

RESEARCH

DEMAND AND POTENTIAL FOR INSTITUTIONALIZING INTERDISCIPLINARY DESIGN HIGHER EDUCATION PROGRAM IN LATVIA

SEPTEMBER – DECEMBER 2007

Commissioned by:	 JAUNRĪGAS ATTĪSTĪBAS UZŅĒMUMS Andrejostas iela 6, Rīga, LV-1045 All information contained herein is owned by the Customer.
Conducted by:	 RĪGAS EKONOMIKAS AUGSTSKOLA STOCKHOLM SCHOOL OF ECONOMICS IN RIGA Strēlnieku iela 4a, Rīga, LV - 1010
Working group led by:	Roberts Ķīlis
Author:	Rita Kaša, PhD



RĪGAS EKONOMIKAS AUGSTSKOLA
STOCKHOLM SCHOOL OF ECONOMICS IN RIGA
Stokholmo Aukštoji Ekonomikos Mokykla Rygoje ♦ Stockholmi Kõrgem Majanduskool Riias

RESEARCH REPORT

Demand and Potential for Institutionalizing Interdisciplinary Design Higher Education Program in Latvia

By Rita Kaša

November 2007
Riga

Summary statement

This study was set out with a purpose to determine characteristics of the demand for creative entrepreneurship (in official documents in Latvia called *creative industries*) education program in Latvia. During the data collection phase, it was established that the area of design has the most potential to form a broad base for interdisciplinary education program that would integrate various fields of knowledge starting from architecture, product and service design and extending to all kinds of other activities that form human experiences.

Methodological approach in this study involved three components. First were semi-structured face-to-face interviews with stakeholders in the area of design, as defined in very broad terms, who were entrepreneurs, education professionals, governmental and municipal officials, and artists. Second, a review of relevant governmental documents as well as literature pertaining to design education in Latvia was performed. Finally, international practices and experiences in creating and carrying out interdisciplinary education programs for design, as broadly defined, were investigated using internet resources.

This report concludes with recommendations on a possible scenario for implementing an interdisciplinary higher education program for design in Latvia. Creation of a new Master level program at Stockholm School of Economics in Riga (SSE Riga) is suggested.

Content

Introduction	4
Description of the study	6
Interview data	9
Demand (and supply) of creative industries higher education	9
<i>Entrepreneurs and practitioners</i>	9
<i>Officials of governmental agencies</i>	11
<i>Representatives of academic institutions</i>	13
Potential contribution	16
<i>Entrepreneurs and practitioners</i>	16
<i>Officials of governmental agencies</i>	16
<i>Representatives of academic institutions</i>	17
Prior visions on reforming design education in Latvia:	
Description and comments	19
Description of proposed reforms	19
Comments on inability to implement reforms suggested	21
The best international design education experiences	22
Overview about schools included in the area of design	22
Examples of Top 60 design schools by <i>BusinessWeek</i>	24
Recommendations for institutionalizing a new Masters Degree program for multidisciplinary design education in Latvia	31
Institutional collaborations	31
Management of the program and curriculum	32
Budget	38
Further actions for developing a new MA level education program for design, management, and innovations	42
References	43

Introduction

The current study was set out with a purpose to determine characteristics of the demand for creative economy (in official documents in Latvia called *creative industries*) education program in Latvia.¹ The *National Development Plan (2006)* in Latvia defines creative industries as “activities that originate in an individual’s creative work, skills and talents and that, in constituting and using intellectual property, have the potential to increase welfare and create jobs. These activities include architecture, advertising, art and culture industries, design (e.g., fashion, graphic design and applied arts), film, computer games and interactive software, music, new media, publishing, radio, and television). Manufacturing the products of creative industries is a complicated process in which, with the cooperation of the public, private and NGO sector, there is an interaction among conceiving, realizing and disseminating ideas” (p. 20). Thus, in accordance to the official definition, further in the paper the terms creative industries will be used where appropriate.

During the data collection phase, it was established that the area of design has the most potential to form a broad base for an interdisciplinary education program that would integrate various fields of knowledge starting from architecture, product and service design, and extending to all kinds of other activities that form human experiences. Furthermore, it was also found out that the new education program for design should be carried out on the level of higher education. Such conclusions were arrived at when examining the prior research and activities on creative industries in Latvia, conducting interviews with participants in this study as well as proceeding with analysis of international experiences in the area of education for creative industries. Thus, rather than dealing with the concept of creative industries at large, this study has narrowed its focus on design as the key concept that encompasses multiple needs of creative economy. Also, based on the data in this study, this report concentrates on developing a higher education program that would combine theoretical and practical knowledge in the area of design, business, and innovation.

The first major study in Latvia to examine issues of the place of design and design education in Latvia’s economy was carried out by Mollerup (2004). This study concluded that the level of general education about design and its broad application opportunities for increasing the added value of economy and facilitating sustainable development is low in Latvia. The study stated that “Latvian designers suffer from an outdated education with an exclusive focus on art and materials, and they have no research training. Latvian designers also know little about business, marketing and consumer behaviour. The fact that Latvian designers have little international contact is an even more serious problem.” (Mollerup, 2004, p. 4) One of the recommendations that this study produced was to

¹ The terms creative economy and creative industries are often used interchangeably. Among many, a few sources for more information on theoretical definition of the terms are Caves, R.E. (2000). *Creative Industries: Contacts between art and commerce*. Cambridge, MA: Harvard University Press; Florida, R. (2002). *The rise of the creative class. And how it's transforming work, leisure and everyday life*. New York, NY: Basic Books; KEA European Affairs (2006). *The economy of culture in Europe*. Study prepared for European Commission, Directorate-General for Education and Culture.

increase the number of foreign lecturers and researchers in the area of design and to develop a new education program for design.

Several studies that come forward with an outline for institutionalizing a new modern design education in Latvia have been completed (Abele & Licite, 2003; Pauna, Abele, Kundzina, 2006; Rode, 2006). All these studies propose implementing a new higher education program in design that would integrate practical and theoretical knowledge of students as they would be involved in performing real-life demand projects linked to design. However, none of these proposals for creating a new cutting-edge design higher education program in Latvia has been implemented up to date.

The study of mapping factors that have been blocking reforms for modern design education in Latvia finds that most problems are associated with Latvia's Academy of Arts (LAA) and the environment of designers in Latvia in general (Kalnins & Persevics, 2005, pp. 15–17). The analysis in this study shows that “LAA is not able to implement significant reforms in the framework of the current structure. Therefore, in order to reform design education, the structure of LAA needs to be altered or reforms [of design education] need to be performed outside the administrative structure of LAA” (p. 17). In terms of how the social environment of designers impacts design education reforms, the study finds that professionals in the area of design education are expecting changes, however, are afraid to initiate major changes themselves. It also concludes that there is no one strongly unified group of designers that would be able to initiate and lead major reforms. Furthermore, perceptions of selves as artists rather than business professionals dominate the social environment of designers. Additional factors blocking reforms in design education on the tertiary level found by Kalnins and Persevics (2005) include those associated with the state and funding. Kalnins and Persevics point out that the process of a new academic program licensing is complicated and slow affecting possibility of dynamic changes; there are not sufficient financial resources for improving the quality of academic teaching force; although the stakeholders expect it to come about, there is no governmental policy for the sector of design.²

The goal of the current study is to assess the demand and offer a model for implementing a modern and internationally competitive interdisciplinary higher education program for design, maximally avoiding and, if possible, overcoming the factors that have been blocking such reform hitherto. This study builds on the knowledge of the field generated by prior research as well as original data collected for the purpose of this study. This study distinguishes between three groups of stakeholders impacting implementation of a potential new education program:

- 1) State: it is represented by national, local, and international governmental institutions;
- 2) Academic oligarchy: it is represented by institutions of professional and higher education;

² Other countries, however, do have such policies. See, for example, Finland (Design strategy 2006 – 2010 <http://www.designforum.fi/strategy>) and Denmark (Government's resolution on design <http://www.oem.dk/publication/dk-culture/kap04.htm>).

3) Market: it is represented by entrepreneurs and practitioners.

This study examines perceptions of these stakeholders in the following aspects: (1) demand for a new higher education program for design that includes an assessment of the current design higher education supply; and, (2) their commitment to practically contribute to successful implementation of a new higher education program for design. Interview data for the study was collected in September 2007.

This report proceeds with the description of methodology employed in the study; presentation of interview data in the study; review of hitherto suggestions for reforming design higher education in Latvia and comments on these suggestions, based on the original data from the study; a review of international design higher education programs; and recommendations for implementing a new design higher education in Latvia.

Description of the study

Qualitative semi-structured expert interviews form the original data collected for this study. Experts interviewed represent three groups of stakeholders who potentially will impact implementation of a new interdisciplinary higher education program for design. These stakeholders represent three corners in higher education coordination triangle which are the state, academic oligarchy, and market (Clark (1983) as quoted in Goedegebuure et al, 1994, p. 4). Interplay between these stakeholders creates dynamics of reform initiative and reform resistance/ignorance that impact implementation of a new higher education program. This theoretical assumption forms the conceptual framework in this study.

The state is represented in this study by national, local, and international governmental institutions. Representing the national level, experts were interviewed at the Ministry of Culture (two experts) and the Ministry of Education and Science (one expert). An official was interviewed at Riga City Council, representing the local level. International governmental institutions whose representatives were interviewed for the study are the British Council and the Nordic Council. While the ministries, the city council, and international governmental bodies are distinct institutions and their competences in supporting creative industries higher education in Latvia are very different, they are all grouped here together as they are associated with pursuing public policy goals.

