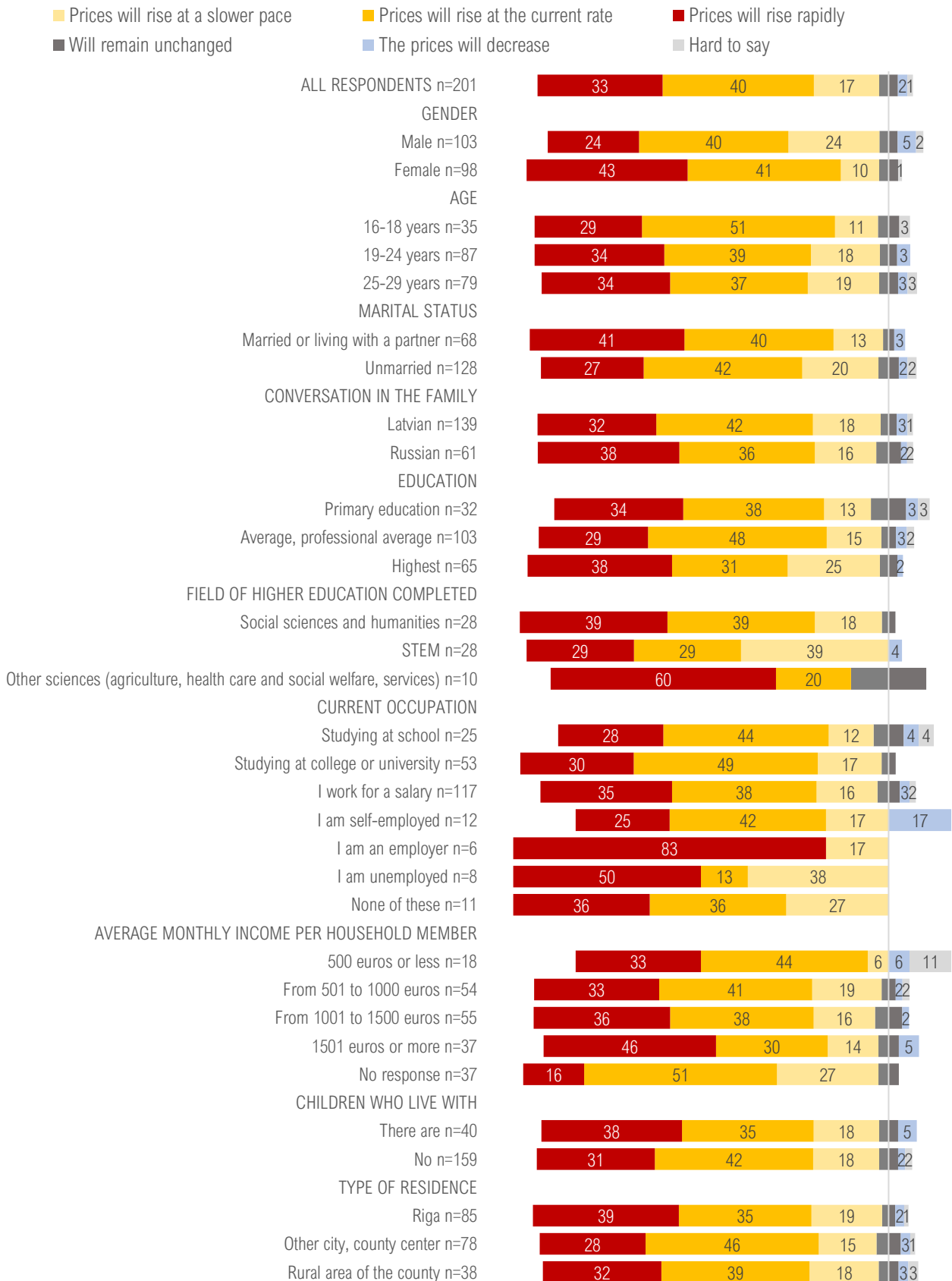
2."HOW DO YOU THINK THE UNEMPLOYMENT LEVEL WILL CHANGE IN LATVIA IN THE NEXT 12 MONTHS? DO YOU BELIEVE THAT IT...?"

■ Will remain unchanged ■ It will get a little worse ■ Hard to say ■ Will improve a little ■ Will improve significantly



