22 May 2009

Position Paper on the Stockholm School of Economics in Riga

1. Executive Summary

The FICIL believes that the Stockholm School of Economics in Riga (SSE Riga) is a valuable asset to the Latvian higher education system and contributes to the creation of a sustainable knowledge based economy in Latvia.

2. Recommendation/Suggestions

In order to ensure continued existence of SSE Riga, FICIL recommends that the Latvian government initiates negotiations with the Stockholm School of Economics, Sweden (SSE), as soon as possible, with the purpose to achieve, that the SSE Riga can continue operating with unchanged ownership, name and the SSE's responsibility for management as well as academic quality under the existing Law on SSE Riga; that the Latvian government allocates the limited funding necessary for the continued operation; and that the government considers a possible transfer of responsibility for SSE Riga from the Ministry of Education and Science to the Ministry of Economics, taking into account the close co-operation of SSE Riga with Latvian businesses.

3. Rationale

SSE Riga was founded in 1994. According to the Law on SSE Riga, it is a not for profit LTD. The LTD is owned 51 % by the SSE, Sweden, which is responsible for management and academic standard, and 49 % by the Ministry of Education and Science of Latvia. The SSE Riga provides a BSc program of 3 years and an Executive MBA program of 2 years (both accredited in Latvia and internationally). Each year SSE Riga admits 120 students from Latvia, Estonia and Lithuania to the BSc program and 20-25 students from all over the world to the EMBA program. SSE Riga has now almost 1500 BSc graduates and more than 100 EMBA graduates. About 1000 BSc graduates have decided to continue their carrier in Latvia and are contributing to the development of the Latvian economy.

The prevailing agreement between the SSE and the Latvian government, represented by the Ministry of Education and Science foresees a possible change of ownership on July 1 2010. At the same time the financing committed by the governments of Latvia and Sweden will come to an end. The present agreement gives a possibility from that date for a future taking over of the SSE Riga by an independent institution set up for handling higher education. Such an institution has been formed, the SSE Riga Foundation, which is duly registered in the Latvian company register. However, this Foundation has not yet been able to undertake the planned fund raising to make the future take over possible, since Latvia has not yet initiated the negotiations between the owners concerning the future.

SSE Riga has proved to be a very desirable place for higher education in Latvia, which is proved by the fact, that each year between 8 and 10 students have sought admission to each place available. The Financial Times has rated SSE Riga together with SSE Sweden in terms of quality as a business school as number 12 to 13 in Europe, which is by far the highest rating of any

Foreign Investors' Council in Latvia   1(2)
2 Elizabetes Street, room 539
World Trade Center "Riga"
Tel. +371 67217201; Email: ficil@ficil.lv
Web www.ficil.lv

institute in the East or Central Europe. SSE Riga provides all education in English, which makes SSE Riga attractive for foreign exchange students.

SSE Riga has since its start been strongly engaged in research on economic matters in Latvia and the other Baltic countries and its faculty has actively participated in the economic debate. SSE Riga furthermore has arranged conferences and lectures with the view to raise the level of awareness in the Latvian society on economic matters.

SSE Riga has also actively been exporting education to i.e. Belarus in the form of executive education.

SSE Riga has so far been financed by the Swedish and Latvian governments, the Latvian contribution being the smallest per student of any Latvian institute of higher education. After July 1, 2010 the Swedish government will no longer be allowed to finance SSE Riga. To compensate for this SSE Riga has introduced tuition fees on a level similar to the University of Latvia. No decision has been taken concerning continued funding by the Latvian government.