Academic oligarchy is represented in this study by LAA, College of Art and Design in Riga (CADR), and Stockholm School of Economics in Riga (SSE Riga). The choice of these institutions of higher education was determined by the perceived intensity of their engagement in issues of modernizing higher education for creative industries. In all previous studies and reports on design policy and education, LAA is treated as the central venue, and this study followed the suit. CADR was selected due to its academic staff engagement in advancing sectoral policy of design in Latvia. SSE Riga has a consistent record of promoting the concept of creative industries and is exploring directions for offering new programs of higher education on the graduate level.

Market representatives interviewed for the study include respondents from *Dd Studio*, *Omni Riga: Brand Consultants*, *Orbita*, *Jaunrigas Attistibas Uznemums*, *Microsoft*, *Radosas Ekonomikas Instituts*, and *Latvijas Radoso savienibu padome*. Interviewees from *Dd Studio* and *Omni Riga: Brand Consultants* are relatively closely linked to LAA as its former graduates and professionals working in the sector of design and advertising. The representative of *Orbita* is a writer, and in his work he integrates text, design, and music. The representative of *Jaunrigas Attistibas Uznemums* chairs the company, which is a developer of urban territory in Riga. The representative of *Microsoft* is a responsible for education programs according to the company's strategy *Partners in Learning* (K-12 level). The representative of *Radosas Ekonomikas Instituts* is a director of this network organization established to promote exchange on issues of creative economy. Finally, the representative of *Latvijas Radoso savienibu padome* is an actress and the chair of the council of creative professionals' associations.

Participants in this study were asked questions inquiring about interviewees' perceptions in relation to: (1) demand for a new higher education program for design and assessment of the existing supply; and (2) their commitment to practically contribute to implementation of a new higher education program for design.

Previous research on need and possibilities to implement a new design education program in Latvia was reviewed for this report. Findings in this prior research serve as benchmarks, where they are comparable with the focus of this study, for determining whether and how situation has developed. Also, internet-based research about international top-quality design education schools has been conducted in the search for a possible model of higher education that could possibly be adapted in Latvia's context.

Interview data

Demand (and supply) of creative industries higher education

Summary statement: Interviews with participants in this study show that there is a demand for modern education in creative industries. Interviews also show that design is a concept that comes forward immediately as the area where education should be modernized for purposes of creative economy. When talking about areas that should be improved in design education, interviewees, who acknowledge such a need at all, mention product design, urban design, digital design, and other forms such as, for instance, experiential design. Agreement emerges from most interviews that there is a need for a modern Masters degree level program that would integrate design, business and technologies; have good theoretical as well as hands-on practical training where students would gain experience in all stages of product development and distribution in the market. Characteristics of demand for modern education rest on the continuum of supply as participants in this study are discussing shortcomings of the current higher education supply and thus indicating areas of demand for improving higher education provisions.

Entrepreneurs and practitioners

Interviewees who represent market in this study, namely entrepreneurs and practitioners, are positive about the need for a modern design education. Currently many entrepreneurs, whose business requires that their employees have interdisciplinary skills in art, business, and technology, are sending them to obtain such higher education abroad, because there are no such interdisciplinary programs of high quality in Latvia. Entrepreneurs also point out that there is a problem to select employees from the current pool of higher education graduates. One of the interviewees says: “It is a problem to select a specialist. I need to look for people who fit at least somewhat [for the needs of the company]. These new employees need to be re-trained to be able to view the world and to connect various things. If I hire just an artist, I need to allocate a lot of time for teaching them technologies and economics, so that they can understand the context. If I hire a design technician, I need to teach them to view the world. Each of them has received training in only their narrow field”.

Entrepreneurs see that people would be ready to pay for good interdisciplinary training in higher education for creative industries. The condition though is mentioned that potential students need to see that the kind of education they will receive will benefit them in their daily work. It is emphasized that the conceptual platform for the new higher education program should be broad enough to accommodate any changing circumstances in the market. A point is also being made that a Masters level degree educational program would be needed.

While there appears to be a general agreement among participants in this study about design as a platform for modernizing higher education for creative economy (it

incorporates digital design, urban design, product design, etc.), some points about classical arts education are also made. One interviewee points out that in the area of digital design he would hire people with good understanding in business, yet also with training in classical arts because, as he argues, classical arts training “teaches to view the world”. Someone else, again, says that sometimes classical arts training and respect for its canons restricts reaching out for non-standard solutions. LAA is the only institution for higher education in arts in Latvia. There is positive assessment of LAA classical arts training. However, many interviewees critique LAA education as unsuitable for interdisciplinary work that would involve design, business and technologies. One of the employers brings up lack of self-criticism of their knowledge among many LAA students as an issue for advancing their skills and knowledge in arts, design, and other areas. Referring to a different school, Baltic International Academy which provides a program in design education, the same respondent acknowledges that students who work in his company from this school need to develop on their practical skills as well. At the same time, several interviewees also point out that there is a need to educate business people about the value of arts; current understanding about art and poetry as tools for business in creating capital is low among entrepreneurs. Social spaces of businessmen and artists/designers currently are separate.

While approving the need for interdisciplinary well-educated professionals from different fields to work in the creative economy sector in Latvia, a couple respondents raise an issue about whether there will be companies to hire such specialists in Latvia. At the same time, all respondents voice the need for the new higher education program to be internationally competitive, so that its graduates are internationally competitive as well. Some refer that students from all Baltic States should form the pool for this education program; some say that Russia’s students should be recruited as well because they may be very attracted to Latvia due to its linguistic and cultural specifics and also because there is large interest in Russia about learning “European design”. Some also think that higher education costs for international students in Latvia will still be lower than in many other places in Europe for the kind of high quality education that they will receive, and therefore studying in Riga could be attractive.

When talking about what kind of higher education program the new program should be, entrepreneurs emphasize the result that it would generate – well-trained multi-skilled professionals for various creative industries – as important. Some of them outline possible strategies for creating such a program. One entrepreneur emphasizes that the program should be taught not just by theoreticians (as it is common in most Latvia’s schools at the moment) but by practitioners in respective business areas. The current supply of higher education is too distant from the real life requirements. The same interviewee emphasizes that the supply of new education should be grounded in partnerships between various disciplines and universities in order to enable the exchange of academic ideas. Several interviewees currently observe a tendency that institutions of higher education in Latvia diverge as they each try to pursue some kind of their own interests concerning design education; they compete rather than partner. As a result, due to limited human and material resources in the country, current supply in education for creative industries is fragmented. Several respondents suggest that the new interdisciplinary higher education program should be implemented outside the existing group of higher education institutions in order to minimize factors that would delay

implementation of a new program. One interviewee, however, suggests that LAA should be considered for the partnership because of the classical arts education that it provides in Latvia. At the same time, interviewees acknowledge that changing existing structures of institutions of higher education may be too hard because of institutional fear to lose their resources and influence the result of restructuring, and therefore creating a new institution would be more efficient. According to several interviewees, LAA is dominated by conservative academics that hinder reforms for restructuring and development; its education is local market oriented. Even though there are several people involved with LAA who endorse reforms, there is no cooperation between them as one of the interviewees in this study points out. Critical comments about education as out-dated and out-of-touch with reality are also made about the School of Architecture at Riga Technical University (RTU). A scenario mentioned for the new type of education is a joint program between two or more institutions of higher education where students would defend their thesis before an interinstitutional commission of academics. Partnerships with international institutions of higher education for promoting design education in Latvia are endorsed. Respondents mention institutions in Scandinavian countries as potential partners in cooperation for modernizing design, in the broad sense of the term, education in Latvia.

When discussing the supply of teaching force for a new program, entrepreneurs agree about the need to rely on internationally recruited next to local faculty. Possibilities for recruiting practitioners as teaching force in the program are viewed differently. While one respondent says that remuneration is an issue as good pay is expected, another interviewee reasons that entrepreneurs might be interested in doing such academic work if they see benefit spillovers for their company (e.g., their employees are enrolled in the program).

Officials of governmental agencies

Officials of governmental agencies, who represent in this study state, are a group who is not as homogenous in its quest for a new interdisciplinary higher education program in design, in the broad sense of the term, as representatives of the market. The greatest divergence is observed between the Ministry of Education and Science (MOES) and the Ministry of Culture (MOC).

MOC acknowledges the need to modernize this education branch and has tried to enhance dialogue between institutions of higher education in Latvia that provide programs in design. Officials at the ministry see a potentially growing demand for interdisciplinary design education at the tertiary level as currently there are investments made to modernize this education at the level of professional secondary education. At the same time, although MOC cooperates with entrepreneurs in respect to design, one its official says that entrepreneurs are not very active in formulating the demand for well prepared design professionals. Here she sees a problem of insufficient knowledge about design among people who should form supply of design higher education as well as demand; the understanding of the design concept and its application in higher education is very shallow on both ends of the continuum. At the same time, already now MOC observes that current design education lags behind the market needs. Gaps in knowledge

are identified in design management, service design, and theory of design. According to the interviewees, current design higher education programs in Latvia's institutions of higher education lack clear objectives and do not apply modern curriculum; there is no mechanism for acquiring systematic feedback from graduates and their employers on the quality of education. Meetings of MOC and institutional representatives reveal that a partnership oriented dialogue does not take place between various tertiary institutions that implement design education programs; they perceive each other as competitors rather than mutually benefiting collaborators; each of them is implementing their own program, thus, further fragmenting resources available. It is acknowledged that reforms of design higher education are needed. An interviewee points out a core problem to stagnation, referring to the resistance of LAA to tighter collaboration with enterprises due to its fear of losing artistic grounds. Limited knowledge of foreign languages among LAA faculty is mentioned as a constraint on modern design education supply. MOC representative also identifies resistance to change at the School of Architecture at RTU; while MOC views education provided by the school as problematic, the school is satisfied with itself.

When discussing possible changes in provisions of modern design education, MOC officials emphasize the need to learn from Scandinavian experience. An aspiration is voiced that local institutions of higher education should cooperate among themselves in order to supply modern interdisciplinary design education. One of the officials interviewed views that it is better to build cooperation between local universities rather than engaging with international partners. It is pointed out that LAA teaches the design component, and business components should be added. On the other hand, an issue of insufficient supply and quality of the local teaching force to implement a modern design education curriculum is brought up.

