

The TeliaSonera Institute at the Stockholm School of Economics in Riga: Activity Report 2005

Introduction

The year 2005 was the first year of full activity at the TeliaSonera Institute at the Stockholm School of Economics (SSE Riga). The Institute is a think tank whose aims are to promote and undertake high quality policy-oriented research in the fields of entrepreneurship, telecom and information technology. Furthermore the Institute should promote entrepreneurship in Latvia.

Research

The Institute's research activities during 2005 were organised around three themes: Entrepreneurship in Latvia, Entrepreneurship in an Enlarged Europe, and Women and Entrepreneurship in Latvia.

Entrepreneurship in Latvia comprises two projects *The Global Entrepreneurship Monitor* (led by Vyacheslav Dombrovsky) and *Productive, Unproductive and Destructive Entrepreneurship* (led by Arnis Sauka).

The Global Entrepreneurship Monitor constitutes Latvia's participation in the worldwide Global Entrepreneurship Monitor (GEM) study covering 35 countries through a cross-national assessment of entrepreneurial activity. GEM focusses on three main objectives (all of them highly policy relevant):

- To measure differences in the level of entrepreneurial activity between countries
- To uncover factors determining the levels of entrepreneurial activity (within a country)
- To identify policies that may enhance the level of entrepreneurial activity (within a country)

The TeliaSonera Institute is preparing a Latvian country report based on the 2005 survey. The findings will be presented at a TeliaSonera Business Day in late spring 2006.

The Productive, Unproductive and Destructive Entrepreneurship project focusses on various aspects of entrepreneurship and its contribution to economic development. During 2005 a survey of 133 small and medium sized enterprises in Riga has been carried out. This unique data set will be analyzed during 2006.

The paper *Who are the Latvian Entrepreneurs* by Arnis Sauka and written within the project was presented at the leading European conference in the field of entrepreneurship, Researching Entrepreneurship and Small Business (RENT) in Naples in November 2005. Furthermore the project has resulted in two more papers: *Productive, Unproductive and Destructive Entrepreneurship in an Advanced Transition Setting: the Example of Latvian Small Enterprises* by Arnis Sauka and Friederike Welter. The Paper will be presented at the European Conference on Entrepreneurship Research in Regensburg, 2006; *Assessing Moving Targets: Analyzing the Impact of Transition Stages on Entrepreneurship Development*, by Ruta Aidis and Arnis Sauka. The latter paper was selected as one of the most promising papers by the organisers of the 2005 RENT Conference.

Entrepreneurship in an Enlarged Europe is led by Friederike Welter and comprises two sub-projects; *Entrepreneurship in an Enlarged Europe* and *The Role of Personal and Family Background on Entrepreneurship in a Post-Soviet Context*.

The Entrepreneurship in an Enlarged Europe project is carried out by Friederike Welter. Findings from this project were presented at the TeliaSonera Professor Inaugural Lecture by Friederike Welter. The findings are further developed into a research report which will be published in the TeliaSonera Discussion Paper series in 2006.

The Role of Personal and Family Background on Entrepreneurship in a Post-Soviet Context project is joint work by Friederike Welter and Vyacheslav Dombrovsky. The project has resulted in a research paper that will be presented at the best academic conference on entrepreneurship, the Babson Entrepreneurship Conference in 2006 in the U.S.

Women Entrepreneurship in Latvia is led by Friederike Welter and involves Susanne Kolb as well. The report that served as the basis for the 2005 TeliaSonera Business Day on Women and Entrepreneurship was prepared within the project. The project includes a statistical overview on women and entrepreneurship in Latvia, an extensive review of the literature in the field and of previous studies as well as interviews with women in leading positions in Latvian small and medium sized enterprises. The findings will be presented in a TeliaSonera Discussion Paper in 2006.

Outreach activities

The TeliaSonera Institute has organized a number of outreach activities with the aims of communicating research undertaken at the Institute and promoting a public debate in its fields of activities; The TeliaSonera Business Day on Women and Entrepreneurship; the Latvia – U.S. Entrepreneurial Forum; a seminar on the EU New Regulatory Framework; the TeliaSonera Professor Inaugural Lecture; a number of activities involving the leading Latvian journalists in the fields of business and telecom; a seminar on privatisation and entrepreneurship in London in cooperation with the School of Slavonic and Eastern European Studies at University College London; a project for the Latvian Ministry of Economy; a seminar on Venture Capital in Latvia together with Connect Latvia. In addition the TeliaSonera Institute and the Stockholm School of Economics in Riga were represented at the Latvian President's state visit to Sweden.

The TeliaSonera Business Day in the fall of 2005 focussed on Women and Entrepreneurship. Original research prepared by researchers at the TeliaSonera Institute was presented and discussed. Among the speakers were leading researchers in the field presenting findings from New Zealand and the U.S. as well as practitioners from Latvia. Approximately 80 persons attended one or several sessions of the seminar, among them were governmental representatives, diplomats, academicians and NGO representatives.