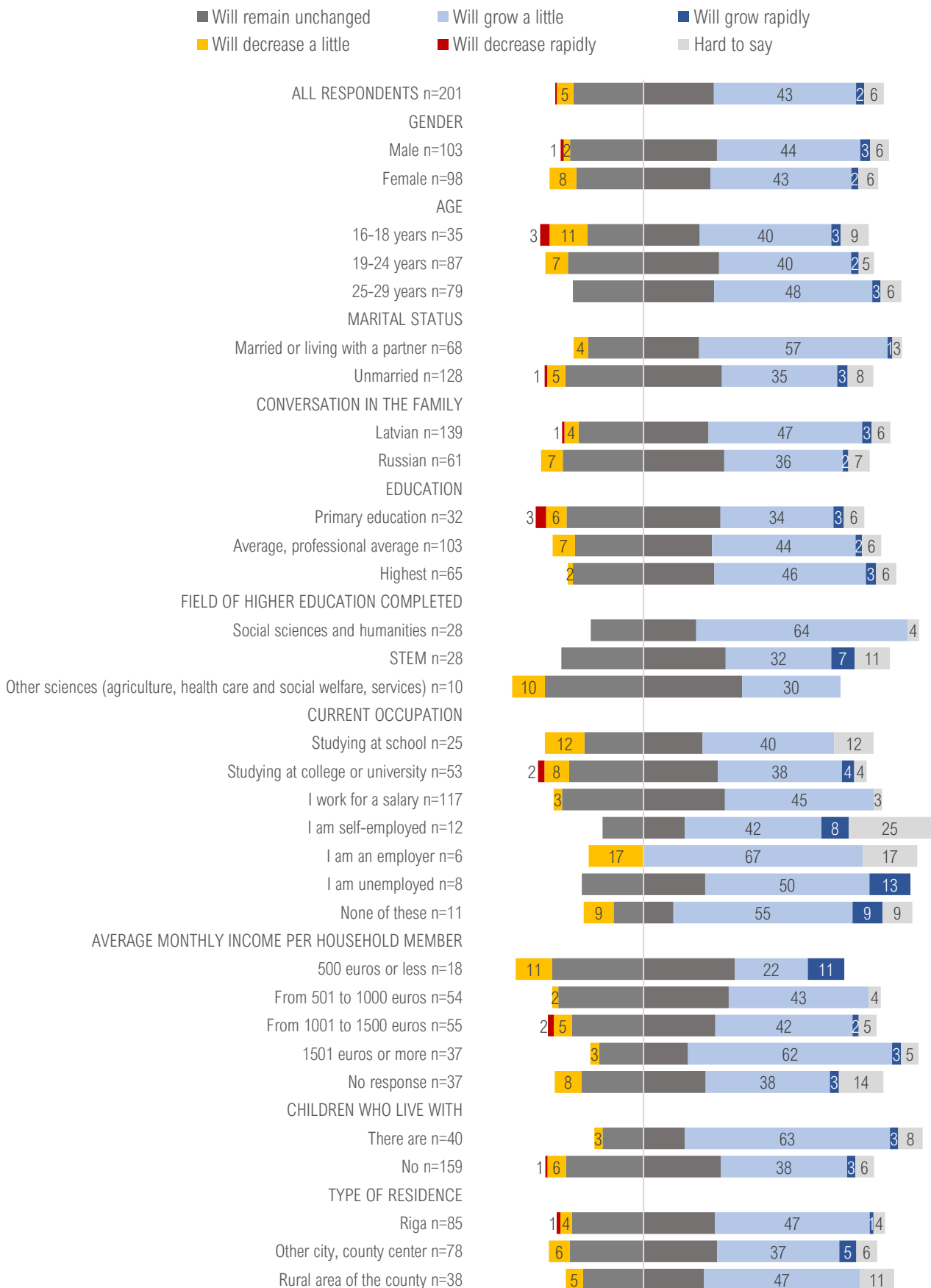
ECONOMIC DEVELOPMENT TRENDS

3. "COMPARED TO THE LAST 12 MONTHS, HOW DO YOU THINK CONSUMER PRICES WILL CHANGE IN THE NEXT 12 MONTHS? OR DO YOU THINK...?"



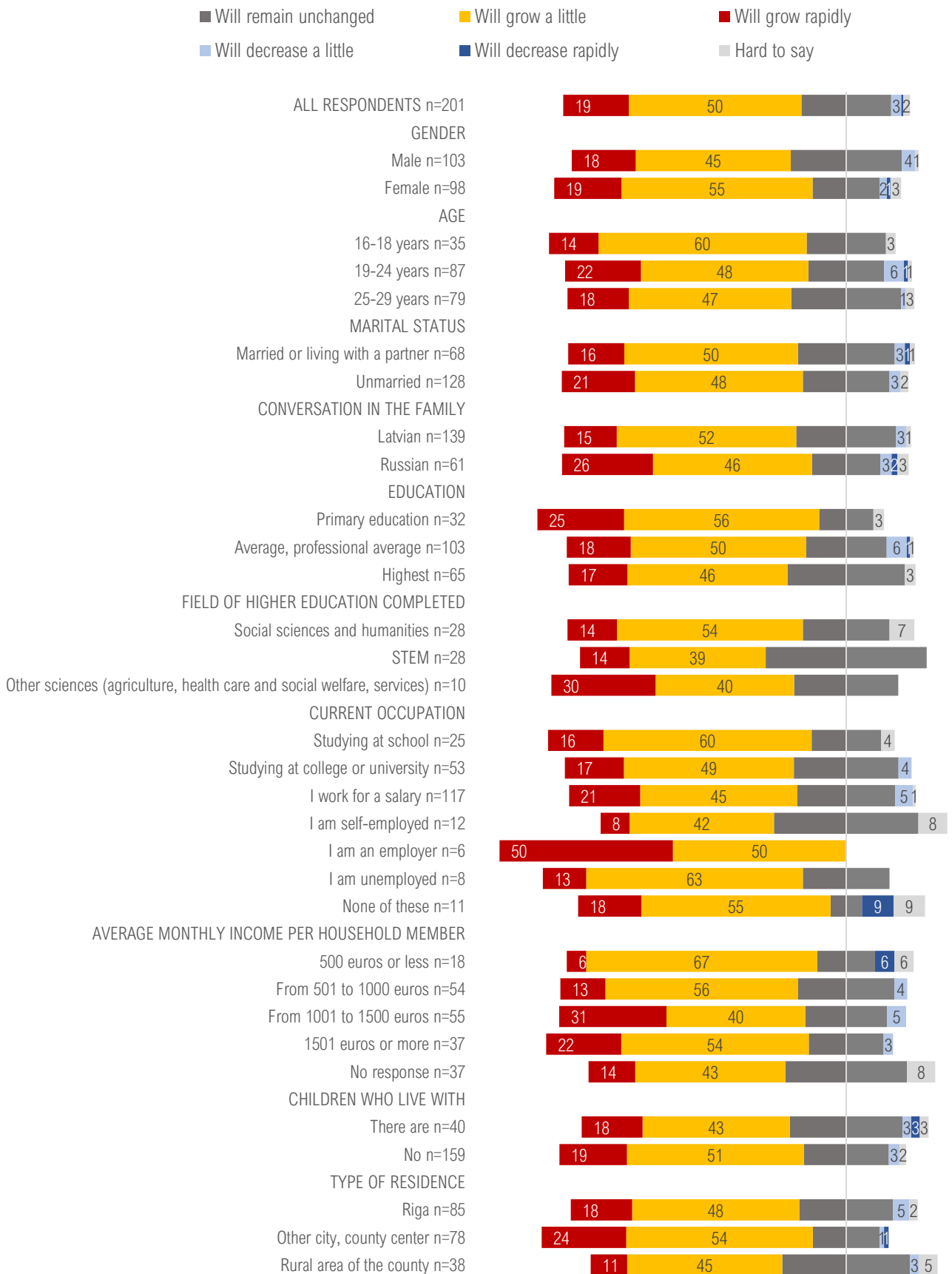
ECONOMIC DEVELOPMENT TRENDS

4. "HOW DO YOU THINK THE AVERAGE GROSS PAY (I.E., AVERAGE WAGES) WILL CHANGE IN LATVIA IN THE NEXT 12 MONTHS? OR DO YOU THINK THEY WILL...?"



