Chapter 7

A History of the Stockholm School of Economics in Riga

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ABSTRACT

The dissolution of the U.S.S.R. created a kind of higher education vacuum, especially in the disciplines of economics and business. The result was the development of a wide range of new educational initiatives by government, not-for-profit organizations, and foreign institutions. In 1994, the Stockholm School of Economics (SSE) opened a foreign branch campus in Riga, Latvia, the aim of which was to rehabilitate higher education in the Baltic countries, in the disciplines of economics and business. This chapter chronicles the history of the SSE in Riga. It begins with a brief introduction to the Stockholm School of Economics. It then traces the transnationalization of the SSE, with an emphasis on its foreign branch campus in Riga, Latvia.

INTRODUCTION

The Stockholm School of Economics (SSE), quoting from its official history (Rehnberg, 2009), was born from an international perspective. Indeed, its benchmarking efforts in the early years of its existence were aimed at making both the School and Swedish industry competitive in a global economy. The curriculum, with its emphasis on economics, was inherently international. And the study of foreign languages and the international exchange of instructors also guaranteed an international flavor… the first professor of commerce, for example, was actually from Germany, and he used German textbooks and taught lessons in the German language exclusively.
By the 1930s, the SS had also gained an international reputation for the quality of its economic research, largely due to the work of Bertil Ohlin (of the Heckscher-Ohlin model) and his colleagues, who collectively became known as the Stockholm school economists. In 1949, students from the SSE were among the first 89 students to participate in international exchanges within the aegis of AIESEC, the world’s largest international student association. And in 1975, long before international business became *de rigueur*, the SSE inaugurated the Institute of International Business in order to increase the international dimension in both the School’s research and teaching.

In 1994, however, the internationalization of the SSE assumed a new twist under its then President Staffan Burenstam Linder with the launch of a foreign branch campus in Riga, Latvia. According to many of his contemporaries, Linder had sensed the changes which were transpiring to the East, and when the U.S.S.R. dissolved, the Stockholm School of Economics in Riga (SSE Riga as it commonly known) was a logical step in facilitating Baltic citizenship for Estonia, Latvia, and Lithuania. It also mirrored the broader transnational higher education movement which was sprouting up around the world (most notably in Australia and the United Kingdom) which acknowledged the notion that institutions of higher education have a product which “can be manufactured, bought, and sold” (Muller, 1995) transnationally.

The purpose of this chapter is to chronicle the history of SSE Riga. It draws from a larger research project which explored the transnationalization of the SSE more generally. This research project adopted activity theory which viewed transnationalization as an activity, and activity system analysis which provided a framework for analyzing the transnationalization of the SSE. This chapter chronicles the history of SSE Riga. In doing so, it also contributes to the literature on transnational higher education. The chapter begins with a brief introduction to the SSE. It then traces the transnationalization of the SSE with an emphasis on its foreign branch campus in Riga, Latvia.

**THE STOCKHOLM SCHOOL OF ECONOMICS (SSE)**

The post-war period from 1950 to 1975 is often considered Sweden’s golden age, with annual growth rates in Gross Domestic Product (GDP) and foreign trade of 4.3% and 6.5% respectively (Schön, & Krantz, 2012). The foundation for this golden age, however, was established in the late nineteenth century, during which time the population of Sweden boomed, and the GDP grew by almost 70% (Rehnberg, 2009), a feat which is largely attributed to a confluence of economic, social, and political factors. Sweden increasingly became more integrated into the global economy,