The Latvia U.S. Entrepreneurial Forum was organized in cooperation with the U.S. Department of Commerce. Various aspects of entrepreneurship (entrepreneurial training; innovation – transferring government and private research into commercially viable products and services; legal and regulatory infrastructure – frameworks for starting, building and operating enterprises; capital formation – structures for making capital available to early stage enterprises) were discussed by a panel of U.S. and Latvian experts. A White Paper from the

Forum will be prepared and presented to the Latvian Government. The Forum was opened by representatives from the Latvian Ministry of Economy and the U.S. Embassy. Approximately 90 persons attended one or several sessions of the seminar, among them were governmental representatives, academicians, and NGO representatives.

The EU New Regulatory Framework in the field of telecommunications was discussed at a full day seminar open to participants from the regulatory and competitive authorities in the Baltic countries. Around 20 persons attended. A report on the new regulatory framework was prepared and presented by the TeliaSonera Institute. Presentations were also made by experts in the field from the U.K., E.U, and the Baltic countries. The report on the new regulatory framework was later presented at a seminar organized at the Stockholm School of Economics (in Stockholm).

The TeliaSonera Professor Inaugural Lecture was given by Friederike Welter in early 2005 and covered *Entrepreneurship in an Enlarged Europe*. The Lecture is currently being rewritten and will be published in the TeliaSonera Discussion Paper series during 2006. The Lecture was attended by approximately 70 persons representing academia, governmental and private organisations.

The Journalist Activities comprised two journalist lunches and one study trip to London. The journalist activities were open to the ten leading Latvian journalists in the fields of business and telecom. The two lunches covered the telecom sector and company valuation, respectively. The study trip to London focussed on privatisation and entrepreneurship and involved meetings with representatives of the European Bank for Reconstruction and Development (EBRD), Morgan and Stanley, TeliaSonera as well as participation in a seminar co-organized with the University College London (see below).

The London Seminar on Entrepreneurship and Privatisation was organised in cooperation with the School of Slavonic and East European Studies at the University College London. Among the speakers at the seminar were leading academicians in the fields from the London School of Economics, University College London, Kingston University as well as practitioners from the public and private sectors covering various aspects of entrepreneurship (with a focus on the Central and Eastern European experience) and privatisation (with a focus on the British experience). Approximately 35 participants attended the seminar.

Cooperation with the Latvian Ministry of Economy was established through the project *Competence Centres in Latvia – developing a model for better cooperation between science and entrepreneurship* involving researchers at the TeliaSonera Institute. The report was submitted to the Latvian Ministry of Economy in December 2005.

The Venture Capital Seminar was organised by Connect Latvia in cooperation with the TeliaSonera Institute and the Stockholm School of Economics in Riga. The seminar, held in Latvian language, was a sequel of the 2004 TeliaSonera Business Day on Venture Capital in Latvia. The seminar covered various aspects of venture capital and how to improve the situation in Latvia as well as the establishment of Latvian business angel network. Approximately 40 participants representing various stakeholders attended the seminar.

The TeliaSonera Institute Discussion Papers

The TeliaSonera Institute Discussion Paper series publishes research undertaken at the TeliaSonera Institute. Three papers have been published. The first Paper, *Venture Capital in Latvia* (by Vitas Dijokas and Alf Vanags), discusses the research presented at the TeliaSonera Business Day on Venture Capital held in 2004. The second Paper, *Entrepreneurship in Latvia: A Comparative Perspective* (by Vyacheslav Dombrovsky and Ieva Ubele) discusses the research presented at the TeliaSonera Business Day on Entrepreneurship in Latvia held in 2004. The third paper, *Challenges of the EU New Regulatory Framework (NRG) in Electronic Communications: An Economist's Perspective* (by Alf Vanags), covers the material presented at the 2005 seminar on the New Regulatory Framework.

The fourth and fifth Discussion Papers are under preparation. The fourth Paper will cover the findings presented at the TeliaSonera Business Day on Women and Entrepreneurship. The fifth Paper will be built on Friederike Welter's Inaugural Lecture and will cover various aspects of entrepreneurship in Central and Eastern Europe.

Research Staff

The following researchers have been involved in the Institute's activities during 2005:

Friederike Welter, TeliaSonera Professor

Alf Vanags, Director, Baltic International Centre for Economic Policy Studies (BICEPS)

Vyacheslav Dombrovsky, assistant professor, SSE Riga and researcher BICEPS

Arnis Sauka, Ph.D. candidate, SSE Riga

Susanne Kolb, Ph.D. candidate, University of Siegen

Karlis Kreslins, assistant professor, SSE Riga

Mark Chandler, assistant professor, SSE Riga

Jurgita Baltrusaityte, assistant professor, University of Illinois at Chicago

Ruta Aidis, Lecturer, School of Slavonic and East European Studies, University College London.