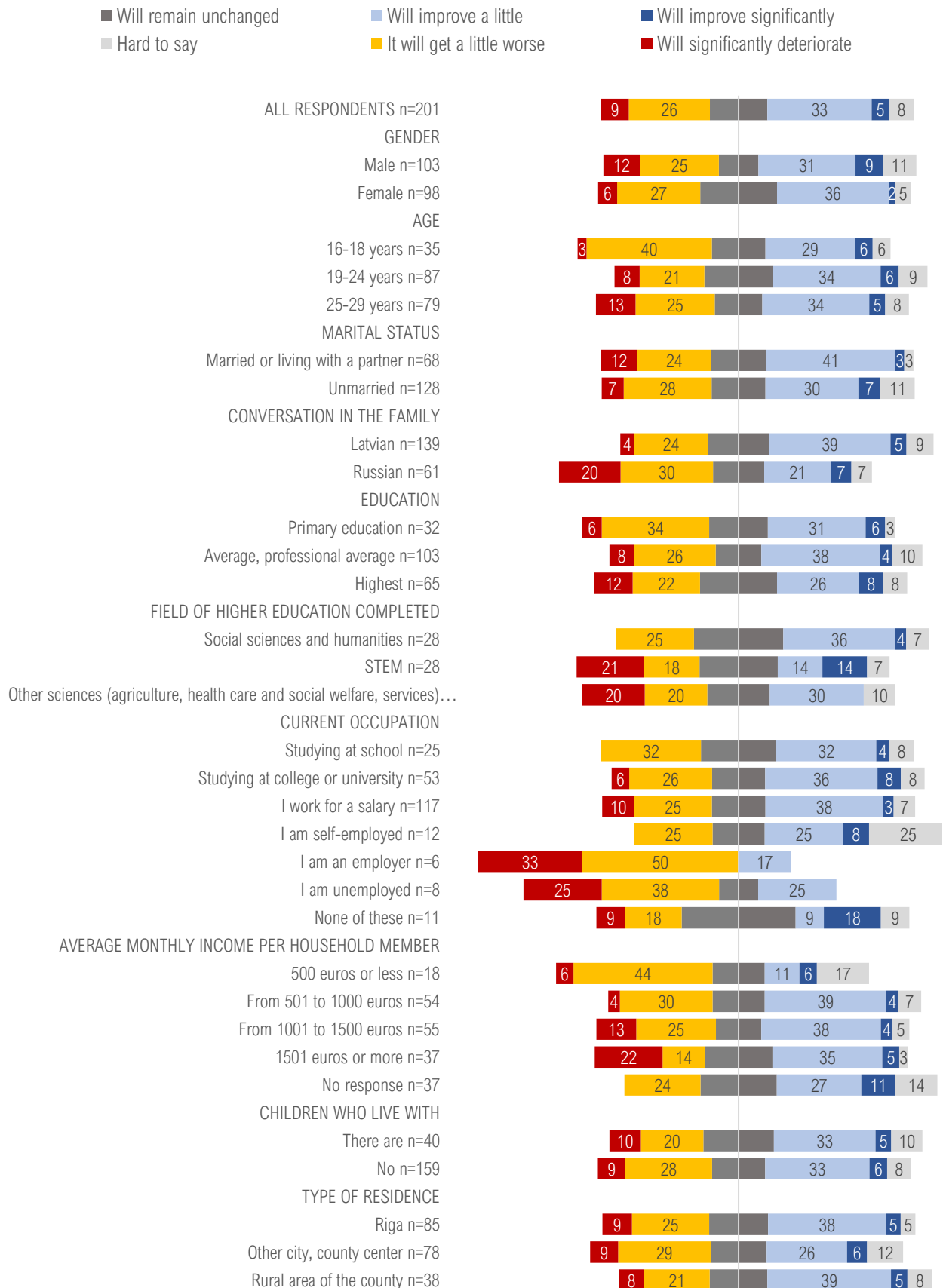
ECONOMIC DEVELOPMENT TRENDS

5. "HOW DO YOU THINK THE EMIGRATION FLOWS FROM LATVIA WILL CHANGE IN THE NEXT 12 MONTHS? DO YOU THINK THAT IT WILL...?"



ECONOMIC DEVELOPMENT TRENDS

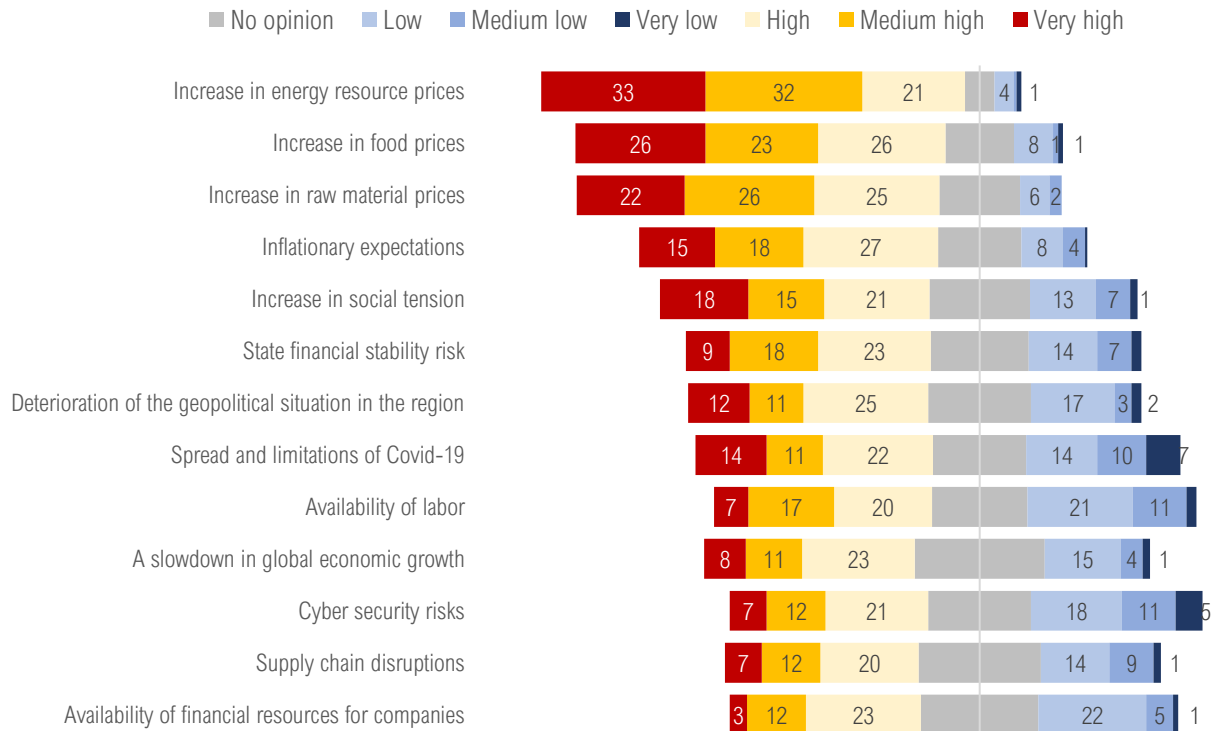
6. "LOOKING TO THE FUTURE, HOW DO YOU THINK THE GENERAL ECONOMIC SITUATION WILL CHANGE IN LATVIA IN THE NEXT FIVE YEARS? OR DO YOU THINK THAT...?".