Contrary to MOC, a representative at the Ministry of Education and Science does not see a special urge for interdisciplinary design education although he does not deny it either. According to the official, if there is such a need, then a new program at some existing institution could be created; an institution of higher education can develop a new education program and receive a licence. This higher education official is not positive about the necessity for a new institution of higher education that would provide modern design education but approves of a new program. MOES does not set strategic guidelines for higher education program development. Initiative and demand should come from universities and entrepreneurs. The official names various scenarios for how it could be done such as partnership between two or more institutions in the framework of one academic program; foreign institutions can be partners. Contrary to officials from the Ministry of Culture, the representative of MOES characterizes collaboration between the two ministries as successful and says that if MOC thinks that new design education is necessary, then MOES would not have any objections to that. There would not be a problem if a new study program is created between two institutions – one under the supervision of MOES and another one under the supervision of MOC. Governmental funding would be given to the institution that enrolls students in the program, because financial resources can be allocated to fund students in state funded slots. In other words, governmental funding would be allocated to the institution where students are admitted to state funded places and do not pay tuition.

Demand for creative industries education is also forming at the municipal level. Riga City Council is engaged in the effort to define what creative economy means for the municipality and how municipality could benefit from it. The municipality is engaged in MaltMet Creative project. This project aims at exploring creative industries in the Baltic Sea region and utilization of these industries to enhance creative industries regionally and globally. RCC is positive about promoting modern higher education for creative industries and has experience in cooperating with institutions of higher education in respect to urban design (vides dizains). In sum, there is understanding at the municipal level about the need to promote tools for advancing creative industries. Although design is not outlined as the key concept but one of the concepts in the search for a better understanding about creative economy, it penetrates the conversation when creative industries are discussed.

Activities of international governmental institutions in Latvia reflect demand for improving education for creative industries in Latvia. That is, organizations such as the British Council and the Nordic Council identify their interest in carrying out and supporting by means available to them activities related to advancing creativity, entrepreneurship and innovations in the region and in Europe in general.

Representatives of academic institutions

Representatives of educational institutions interviewed for the study represent academic oligarchy which plays an influential role in determining current supply and shaping demand for modern education for creative economy. Although most interviewees of this group affirm an urgent necessity to reform education of design, data also indicates resistance to fundamental reforms for modernizing design education among LAA leadership.

Interviews with academicians show demand for professional designers in the market. However, it is also acknowledged that businesses do not quite understand how much added value their companies can gain from good design. Thus, from academicians' perspective the demand for modern design education is not very clear in the market. At the same time, interviews with most respondents in this group show many issues in the quality of the current design higher education. Current education supply is criticized as not meeting the needs of modern economy. As one interviewee puts it, awareness about design as an integral part of economy needs to be increased in all sectors, and the sector of education is the one where it is easiest to start this change. In other words, a need to reform higher education in design is affirmed.

There seem to be resistance, however, to such reform on the level of LAA leadership that does not see a problem in the area of design education. The leadership of LAA views design education supplied by the Academy as modern and responsive to the market needs. It is pointed out that there is no unemployment among LAA graduates; that students in design are looked for by companies in the first year of their studies; that design students are exposed to international experiences in exchange education and internship programs; that overall design education at LAA meets very high standards and that unique objects design (unikālais dizains) is in a great standing. It is emphasized that students at LAA receive good education that encompasses training in classical art and

modern technologies. Collaboration between LAA and enterprises in the area of design is described as rather limited yet with a future potential. Companies start looking for new ideas in design although there is still some reluctance among companies to embark on innovations. When talking about stronger ties with the business sector, the leadership of LAA voices a concern about education being commercialized; he stresses that students should not be required to produce an immediate result but should be given opportunities to experiment; currently business people do not understand that young professionals cannot produce a result in “five days”, says a LAA high-level official. He also thinks that MA level studies at LAA bring students to a different level of education than BA program in design, because there is more choice for students to focus on art or not. As areas for possible improvement, this LAA high-ranking representative mentions an increasing interdisciplinary education component in the area of management and technologies as well as inviting more exchange faculty members from other countries. This interviewee repeatedly declares that LAA is open to collaborations with other institutions of higher education in the area of design. However, he is reluctant to discuss why hitherto collaboration within the framework of the Design Foundation has not been successful among tertiary institutions, one of which being LAA. When asked about reasons why there is continuous fragmentation of resources due to lack of partnerships between tertiary institutions, he says he is a patriot of LAA and open to review proposals for collaboration on mutually beneficial grounds. At the same time, there is competition between tertiary institutions, as this respondent points it out.

Another interviewee from LAA, who is in favor of design higher education reform, describes experiences of being marginalized at LAA by the institution’s leadership after taking initiative to enact design education reform at the institution. This respondent refers to the study by Mollerup (2004) that recommends separating design education from arts education in order to improve the standing of the latter as being negatively received by LAA leadership. She criticizes current design education at LAA as outdated, yet all its graduates work in the area of design. Another interviewee puts that classical arts education with little practical application dominates at LAA. This interviewee from an institution outside of LAA also acknowledges that Academy is stagnant and skills as well as work ethics of a large part of the faculty there are not well suited for implementing modern education. She characterizes LAA as fractured between those willing to implement changes and those willing to maintain status quo. Quality of education programs in design provided by other tertiary institutions in Latvia are criticized by participants in this study in even harsher terms than those said about LAA. Low quality design education has implications for the competitive edge of Latvia’s companies. Companies in Latvia currently are not able to compete with their foreign counterparts, says one respondent.

Lack of sufficiently educated teaching force is brought up as a major issue when talking about modernizing design education. The same faculty teach students on BA and MA level that substantial advances in students education as the content of programs largely remains the same. There is a need to bring new faculty in order to advance design education at the Masters level. At the moment MA programs are a mere extension of the BA programs’ content. Design education is too theoretical as faculty themselves lack practical experience of production processes. There is a large gap between design education and the business sector because education does not supply good specialists and

businesses do not know what to demand for, observes one of the interviewees. Thus, business people need to be educated about the importance of design in creating value added as well as designers about the specifics of doing business. It is also necessary to create and strengthen the link between graduates, their employers and institutions of higher education in order to follow the developments in market and advances in education. At the moment such information is gathered unsystematically on the bases of personal contacts between faculty and employers in the design sector.

The need to develop a new interdisciplinary MA education program for design which would combine art, technologies and business is acknowledged by all interviewees with the exception of the LAA leadership. It is suggested that the curriculum written by Pauna, Abele, and Kundzina (2006) should be used in further advancing the reform proposal for design higher education in Latvia. It is also suggested that the new program should be presented in a manner that does not raise objections on the part of authorities in charge of a new program accreditation due to their lack of understanding about a broad application of the design concept. More specifically, the new MA level design education program should fit the current formal standards of program accreditation in order to be acknowledged by the state.

There is also an agreement that the new MA program in design should train people not for the local market but as internationally competitive professionals in design. Agreement is also there that the new program should target students internationally from the Baltic Sea region. Cooperation between Latvia's and foreign institutions of higher education is mentioned as one of the solutions for implementing a new MA level design education program. An idea of creating a new design education program outside LAA is treated cautiously by the respondent from Academia. This respondent brings up issues of organizational nature such as accreditation and managing of the program. The same respondent commenting on a possibility to create the new MA level program at SSE Riga points out at uncertainties of the School's status after 2010. It is when the law on the School's current status will expire. This concerned, however, is being waived by the representative of SSE Riga in this study as school is actively working on ensuring its future financial viability and organizational autonomy.

In terms of MA design program funding, all interviewees who are positive about a new program are positive about charging tuition for this education. The point is made that this education though should be of a new quality as compared to the current programs provided in design at LAA. Interviewees indicate that in order to bring the program up to a high standard, new faculty with modern education should be recruited. Although limited, there is a pool of human resources to draw from locally. At the same time, support for bringing in world-class design professionals is very much supported.

Potential contribution

Summary statement: Respondents in the study indicate various levels of interest in contributing to the creation of a new interdisciplinary Masters degree program in design. It stems from the data that entrepreneurs as well as reform oriented representatives of higher education demand governmental political as well as financial support for establishing a new program. They are interested to contribute; however, their contribution is conditioned by the ability to receive support from the state. Commitment of the state institutions to contribute to the development of such program in real terms (political and financial) is not clear.

Entrepreneurs and practitioners

Market representatives, entrepreneurs and practitioners, in this study express their interest in contributing to implementation of a new higher education program. However, there are conditions for their support. All of them emphasize that they expect the government (the state) to initiate and support the implementation of such a program politically and financially. One of the entrepreneurs emphasizes the need for a comprehensive revision of the governmental policy in supporting businesses in the area of design because currently there is a limited understanding about design as a sector of economy. This situation hinders advancing the creative industries environment that affects also sectors of employment and education. Entrepreneurs point out that there is no real strategic direction for developing higher education for creative industries; that there is no coordination between the Ministry of Culture and the Ministry of Education and Science on the development of education for the sector. Thus, it is not clear what kind of contribution entrepreneurs should and could reasonably offer.

Hypothetically speaking, entrepreneurs voice their interest in contributing to a higher education program after they know that the government or institutions of higher education have done the job on their part, i.e., have a strategic development plan and have provided initial financial input. European funding is mentioned as a real source for initial governmental financial input. Entrepreneurs suggest that they can provide material and possibly consultative support on their part on mutually beneficial bases yet they are not ready to engage in primary responsibilities for initiating and managing a new higher education program. Two respondents point out the following aspects to remember when soliciting support for a new education program from businesses. One is that businessmen engaged in the project will weight opportunity costs for their input. Another aspect is the need for businesses to see how their interests will be fulfilled and represented via a respective higher education program, in order for them to support it with their own resources.

Officials of governmental agencies

In terms of state, the Ministry of Culture has hitherto been the main agent in the state sector to provide political support for the development of creative industries. It

supports design as one of the creative industries; MOC envisions producing a strategic policy framework document for the long-term development of design sector in 2008. In terms of financial support for a new design higher education program, the position of MOC is less clear. One interviewee from MOC points to an earlier statement made by Helena Demakova, the Minister of Culture, that it is beyond the capacity of MOC to support a new institution of higher education. European funding is mentioned as a potential source for a new program of modern design education.

European funding as a source of financial support is also mentioned by the representative of MOES. There are two types of European funding distribution schemes: (1) one that allows receiving funding that can be used to develop a new curriculum but not to implement it; (2) another one that provides funds for scholarships to MA and PhD level students, i.e., program implementation. All institutions can apply for the type one funding. For type two funding only institutions invited will qualify. It is likely that MOES will start accepting applications for European funding towards the end of 2008. Availability of the national funding for implementation of a new interdisciplinary higher education program in design is not clear. According to this interviewee, the government could fund some tuition-free places for students in the new program based on the MOES suggestion. Such possibility, however, is uncertain because for the last decade the number of governmentally funded study places at institutions of higher education has remained stagnant while the total number of students has dramatically increased leading to a situation when in 2006 only 23 per cent of all students were governmentally funded and were not charged tuition. The ability to attract governmentally funded places for a new study program will depend on the political support for the new program, because they will likely need to be taken away from some existing program as, according to MOES, there are no plans to provide more funding for students. According to the MOES official, employers need to convince the Ministry and the government about the necessity for such specialists in the market and then the program may receive funding for students. This interviewee says that there are no special provisions of financial or political support for a new higher education program.

There are no concrete initiatives from Riga City Council about how the municipality could financially support a new higher education program for design.

Similarly to the European funding, the Nordic Council offers *Nordplus* grant (application deadline April 15, 2008) that can be used to develop a new design higher education program curriculum. To qualify for the grant two Baltic and two Nordic countries need to take part in the project. The British Council is also exploring ways to engage in support of creative economy education initiatives. However, policy guidelines for such engagement are still being formulated.

Representatives of academic institutions

The leadership of LAA is not in support of a new program in design. As a result, it does not offer any real contribution for implementing such as a program. LAA leadership brings up that there could be collaboration between LAA and SSE Riga “about something economic” regarding design, yet there is no clear vision. LAA’s leadership takes a passive position about ‘listening to the suggestions’ on collaboration. In other

words, there appears to be no initiative on LAA administration's part to contribute in real terms to a new program in design.

An interviewee from LAA who is in favor of a new design higher education program calls on political will that should be mobilized to put such a program through in Riga. Contribution that this interviewee offers is her knowledge in building a curriculum of the program as well as her contacts within CUMULUS, which is the *International Association of Universities and Colleges of Art, Design and Media*, and would allow networking the new program internationally. Another interviewee in the design education sector also comes forward with her knowledge in the area of design and contacts with world class names in design such as David Griffith in the UK who made design for the British Post Office and works on opening a design higher education institution in India. Contacts and collaboration experiences with these high-class professionals are helpful for raising the profile and potentially human resources available to the new program. Also, the interview from College of Art and Design in Riga points out at good contacts and collaboration experiences with international retailers of design products such as "X-Celsior", "Inspira", "Dizaina nams", "Dolce Vita", "Nakts Mebeles", "Rondex & Maltex", and "Chair Baltic". These companies have already sponsored invitations of lecturers on design issues to Latvia and indicate willingness to continue collaboration in order to improve the design education landscape in Latvia as well as regionally. This interviewee reasons that the new design higher education program may attract senior professionals in the field to come and present to the audience in Riga due to the early stage of the design sector development here as it maybe personally be interesting experience for these skilled people.

Up to date, the record of SSE Riga shows consistent institutional support for activities of promoting creative industries in Latvia. SSE Riga is interested in opening new graduate level programs and an interdisciplinary MA program relating to design could be one option. SSE Riga has solid experience in building partnerships with the business sector to advance education of the students and this experience can be successfully applied in the case of a new MA level program as well. Also, SSE Riga has well functioning academic partnerships with schools in Europe as well as in the United States.

Prior visions on reforming design education in Latvia: Description and comments

Summary statement: This section outlines three studies or proposals for reforming and modernizing design higher education in Latvia. Two of the studies suggest modernizing design curriculum on MA level and one on a BA level. All of them consider LAA as a significant collaboration partner in such reforms. In conclusion, this section provides comments on why reforms suggested by these proposals have not taken place as of yet.

Description of proposed reforms

Study by Rode (2006) *New Design Education for Latvia in the Age of Experience Economy*

Study by Rode (2006), that was conducted as part of the EU Phare supported project 'Development of Design Studies in Latvia'. In this study, Rode (2006) treats design as a broad rather than a narrow concept. Design is defined "as an innovation tool in business and a quality of life factor" (p. 16). Discussion in the study demonstrates that design is a base concept for all various products and services and human life experiences (pp. 4 – 8).

For design education in Latvia, Rode (2006) proposes creating a Master's level design school without objects. "The school's model of learning will be based on close cooperation with real clients from business sector. Students will apply the design skills they learn in practice, developing real-life products for real companies. This model will require a lot of relationship building, but will benefit both the school and its business partners" (p. 3). The outline of the vision is following:

- **Program:** Masters program of 18 month followed by a research program leading to PhD degree in order to facilitate design education development.
- **Method:** Education method built on real-life business cases (as this is a school without objects). "By arrangement with companies, student teams shall work on their problems and deliver design solutions. The companies should commit their own project manager and from time to time make available to students other company resources, such as premises and equipment." (p. 20). Modular approach in organizing studies similar to one implemented at Stockholm School of Economics in Riga.
- **Faculty:** Teachers recruited from abroad as there are not enough specialists in Latvia.
- **Revenue:** Tuition fees and research grants as primary source. Latvian government, business partners, EU funding as possible secondary sources of funding.
- **Location:** Located in Riga. Andrejsala is one possible venue, however, already a premium location with premium prices (p. 22). Grizinkalns would be

economically more affordable option and school will also have a positive impact on the neighbourhood development.

- **Legal status:** A very independent part of the Academy of Arts (LAA), with full responsibility for its own budget and in a separate location from main LAA building. “Being part of the Academy is more convenient in terms of program accreditation and recognition, not to mention the benefits of LAA’s positive reputation. At the same time, financial independence is crucial for the school, as it provides the school’s management with strong motivation to succeed. The school should probably be incorporated as an institute within LAA” (p. 22).

Study by Pauna, Abele, & Kundzina (2006) *Study Program for Design BA (Dizaina studiju programma BA)*

This study was written as part of Phare 2003 cooperation in the Baltic Sea region program “Development of Design Studies in Latvia”. This study offers a detailed vision of a BA program in design for implementation at LAA (or independently). The outline of the vision is following:

- **Program:** An undergraduate program leading to a BA in Design (or to a professional Bachelor degree in Design). At the same time, it is suggested to further develop design education at LAA by creating an MA program (p. 71). As an alternate vision, creating a new institution of higher education for design that would offer possibly BA and certainly MA degree is suggested (pp. 74 – 76).
- **Method:** For the BA program, the education method combines theoretical and practical knowledge necessary in all steps of product development and further distribution; interdisciplinary learning. Students are required to perform projects linked to real-life demands in the market. Close cooperation with enterprises; student internships. Modular approach in organizing studies.
- **Faculty:** If the BA program is implemented at LAA, teachers from LAA on full-time bases. Teachers from other institutions of higher education in Latvia and professionals, practicing in the fields of study covered by the program, on part-time bases. Also international visiting faculty.
- **Revenue:** Not discussed in detail. Mentioned only when addressing the creation of a new institution of higher education for design by suggesting EU funding.
- **Location:** Apparently Riga. No more particular location specified.
- **Legal status:** Four visions for institutionalizing a new design education are offered (pp. 71 – 76): (1) improving the current BA program in design at LAA [LAA central body holds the decision-making power over administering the program and signing collaboration agreements with other universities for the purposes of the program]; (2) implementing a new design study program at LAA [LAA central body controls the decision-making in regards to the program]; (3) a new school of design at LAA [it is suggested to create the school as a rather autonomous structure from the central body of LAA when it comes to administering the study process]; (4) creating a new institution of higher

education for design [independent from LAA; may be an outcome of collaboration between various universities].

Study by Abele & Licite (2003) *Institute of Design: School for Creative Education* (*Dizaina institūts: Radošās izglītības augstskola*)

This study was written as part of Phare 2003 cooperation in the Baltic Sea region program “Development of Design Studies in Latvia”. This study offers a vision of an MA program in design. The outline of the vision is following:

- Program: Interdisciplinary MA program.
- Method: Project-based and involving lectures and workshops. Collaboration between institutions of higher education and enterprises nationally and internationally; student internships. Modular approach in organizing studies.
- Faculty: Local faculty and visiting international faculty.
- Revenue: Not discussed.
- Location: In Riga: (1) LAA new premises at Kalpaka Bulevard 13; (2) Andrejsala; (3) other possible locations such as Riga Technical University new premises in Spilve.
- Legal status: There are three visions: (1) a new program at some already existing institution of higher education (LAA, SSE Riga, Vidzeme College in Valmiera, and alike); (2) an entirely new and independent institution; (3) a branch of some foreign university.