ECONOMIC DEVELOPMENT TRENDS

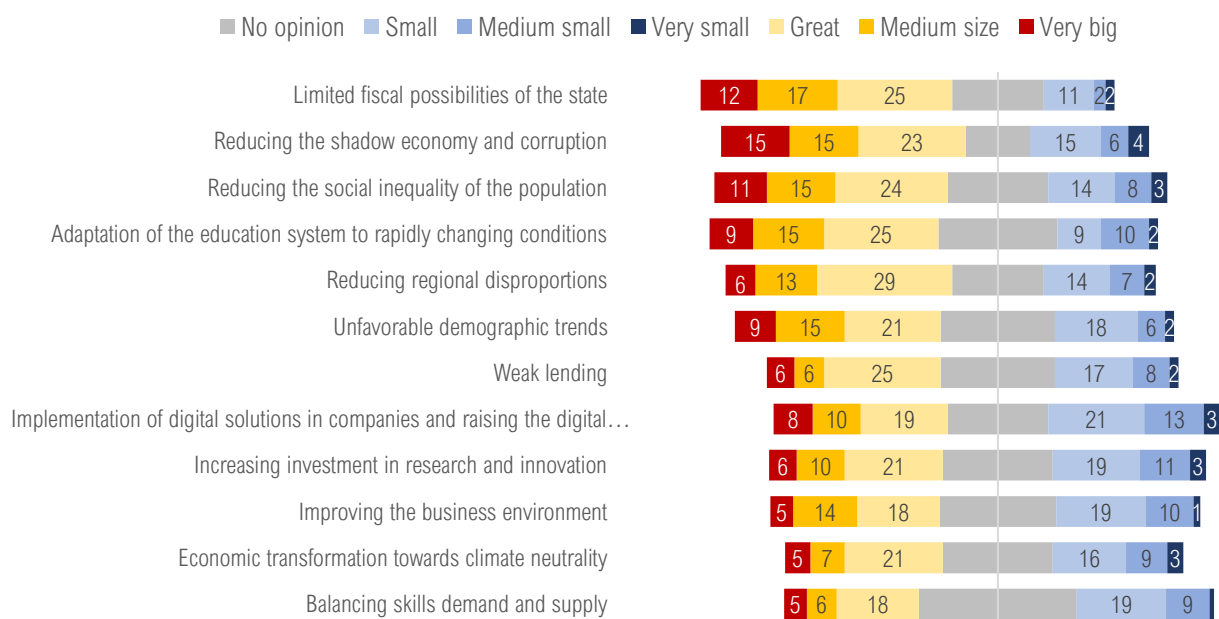
7. "NOW I WILL NAME YOU A VARIOUS POTENTIAL RISKS WHICH HAVE BEEN AT TIMES MENTIONED AS THOSE THAT MAY AFFECT LATVIA'S ECONOMIC GROWTH IN THE SHORT TERM.

Please rate, on a 7-point scale, how big you think each of these risks are, where 1 means that this is a "very low" short-term risk for Latvia's economic growth, and 7 means that the risk is "very high".



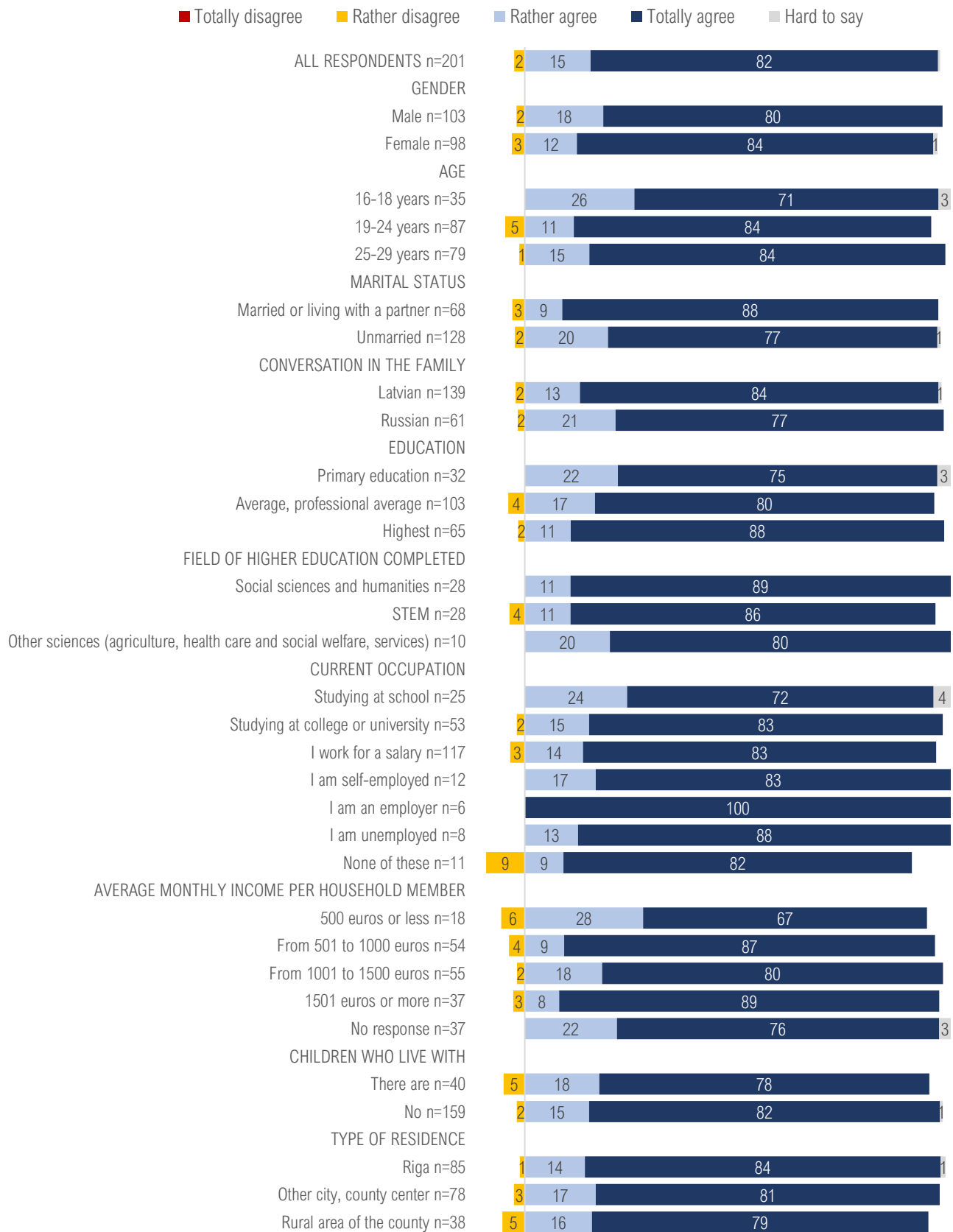
8. "NOW I WILL NAME YOU A VARIOUS POTENTIAL MEDIUM-TERM CHALLENGES FOR LATVIA'S ECONOMY.

Please rate on a 7-point scale how big you think each of these challenges are, where 1 means that this is a "very small" challenge for the Latvian economy in the medium term, and 7 means that this challenge is "very big".



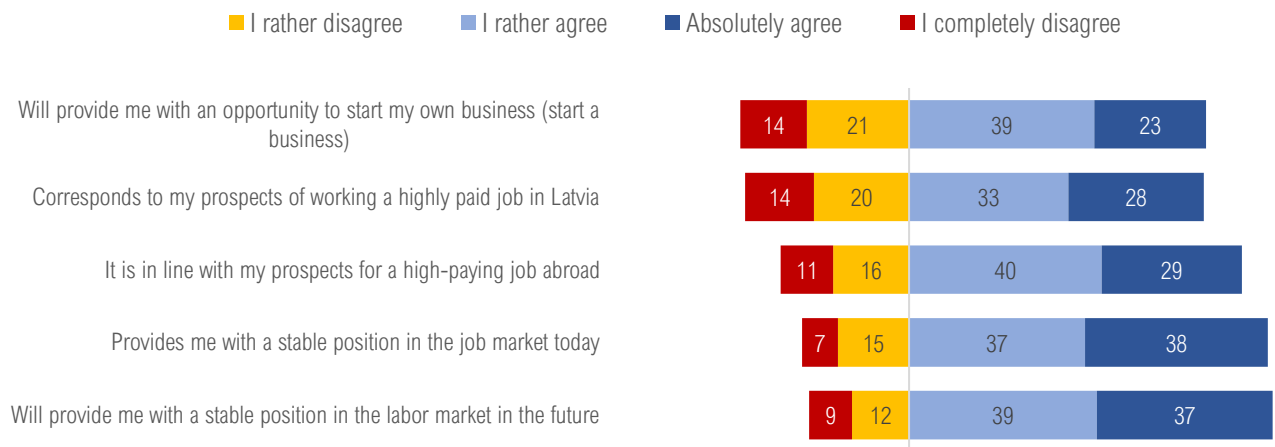
COMPETITIVENESS IN THE LABOUR MARKET AND BUSINESS (ENTREPRENEURIAL ACTIVITIES)

9. "HOW MUCH DO YOU AGREE WITH THE STATEMENT THAT NEW KNOWLEDGE AND SKILLS ARE NECESSARY TO ACQUIRE THROUGHOUT THE LIFETIME? DO YOU..."