Comments on inability to implement reforms suggested

Based on the original data in the study, it appears that implementation of the proposed design curriculum reforms has been delayed because of insufficient general understanding about why design higher education should be reformed. The Ministry of Education and Science does not seem to be engaged in determining novel strategic directions for higher education development. It does review and consider initiatives of curriculum reforms put forward by the institutions of higher education. The Ministry of Culture, on the other hand, appears to be unable due to stretched out resources, or has not considered it a priority to stimulate design higher education reforms. Thus, the main actor to move forward with design higher education curriculum reforms has been LAA. However, as prior research has already indicated (Kalnins & Persevics, 2005) and original data in this research confirms, LAA leadership does not support substantially reforming design education at the institution. Thus, any proposals that suggest a fundamentally new approach to design higher education in Latvia are likely not to be implemented if LAA is considered to be the main partner in such project, and LAA leadership maintains its resistance to reforms.

The best international design education experiences

Summary statement: This section of the report offers a set of brief outlines for the organizational structures of some of the best design schools globally with a focus on the graduate (MA and up) level programs. All these schools offer interdisciplinary education in order to train their students as well focused specialists with a broad understanding of related fields. The purpose of this section is to show that higher education institutions in economically advanced nations treat design as a concept integral to their education programs. Furthermore, in many cases the concept of design is the main platform for implementing various interdisciplinary education programs, involving high technologies, engineering, urban planning and so forth. Cases for the review in this section were selected from the rating list of the best design schools globally in 2006 by *BusinessWeek*. It is interesting to note, that higher education institutions from the United States dominate the list of the best institutions. Thus the suggestion, to closely consider American experience and possible partnerships with some American school(s) when shaping graduate higher education program for creative economy in Latvia.

Overview about schools included in the area of design

A review of the best design schools as named by *BusinessWeek* in 2006, reveal that these institutions are not necessarily structured and created as design schools primarily. Among 60 schools recognized as global leaders in the area of design, schools represent the following broader fields:

- (1) Design – 25 schools;
- (2) Arts & Design – 7 schools;
- (3) Fashion & Design – 1 school;
- (4) Business – 11 schools;
- (5) Arts – 4 schools;
- (6) Engineering – 5 schools;
- (7) Technology – 3 schools;
- (8) Design, Business & Tech – 1 school;
- (9) Science & Arts – 1 school;
- (10) Television, Cinema & Design – 1 school;
- (11) Business Design – 1 school.

Although these schools are assigned to certain fields, closer examination of their education programs reveal that they all offer multidisciplinary education programs with a strong emphasis on both theory and hands-on training, where students are asked to work in teams and perform real life projects. These schools combine engineering, business,

design, and social sciences. It is also important to note that some of the schools included in the top list are there because of just one program (for example, International Design Business Management program in Helsinki) or even because of one course offered (for example, Georgetown University, McDonough School of Business in the USA, D.C.). This means that in order to provide up-to-date interdisciplinary top quality education that would involve developing innovative approaches for economy and sustainable development, one does not need a massive institutional structure. It can be one program or even one course that can bring the name of the institution forward. What matters here is the practical applicability of this education in fostering innovations and increasing value added to products and services.

At the same time, the importance of solid institutional base for a successful graduate education program with multidisciplinary focus cannot be discounted either. Infrastructure and faculty is necessary to provide students with good theoretical and practical training. Review of practices at 60 schools show that in order to attain greater multidisciplinary in student training most of them take part in design-related academic partnerships that involve either various other schools or departments in the same institution of higher education, other institutions of higher education, governmental bodies or enterprises. There were only four instances among 60 where no design-related academic partnerships were listed. Those were:

- (1) Georgetown University, McDonough School of Business that has been included in the list of top 60 because of one course “Developing New Products and Services” taught by Jeneanne Rae.
- (2) Harvard Business School which is included in the list of top 60 because of the Prof. Stefan Thomke who leads courses on innovation, operations management that fold in experience design.
- (3) Indian Institute of Technology Design Center. It is named as a feeder for Motorola and Microsoft. This multidisciplinary center conducts seminars, conferences, exhibitions, workshops, and specialized programs on design for the industry and other institutions.
- (4) International Design Business Management Program (IDBM) in Helsinki. While there are no academic partnerships listed for this program, IDBM program in itself is an outcome of an academic partnership. IDBM is a joint teaching and research program of three leading Finnish universities: the Helsinki School of Economics, the University of Art and Design Helsinki and the Helsinki University of Technology.

When examining approaches for multidisciplinary learning, it becomes obvious that curriculums at top 60 schools establish reciprocal links between students from various fields such as design, art, business, engineering, technology. It is not one group of students like MBA or arts or engineering who are subject to diversified learning; it is considered necessary for all students to diversify their knowledge in the area of their work.

Examples of Top 60 design schools by *BusinessWeek*

Royal College of Art (London) (www.rca.ac.uk)

Degrees offered: Offers MA, MPhil and PhD degrees across the disciplines of fine art, applied art, design, communications and humanities. It is entirely a graduate level (after BA) institution.

Masters degree programs: (1) Animation; (2) Architecture; (3) Ceramics and Glass; (4) Communication Art and Design; (5) Conservation; (6) Curating Contemporary Art; (7) Design Interactions; (8) Design Products; (9) Fashion Menswear; (10) Fashion Womenswear; (11) Goldsmithing, Silversmithing, Metalwork and Jewellery; (12) History of Design; (13) Industrial Design Engineering; (14) Painting; (15) Photography; (16) Printmaking; (17) Sculpture; (18) Textiles; (19) Vehicle Design; (20) Film and Television.

Learning and teaching: Theoretical and hands-on.

Frequent employers of graduates: Dyson; Nissan; Heal's; Philips; Jaguar.

Faculty: Full-time 25; Part-time 90

Students: 928 students (year 2006)

Tuition costs: In 2007/8 the tuition fee for UK and EU students was £4,550. The tuition fee for students from the Channel Islands and the Isle of Man was £10,900. The tuition fee for overseas students was £21,800 a year. Overseas students were eligible for a prompt payment discount of £500.

Student living costs: It is estimated that to live in London for a full year (term-time and vacations) will require a single student to have funding of a minimum of £12,000. This estimate is based on the following expenditure pattern: rent £90–£110 per week; bills £20 per week (including mobile phone, internet connection); food £45–£50 per week; travel and entertainment £40–£45 per week. The average combined cost of housing, bills, sundries and travel is approximately £250 per week. Students also need to allow for spending on course materials over and above the amounts provided by the College.

Central Saint Martins College of Art and Design (London) (www.arts.ac.uk)

Degrees offered: Offers BA, MA and Further Education across disciplines of applied art, fine art, design, and architecture.

Graduate programs: (1) Fashion; (2) Performance Design and Practice; (3) Screen: Acting, Directing, Writing; (4) Industrial Design; (5) Fine Art; (6) European Classical Acting; (7) Design: Ceramics, Furniture or Jewellery; (8) Design Studies; (9) Design for Textile Futures; (10) Creative Practice for Narrative Environments; (11) Communication Design; (12) Photography; (13) Glass; (14) Innovative Pattern Cutting.

Learning and teaching: Theoretical and hands-on.

Frequent employers of graduates: Vogue; Chloe; Alexander McQueen; SPACE Studios; Saatchi & Saatchi; Panasonic.

Faculty: Full-time 71; Part-time 91

Students: 4132 (total in 2006)

Tuition costs: Tuition for UK and EU students is £3,070 a year. For international Masters degree students in 2007/08 it is £10,095 a year.

Student living costs: Student living costs are estimated £8,000 per year. This estimate includes accomodation, food and local travel.

Carnegie Mellon University, School of Design (USA, PA)

(<http://www.design.cmu.edu/index.php>)

Degrees offered: Offers BA, MA, and PhD.

Graduate programs: (1) Communication Planning and Information Design; (2) Interaction Design; (3) The Master of Product Development (MPD) program is for engineers and designers who are seeking to play a more substantial role in Product Development. It is jointly offered by the Department of Mechanical Engineering and the School of Design, with support from the Tepper School of Business.

Learning and teaching: Theoretical and hands-on.

Frequent employers of graduates: Microsoft; Google; Yahoo; Samsung; Cooper; Motorola; Addison; SiegelGate; Maya Viz; ToughtForm.

Faculty: Full-time 20; Part-time 12

Students: 230 (year 2006)

Tuition costs: Tuition for the 2007/08 academic year is \$31,500. All full-time graduate students receive \$8000 per year as partial financial assistance in exchange for six hours of work per week as a teaching assistant, research assistant, web designer, or other position. Student's statement of intent and past professional and/or teaching experience help in determining to which graduate assistantship job they are assigned.

Student living costs: For 2007/08 estimated student living costs are \$13,798. That includes: activity fee \$172; room \$5,664; board \$3,998; books and supplies \$966; health insurance \$820; personal and various \$1336; transportation \$620; PAT fee 72; technology fee \$150.

Georgetown University, McDonough School of Business (USA, D.C.)

(<http://msb.georgetown.edu/>)

Degrees offered: BA, MBA, IEMBA, Executive Masters in Leadership, customized programs

MBA course: *Developing New Products and Services* by Jeneanne Rae, president of Peer Insight, (*BusinessWeek* has called her an Innovation Guru) who is using design principles to rethink company strategies. This course brings together business, engineering and liberal arts students.

Frequent employers of graduates: 3M; Microsoft; Intel; Citigroup; Delta Airlines.

Faculty: Full-time 81; Part-time 77

Students: 1,800 (total 2006)

Tuition costs: For the 2007/08 academic year MBA direct expenses are \$ 40,017. That includes tuition of \$37,800 (15 credits per semester), Yates fee \$296, and health insurance \$1,921.

Student living costs: Estimated living costs for 2007/08 are \$22,085. That includes average costs for room and board of \$13,650, books \$2,260, personal expenses \$3,815, and travel 2,360.

NYU Interactive Telecommunications Program (USA, New York)

(<http://itp.nyu.edu/itp/flash/Home>)

Degrees offered: Masters of Professional Studies.