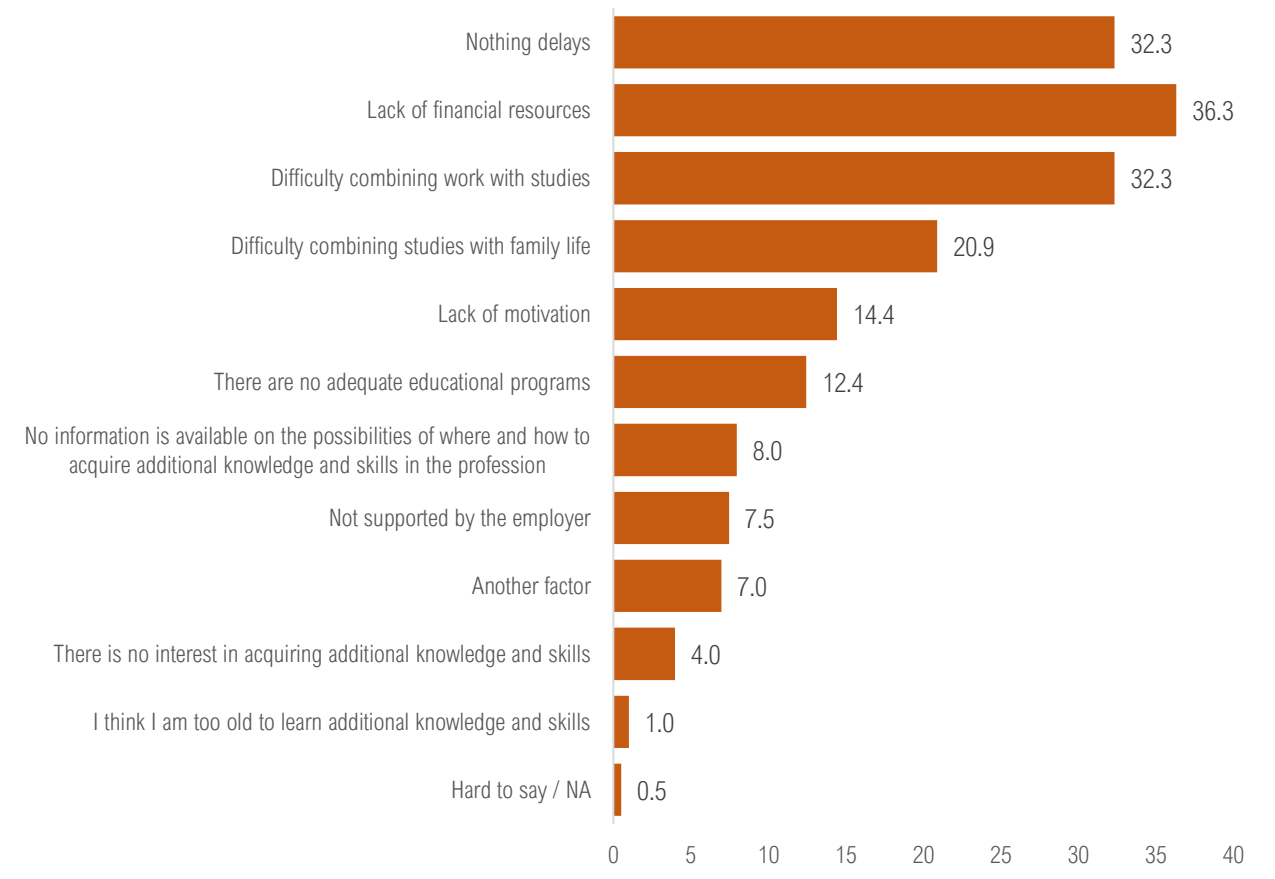


COMPETITIVENESS IN THE LABOUR MARKET AND BUSINESS (ENTREPRENEURIAL ACTIVITIES)

10. "NOW I AM GOING TO READ YOU SEVERAL STATEMENTS DESCRIBING THE ADEQUACY OF YOUR KNOWLEDGE AND SKILLS TO THE DEMAND OF THE LABOR MARKET . PLEASE INDICATE, DO YOU COMPLETELY AGREE WITH THE STATEMENT, RATHER AGREE, SOMETIMES DISAGREE OR COMPLETELY DISAGREE. SKILLS..."

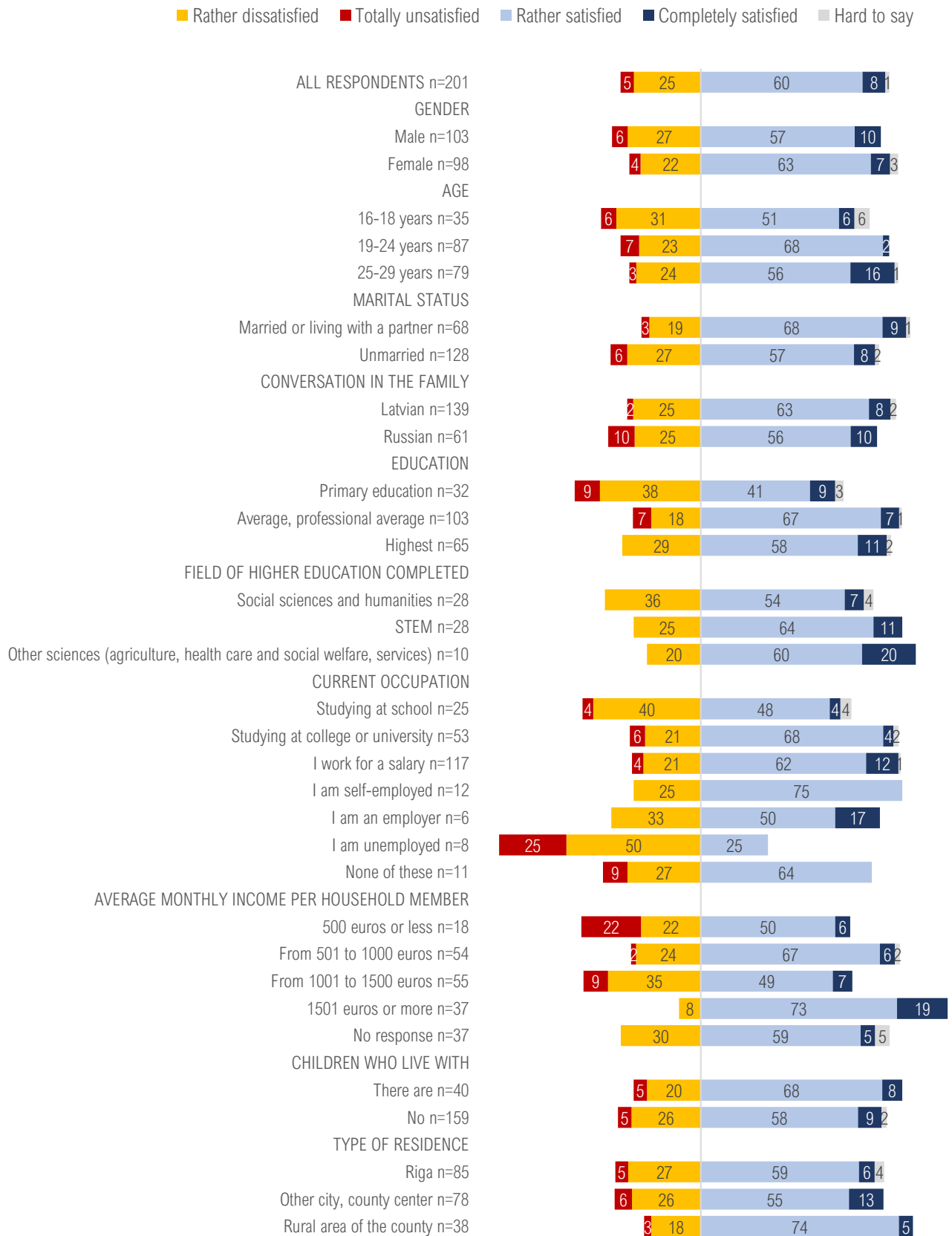


11. "ARE THERE ANY FACTORS PREVENTING YOU FROM GAINING ADDITIONAL KNOWLEDGE AND IMPROVING YOUR SKILLS TO INCREASE YOUR PERSONAL COMPETITIVENESS?"



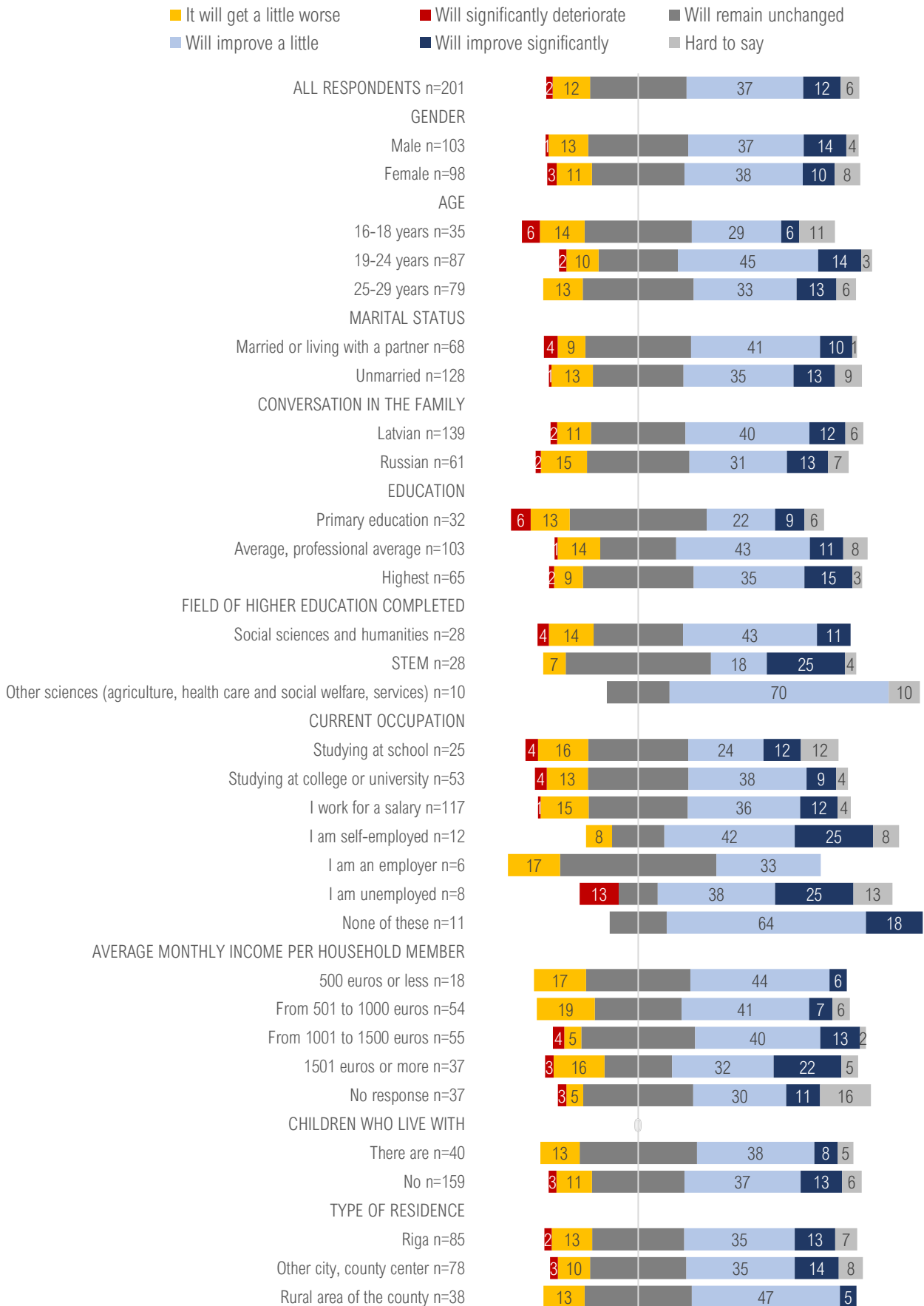
PERSONAL WELFARE AND SAFETY

12. "OVERALL, HOW SATISFIED ARE YOU WITH YOUR CURRENT FINANCIAL SITUATION? ARE YOU...?"