Program: Located in Greenwich Village, the Interactive Telecommunications Program (ITP) provides the computer labs, rotating exhibitions, and production workshops. As formulated by *BusinessWeek*, ITP pairs dancers with computer scientists with financiers to push the frontiers of interactive media. ITP is a part of Tisch School of Arts at New York University (NYU).

Learning and teaching: Theoretical and hands-on.

Frequent employers of graduates: Not available

Faculty: Full-time 7; Part-time numerous faculty from several departments at NYU.

Students: 240 (year 2006)

Tuition costs: Year 2007/08 tuition is \$37,708. In addition, all ITP students must pay a laboratory and equipment fee per semester. This fee covers the full use of ITP computer facilities and equipment. Additional costs may be incurred for materials as students develop their own projects. Fees include Registration and Services Fee of \$1,011, Film Production Lab and Insurance Fee of \$471, Cinema Studies Projection Fee (per credit point) of \$13, and Photo Lab and Insurance Fee of \$325.

Student living costs: NYC living costs can amount to the minimum of \$30,000 a year.

Illinois Institute of Technology (IIT) Institute of Design (USA, Chicago)

(<http://www.id.iit.edu>)

Degrees offered: Master of Design (MDes), Master of Design Methods (MDM), Master of Design/ MBA, PhD.

Masters programs: All require that students have two to five and more years of work experience. The goal of MDes is to achieve professional mastery at the highest level in the fields of communication, product design, design planning or design research. MDM offers adding knowledge of latest user-centered and strategic design methods to a mid-career portfolio. Finally, MDes/MBA, established in 2006, aims to train for integrated professional mastery in both user-centered, methods-based design innovation AND core

management principles of marketing, project accounting, organizational behavior and strategy.

Learning and teaching: Theoretical and hands-on.

Frequent employers of graduates: Adaptive Path, Cheskin, Doblin, Gravity Tank, IDEO, Jump Associates, Microsoft, Motorola, Steelcase.

Faculty: Full-time 10; Part-time 25

Students: 114 (year 2006)

Tuition costs: For MDes tuition in 2007/08 was \$32,400. For MDM tuition amounted to \$38,500.

Student living costs: Living expenses for nine months were \$11,000, books and studio supplies \$850, mandatory health insurance cost was \$850, and other student fees were \$397.

International Design Business Management (Finland, Helsinki)

(<http://project.hkkk.fi/idbm/index.html>)

Degrees offered: Masters.

Program: The International Design Business Management program (IDBM) is a joint teaching and research program of three leading Finnish universities: the Helsinki School of Economics, the University of Art and Design Helsinki and the Helsinki University of Technology. The purpose of the program is to bring together experts in different fields within the concept of design business management. The core of the IDBM program consists of a project commissioned by a company and lasting one academic year.

Learning and teaching: Theoretical and hands-on.

Frequent employers of graduates: Nokia, Honka, Metso Corp., KONE Corp.

Faculty: Not available

Students: 42 (year 2006)

Tuition costs: None

Student living costs: Student Union membership fee Euro 70. Total monthly living expenses average from Euro 600 – 900. (Data from http://www.helsinki.fi/studying/fees_and_costs.shtml)

Polytechnic University of Milan Design School (Italy, Milan)

(<http://www.polimi.it/english>)

Degrees: BA, Masters, PhD.

Graduate programs: School of Design offers Masters level programs in: (1) Communication Design; (2) Design and Engineering; (3) Fashion Design; (4) Furniture Design; (5) Industrial Design; (6) Interior Design; (7) Product Service System Design.

University's Continuing education school offers short courses on topics such as entertainment design and stage technology.

Learning and teaching: Theoretical and hands-on.

Frequent employers of graduates: 3M, Whirlpool, Etro, Decathlon.

Faculty: Full-time 15; Part-time 700.

Students: 4,200 (total in 2006)

Tuition costs: Students pay University tuition fees according to their family income. There are 10 different income classes. In 2006/07 fees for the Master of Science programmes offered by the Schools of Engineering, Architecture and Design ranged from €792 to € 3,128 per year. Amount of tuition is the same for international and domestic students.

Student living costs: Minimum of € 850 a month. That includes housing from € 400, food €170, local transport €80, other expenses €200.

Zollverein School of Essen Management and Design (Germany)

(http://www.zollverein-school.de/website/homepage/general/startseite_208/en/en_startseite_univer_1.php)

Degrees: MBA in Business Design.

Program: This is an interdisciplinary program that seeks to teach students both management and design skills in an innovative way. Hosts eight-day summer course for young professionals. Executive MBA in design management started in 2005 and became full-time program in 2006.

Learning and teaching: More practical than theoretical.

Frequent employers of graduates: Deutsche Telekom, HP Pelzer Group, Interbrand Zintzmeyer & Lux, Karstadt, Petrom S.A.

Faculty: Full-time 0; Part-time 30.

Students: 28 (year 2006)

Tuition costs: The total fees for the 20-month executive MBA course are 22,000 Euro. This fee covers participation in classes and the relevant study materials. The total fees for the 15-month fulltime MBA course are 28,000 Euro. This fee covers participation in classes and the relevant study materials.

Student living costs: About 600 Euro a month, including rent.

Delft University of Technology Design Institute (The Netherlands)

(<http://www.io.tudelft.nl/live/pagina.jsp?id=08d7b531-4c52-46e5-8cad-d136b09649e0&lang=en>)

Degrees offered: BA, MSc, PhD in Industrial Design Engineering.

Graduate programs: MSc students work on problems submitted by commercial companies and partners with Dutch government for product design. Three MSc programs are offered:

(1) MSc of Integrated Product Design (Integrated Product Design is a systematic approach to product development that deals with all aspects relevant for the design of a new product, such as function, form, use, production, sales, economics and sustainability.);

(2) MSc Strategic Rproduct design (Teaches students how to choose a strategic product direction based on insights from the external environment (market analysis, consumer and behaviour research, trends and future scenarios, governmental policies, and new technologies and materials) and the wishes and possibilities of the company (product strategy, brand identity, mission/vision, resources). The translation of the chosen strategic product direction into proposals for product concepts (including engineering and design guidelines) will also be of central concern.);

(3) MSc of Design for Interaction (Designers from the master program Design for Interaction help clients to design innovative and appropriate products and services by placing the key aspects of human-product interaction, which are use, understanding and experience, in the centre of the design process. The master in Dfi is specialised in analysing and conceptualising of and designing for human-product interactions in relation to the physical, cultural, technological, and societal contexts in which the product is used.).

(4) There are extra specializations possible Medesign (healthcare focus) and Automotive (automotive design).

Learning and teaching: Theoretical and hands-on.

Frequent employers of graduates: Philips, Siemens, Corus, Unilever.

Faculty: Not available

Students: 2,029 (total in 2006)

Tuition costs: In 2007/08 tuition fees in Master programs for EU/EFTA nationals born after August 31st 1977 were € 1,538 per year, for EU/EFTA nationals born before September 1st 1977 they were € 2,094 per year, and for non-EU/EFTA nationals tuition was € 8,310 per year.

Student living costs: The cost of living and study, including food, accommodation, transport, books, and mandatory health insurance is estimated at € 700 per month. In addition, students will need approximately € 1,500 to cover initial settling-in expenses.

Hong Kong Polytechnic University (Hong Kong, China)

(<http://www.sd.polyu.edu.hk/welcome/index.html>)

Degrees offered: School of Design offers BA, Masters, and research degrees.

Programs: (1) Product innovation technologies; (2) Multimedia design and technology; (3) Design; (4) Art and design in education. School of Design hosts an Asian lifestyle lab where global companies can design products and experiences specific to Asian cultures.

Learning and teaching: Theoretical and hands-on.

Frequent employers of graduates: TCL Corp., Phillips.

Faculty: Full-time 80; Part-time 80.

Students: 1,300 (year 2006)

Tuition costs: Tuition fees for Master's degree program in 2007/08 local full-time students were HK\$ 42,100 (\$5, 426).

Student living costs: Estimated monthly living expenses are about \$ 665. That includes accommodation in residence halls for \$ 150, food and public transport \$ 350, and other expenses such as books, personal items and alike for \$ 165.

Recommendations for institutionalizing a new Masters Degree program for multidisciplinary design education in Latvia

Summary statement: Rationales for recommendations: This study re-affirms findings in previous studies (Kalnins & Persevics, 2005; Mollerup, 2004) about demand in market for modern design higher education program in Latvia. There is such demand, although due to a rather low quality design higher education supply, it is not well defined or “educated”. Due to the lack of a strong political and academic leadership to reform design higher education, no fundamental changes hitherto have taken place. There have been drafts of modern design education curriculums for tertiary education written (Abele & Licite, 2003; Pauna, Abele & Kundzina, 2006; Rode, 2006). They all had envisioned reforming design education on the bases of or in a close affiliation with LAA. None of the changes have taken place because of what seems to be the Academy’s leadership’s resistance to such reforms. Therefore, this report suggests creating the new program on design and management at SSE Riga as this school has interest in developing a new curriculum on the MA level of studies and is reforms oriented.

Institutional collaborations

This report suggests establishing a new MA level program for multidisciplinary design education in collaboration between SSE Riga and international partners in Europe and/or the US. This suggestion is based on the following assertions:

- International schools have solid and successful experience of implementing innovative multidisciplinary design education programs;
- International collaboration offers new perspectives as well as access to high quality expert and technological resources for interdisciplinary design education in Latvia;
- International and selective Masters degree program will likely attract the best from the pool of graduate students in the region;
- International collaboration will provide high profile for multidisciplinary design education in Latvia;
- Joint program between SSE Riga and some international school will allow maintaining structural and administrative efficiency of the school;
- Joint program between SSE Riga and some international school will allow establishing partnership to train local faculty who would overtake duties of teaching the main content in the future. This last aspect is important for sustainability of the program;
- SSE Riga is equipped to be a successful collaboration partner as educational projects within the new MA program would be carried out primarily on industrial sites, thus mobilizing resources available for accomplishing real-life projects.

This report does not suggest reliance on close collaboration between SSE Riga and some institution of higher education in Latvia as a prime solution for implementing a new Masters degree program for multidisciplinary design education. Such proposition is based on the following assertions:

- Hitherto collaboration experiences between higher education institutions in Latvia in the realm of design as a multidisciplinary education platform have shown inability to collaborate constructively due to what appears to be divergent institutional interests (e.g., Design Foundation of Latvia (Latvijas Dizaina fonds));
- This study indicates opposition among the leadership of Latvia's Academy of Arts (LAA) to establishing a new Masters degree program for multidisciplinary design education at/with this institution. This opposition seems to be due to unwillingness to embark on initiatives that would require amending the LAA structure and engaging in the lengthy accreditation process of a new educational program. Also, LAA prioritizes classical arts education and views design education that would require close daily collaboration with enterprises as commercialization of art;
- Novelties that other institutions of higher education in Latvia can offer for a new Masters degree program for multidisciplinary design education seem dubious due to the limited capacity of their human resources.

This report suggests collaboration between SSE Riga and other institution(s) of education in Latvia due to following assertions:

- A multidisciplinary design education program involves technology intensive courses. Institutions such as LAA have equipment (e.g., computer labs) that is needed in the study process. This equipment could be leased from LAA or used on the bases of some mutually beneficial arrangement between SSE Riga and LAA;
- Arrangements could be made that new Masters program's students can attend and receive a credit for some classes taught by faculty at LAA although the real collaborative intentions of LAA are not very clear;
- The leadership in the section of design education at College of Art and Design in Riga is very much in favor of modernizing design higher education in Latvia. Collaboration between SSE Riga and this institution needs to be explored in more detail as this school provides secondary level professional education.

Management of the program and curriculum

This report suggests creating a *Graduate School of Management and Design* at SSE Riga (NB! This suggested title may need to be revised as the cultural and political environment may not be able to understand the broad use of the design concept here). SSE Riga already offers an Executive MBA program and has a base for expanding its educational offer on a graduate level. Executive MBA enrolls 25 students per class (as of

November 2007; www.sseriga.edu.lv). Additional graduate programs can be created that would offer a multidisciplinary graduate education.

In general, there are two strategies to take in order to add a new graduate education level program at SSE Riga:

- (1) One is altering the existing EMBA program's curriculum content for not more than 20% and then there will be no need to accredit the new higher education program with the state, i.e., Higher Education Quality Evaluation Center (*Law on Higher Education*). It can be done by providing the specialization courses with the concentration on design management.
- (2) Another strategy is to start a completely new Masters level program and proceed with the accreditation process in full.

This report recommends proceeding with accreditation of a completely new interdisciplinary program. Having a new program accredited would expand the base for altering curriculum in the future in case there is a need to create a new concentration for Masters level education at SSE Riga.

For teaching the curriculum in the new program, local human resources should be built up. There are several professionals in Latvia and from Latvia who work abroad, who have completed studies in design (various concentrations) at recognized international institutions. These people should be recruited for working in the program. At the same time, foreign lecturers should be invited to teach courses and, if possible, in the partnership with the local staff. Thus, local human resources in interdisciplinary design higher education would be strengthened.

The management of the new program should be governed by an international Council of the Program including academic representatives, entrepreneurs and professionals in the field of design, management, and innovations. Competences of the Council should be stipulated by the statutes or by some other formal document.

The question about the new program's curriculum's content needs to be further investigated as there are multiple paths that can be taken. As international experiences show, the concept of design provides a platform for higher education programs in urban and social planning, transport, communications, etc. In performing this task, prior research and propositions in Latvia on design curriculum reform should be utilized. Communication and collaboration with entrepreneurs in various sectors of economy locally and internationally is crucial for planning the curriculum as well as implementing it. At this point, this report recommends considering the following curriculum approaches, implemented at the Institute of Design at the Illinois Institute of Technology (Chicago, USA).

More specifically, the IIT's Institute of Design offers three programs that are Master of Design (MDes), Master of Design Methods (MDM) and Master of Design/ Master of Business Administration (MDes/MBA). From a wide array of international programs, the three programs offered by Institute of Design at IIT were chosen to be examined in more detail as a model for shaping a new graduate education program at SSE Riga based on the following rationales:

- They target students with prior degrees and work experience in the area of design and elsewhere. Student body's make-up, on average, splits almost evenly between prior degree holders in design and non-design specialty except for MDes/MBA, where 75 per cent of students have prior training in design. Targeting students with prior work experience is beneficial due to their maturity and knowledge about real-life market situation. Student body in these programs is international – MDes 44%, MDM 13%, and MDes/MBA 25%.
- These programs combine design, business, and technological knowledge via theoretical courses and hands-on projects. Students are engaged in carrying-out real life projects. Many students attend the Program with financial support from their employers. This affirms that such education benefits businesses directly. Add to this, *BusinessWeek* has named the Institute of Design as a leader in developing innovation metrics and design strategy curricula (*BusinessWeek*, 2005).
- These programs offer insights into how to combine business and design education with an outcome of fostering innovative ways of thinking. SSE Riga is well grounded in providing the most competitive business education in the region of Baltic States; its Executive MBA program has attracted students also from the Netherlands, China, Spain, Argentina, and Finland. It means that there is a good base to diversify graduate education offered by SSE Riga by developing the component of design in the curriculum.
- Admissions to the Programs at the IIT's Institute of Design are highly competitive and selective; based on the total student enrollment, the estimated number of students per Program is about 20 students. Such size of a Program appears to be compatible with the capacity of SSE Riga.

Below is detailed outline of IIT's Institute of Design programs (from <http://www.id.iit.edu>).

(1) Degree program: Master of Design Methods (MDM)

Implementation of the program at IIT:

The Master of Design Methods (MDM) is a nine month (or 2-3 year part-time) executive master's degree for exceptional design, management, engineering and other professionals who wish to acquire robust design methods and frameworks and to apply design thinking to the development of products, communications, services, and systems. MDM courses cover design methods and frameworks in areas like user observation and research; prototyping of new services, products and businesses; creating systems of innovation; visualizing alternative futures; and linking user innovation to organizational strategy.

Qualifications for admission are rigorous, including a minimum of five years professional experience, with evidence of leadership as a team/project leader or product manager; recognition of professional work in the form of awards, publication in professional journals, and letters of evaluation from peers; and specific examples of achievements in design or product development/management.

Methods for innovation: Knowledge of advanced design thinking and rigorous methods is a proven way for experienced professionals not only to create innovative products, but also to support them with hard research and a clear business case that is linked directly to customer value. Many MDM students attend the program with funding from their employers.

Curriculum:

A. Required classes

Students whose background includes expertise in areas covered by the required courses may seek approval to substitute more advanced courses in their program of study.

- Design Planning; Observing Users; Design Analysis; Cognitive Human Factors; Social Human Factors; Cultural Human Factors; Physical Human Factors

B. Specialty classes

Students choose 19 credit hours worth of elective seminars and workshops.

- *Seminars:* Design Languages; Communication Planning; Product Planning; Technological Development and Design Innovation; Strategic Design Planning; Design Planning and Market Forces; Advanced Design Planning; Structured Planning; Design Synthesis; Form-Generation Processes; Advanced Communication Design; Advanced Product Development; Interface Design; Interactive Media; Diagram Development; Production Methods
- *Workshops:* Design Workshop; Photography Workshop; Communication Design Workshop; Product Design Workshop; Design Planning Workshop; Interactive Media Workshop.

Admission criteria: Minimum of five years professional experience; evidence of leadership experience; recognition of professional work in the form of awards, publication in professional journals, and letters of evaluation from peers; and specific examples of achievements in design or product development/management.

(2) Degree program: Master of Design/ Master of Business Administration (MDes/MBA)

Implementation of the program at IIT:

Offered in conjunction with the IIT Stuart School of Business, the MDes/MBA dual degree program combines graduate professional education in both design and business. The first program of its kind in the world, IIT's MDes/MBA marks an important milestone in the co-evolution of design, management, and innovation. As design becomes regarded more and more as an essential business resource, professional education that links the two fields is becoming increasingly important.

Provide unique value to employers: The dual degree program integrates the Institute of Design's user-centered, methods-based approach to innovation with core management education in marketing, project accounting, organizational behavior and the like from IIT's Stuart School of Business. This course of study provides students with a unique and

powerfully broad perspective on the innovation process. Upon graduation, MDes/MBA graduates are uniquely well qualified to lead collaborative, interdisciplinary, global innovation organizations.

Maximize your educational investment: Under the dual degree program, students with a design background can be awarded both the MDes and MBA after two years plus one quarter, rather than the three years of continuous study required if they are pursued separately. There is a single, streamlined application form and process for the dual-degree program.

How it works:

A) If you have a design background (usually meaning an undergraduate degree in design), you are not required to take the Institute of Design Foundation year, and can complete both degrees in just over two years:

- 4 full-time semesters at the Institute of Design
- 14 Stuart School (SGSB) classes (each class runs 11 weeks): 7 of these classes can be taken during ID's fall and spring semesters, leaving 7 courses to be completed during SGSB's summer and winter quarters. Of the 7 SGSB courses taken during ID semesters, 3 will double-count as ID electives.

B) If you do not have a design background, you are still encouraged to apply to the dual degree program. You will be required to take an additional two semesters of Foundation design training at the beginning of your program; however, you will also have more flexibility in spreading your 14 SGSB courses over three years instead of two:

- 6 full-time semesters at the Institute of Design
- 14 Stuart Classes (each class runs 11 weeks): 9 of these classes can be taken during ID's fall and spring semesters, leaving 5 courses to be completed during SGSB's summer and winter quarters. Of the 9 SGSB courses taken during ID semesters, 3 will double-count as ID electives.