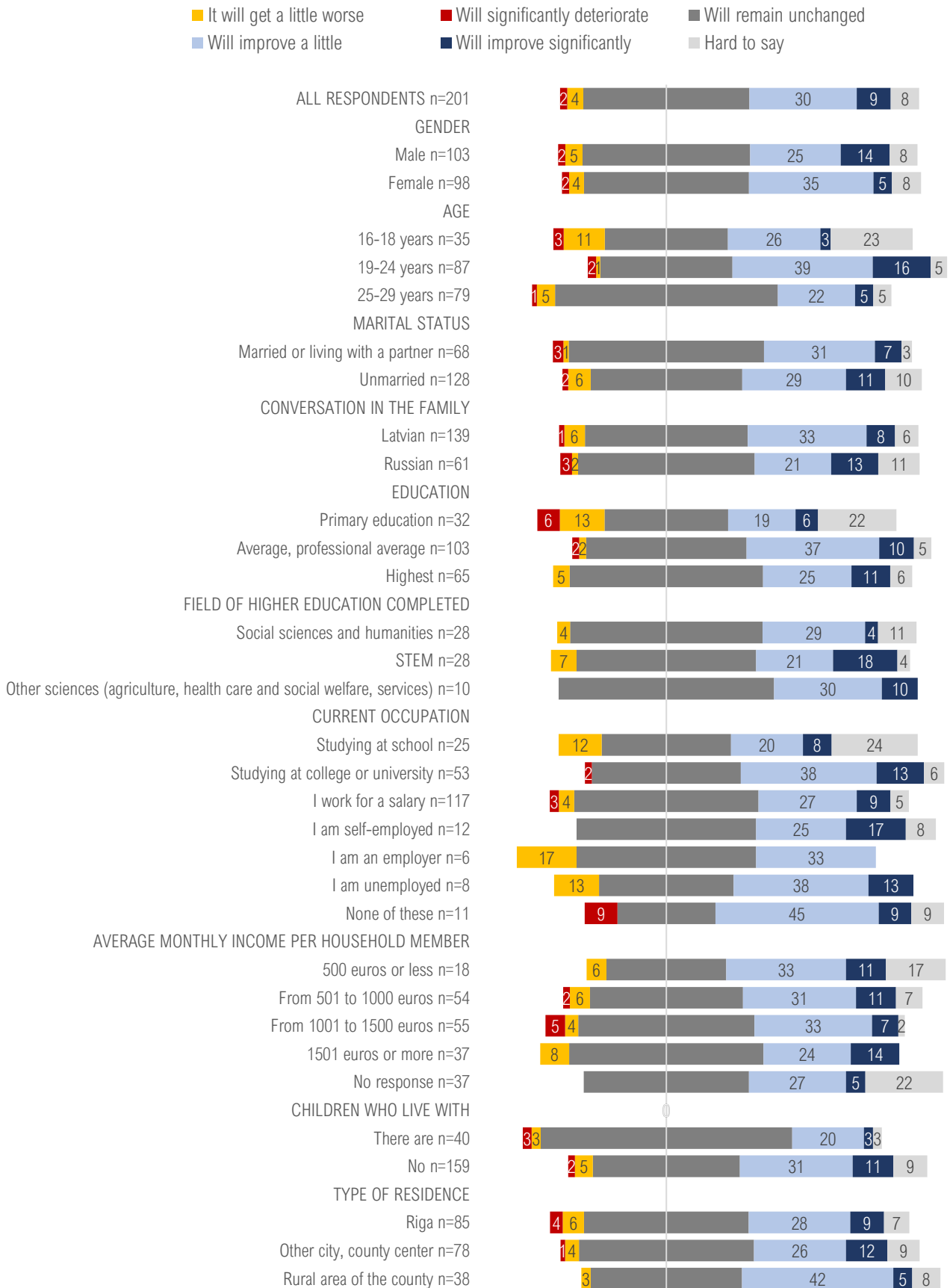
PERSONAL WELFARE AND SAFETY

13. "HOW DO YOU THINK YOUR FINANCIAL SITUATION WILL CHANGE IN THE NEXT 12 MONTHS? DO YOU THINK THAT...?"



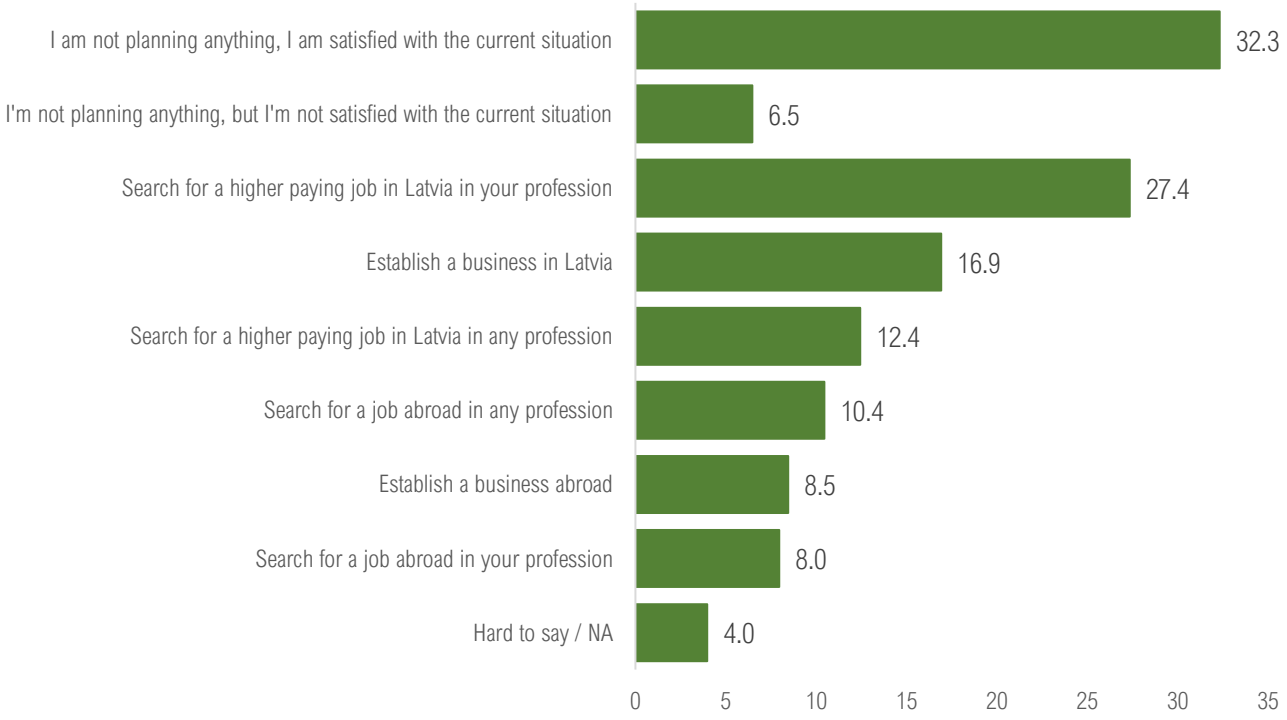
PERSONAL WELFARE AND SAFETY

14. "HOW DO YOU RATE YOUR CHANCES OF GETTING A BETTER-PAYING JOB IN THE NEXT 12 MONTHS? DO YOU THINK THEY WILL...?"



PERSONAL WELFARE AND SAFETY

15. "TO IMPROVE YOUR FINANCIAL SITUATION ARE YOU PLANNING TO DO ANY OF LISTED ACTIVITIES IN THE NEAR FUTURE?"



PERSONAL WELFARE AND SAFETY

16. "HOW MUCH DO YOU AGREE WITH THE STATEMENT: 'I AM CONFIDENT ABOUT MY FUTURE'. DO YOU...?"