Model curriculum scenario:

The following program of study demonstrates scenario A above. Note that many other course combinations are possible, this is merely one hypothetical program, focused on design planning. It is equally possible to integrate more communication and product design courses, and to begin the program in a Spring semester instead of Fall.

Course titles in *italics* are MBA courses, others are MDes courses.

Year 1 Fall: Cognitive Human Factors; Physical Human Factors; Observing Users; Product Planning; Design Planning; Structured Planning; Systems Workshop; *Financial & Managerial Accounting*.

Year 1 Winter: *Statistical Methods*; *Managerial Finance*.

Year 1 Spring: Design Analysis; Design Synthesis; Cultural Human Factors; Design Planning Workshop; Strategic Design Planning; Strategic Planning Workshop; *Operations Management*; *International Business*.

Year 1 Summer: outside internship on your own.

Year 2 Fall: Research & Demonstration Project; Strategic Design Research; Business Frameworks; Service Design; *Organizational Behavior*; *Marketing*.

Year 2 Winter: *Managerial Economics*; *MBA elective*.

Year 2 Spring: Research & Demonstration Project; Economics of Design; Design Planning Implementation; *two MBA electives*.

Year 2 Summer: *Business Policy*; *two MBA electives*.

Admission criteria: BA degree; 2-5 years work experience; portfolios from those with a bachelor's in design; recognition of professional work in the form of awards, publication in professional journals; and letters of evaluation from peers and letters of recommendation.

(3) Degree program: Master of Design (MDes)

Implementation of the program at IIT:

The Master of Design (MDes) program is a two-year, 54-credit-hour degree program intended for those seeking professional mastery at the highest level in the planning and design of new communications, products, services, environments and systems. The degree terminates with a project demonstrating the application of new theories and processes to contemporary and developing design problems in a variety of areas.

The program does not require the formal selection of a concentration area or track. Students may construct their own curriculum after taking a core of methods courses focused on observing and understanding users in specific contexts, analyzing complex information, developing and exploring alternative solutions, and prototyping future innovations and scenarios. Examples of individual courses of study include communication design, product design, strategic planning, user research, design methods research, and systems design. In addition to experienced designers, the school encourages students who enter the program with no formal design training, and offers a one-year "foundation" program of introductory courses providing prerequisite skills and experience.

Admission criteria: BA; GPA 3.0/4.0; portfolios from those with a bachelor's in design; 2-5 years work experience; three letters of recommendation; statement of career and education goals; applicants without a bachelors in design must complete an intensive, two semester Foundation sequence before beginning the main program.

Budget

Sources of funding

Data in this study shows that SSE Riga, if it implements a new MA level program, will need to further diversify its revenue to finance the program. Support from the national budget (as a direct subsidy or a co-financing with the EU funds) for such program is not clear. High level support for a new MA level program at SSE Riga needs to be mobilized in order to ensure that there are no political barriers for establishing and financing a new interdisciplinary program for design, management, and innovations. Although there are no formal statements about possible political barriers to such program and financial support if SSE Riga applied for the EU structural funding, there are several informal indications about politically difficult environment on the part of the state as well as national academic circles. Nevertheless, EU structural funds present a good source for funding for developing (and possibly even implementing) a new interdisciplinary MA curriculum that would involve collaboration with national and international academic institutions. Also the Nordic Council offers financial sources for collaborative projects among universities in the Baltic Sea region.

All the same, implementation of the curriculum will likely need to be financed from the funds raised by SSE Riga in the form of tuition fees, endowment interests, and other private and company contributions. Direct governmental support for an interdisciplinary MA level program is not likely to be reliable. The question about contributions of entrepreneurs for implementation of the program remains open. Entrepreneurs interviewed in this study did not seem keen to engage in financial program support. Yet, there were indications of some interest in supporting the program if benefits of such support would be visible to entrepreneurs. The question about entrepreneurial contributions and other funding sources needs to be further examined as SSE Riga identifies private as well as academic collaboration partners in the scope of the new MA level program.

Costs of the program

There are several costs associated with any higher education program, called Education and General (G&E) expenditures. Those include instruction, research, public service, academic support, student services, institutional support, operation and maintenance of plant, scholarships and fellowships, mandatory transfers, and non-mandatory transfers, plus auxiliary enterprises, and independent operations (The Institute of Higher Education Policy, 2001). The largest share of higher education program expenditures is associated with direct instruction costs, which primarily is faculty compensation. In the US, on average, 75 per cent of the costs to run a college are related to personnel expenses (Dickeson, 2006). In SSE Riga EMBA program, faculty remuneration consumes 82 per cent of the program's costs; other direct costs (operation and maintenance of the plant not included) comprise 18 per cent (Snikersprogis, 2007). Thus, during the budgetary planning for a new graduate education program, the most attention needs to be paid at faculty recruitment and remuneration conditions.

Since it would be necessary to attract international faculty for teaching in the new interdisciplinary design education program, it is advisable to consider faculty salaries internationally. Two tables below show average salary and compensations levels in the US and Europe.

Table1: Remuneration of faculty in the US, 2004/05

Type of HEI	Academic Rank	Salary (\$)			Compensation (\$)		
		High	Median	Low	High	Median	Low
Category I (Doctoral)	Professor	135,071	95,800	75,279	166,000	120,171	95,784
	Associate	90,685	69,704	59,826	115,617	89,679	76,388
	Assistant	75,185	59,661	50,643	97,848	75,716	65,363
	Instructor	61,145	43,562	35,523	81,222	56,898	45,340
Category IIA (Masters)	Professor	96,624	72,802	60,218	124,072	92,239	75,310
	Associate	74,491	58,894	50,561	95,125	74,542	62,728
	Assistant	60,692	48,996	42,669	78,583	73,258	54,159
	Instructor	51,703	40,418	34,020	67,260	52,535	43,141

Source: American Association of University Professors (2005). *The annual report on the economic status of the profession: Inequities persist for women and non-tenure faculty*. Washington, DC: AAUP

Table 2: Remuneration of faculty in Europe

Country	European professors' annual salary range (€)
Netherlands, Germany	55,000 – 60,000
France, Finland, Spain, Italy	40,000 – 50,000
Greece, Eastern Europe	13,000 – 20,000

Source: Enders, J., & de Weert, E. (2004). *The international attractiveness of the academic workplace in Europe*. Frankfurt: Gewerkschaft Erziehung und Wissenschaft.

Information was accessible about the number of full-time and part-time faculty employed at the IIT Institute of design. The financial data on the costs of hiring faculty at this institution was not publicly available. In order to preserve confidentiality of data, for SSE Riga a theoretical faculty cost model is offered as well. Tables below display possible scenarios on spending for hiring faculty based on approximate accounts of financial data. Compensation includes wages paid to the faculty before taxes.

Table 3: Possible faculty annual remuneration costs at IIT Institute of Design

Number of Full-Time Faculty	Rank	Average Annual Salary in \$ (brut)	Faculty*Salary \$
2	Assistant Professor	59,661	119,322
3	Associate Professor	69,704	209,112
4	Full Professor	95,800	383,200
1	n/a	n/a	n/a
Total f-t: 10			
Number of Part-Time Faculty			
25	Assuming ½ instructor's salary	21,781	544,525
TOTAL faculty: 35		TOTAL salaries (\$): 1,256,159	

Source: Number of faculty as displayed at <http://www.id.iit.edu/143/> as of October 2007; Median salary level for Category I institutions used in calculations.

Table 4: Possible faculty remuneration costs per module SSE Riga

Number of modules	Total number of faculty	Salary per module (€)		
		High	Median	Low
14	14	10,000	6,000	3,000
Total faculty*salary expenses annually =>		140,000	84,000	42,000
<i>Total costs assuming equation (#faculty*salary per module):</i> 4*10,000+5*6,000+5*3,000 = EUR 85,000 remuneration costs				

Source: Number of modules and faculty at SSE Riga EMBA program; salaries here are based on rough range estimates and provide theoretical scenarios for costs.

Revenue for the program: Tuition fees

While it is difficult to estimate possible funding from all sources, preliminary calculations on the amount of tuition fees can be made. Data in this study indicates that there is little resistance for charging tuition for the new MA level program in design and management. According to the tuition fee model implemented at SSE Riga EMBA program, the amount of annual tuition fee in 2007/2008 was EUR 20,000 per student. Revenues from tuition cover all expenses (100%) of EMBA program (Snikersprogis, 2007).

Tuition for students at IIT Institute of Design varied in 2007/08 depending on the program: for MDes tuition in 2007/08 was \$32,400; for MDM tuition amounted to \$38,500; for MDes/MBA tuition was not available. Tables below display possible scenarios for tuition revenue at IIT Institute of Design and SSE Riga EMBA.

Table 5: Estimated tuition revenue IIT Institute of Design

Number of students per class* years in the program	Tuition amount	Students*Tuition \$
MDes 20*2=40	\$32,400	1,296,000
MDM 20*2=40	\$38,500	1,540,000
MDes/MBA 10*2=20	Assuming \$38,500	385,000
Total students: 100		3,221,000

Table 6: Estimated tuition revenue SSE Riga EMBA

Number of students per class	Tuition amount (€)	Students*Tuition (€)
EMBA 25	20,000	500,000

Data above shows that there is potential to cover graduate education costs from tuition revenues only. It is, if to assume that all students pay tuition in full. Additional fees can be applied to international internship trips for students.

Further actions for developing a new MA level education program for design, management, and innovations

- Make a decision about establishing a new interdisciplinary program at SSE Riga;
- Work on establishing potential collaboration networks with international and possibly national academic institutions for writing and implementing the new MA level program;
- Apply for the Nordplus Neighbour 2007 funding by Nordic Council, in order to develop a new MA level curriculum, if partners in the project are at least two Nordic countries and at least one more Baltic country;
- Apply for the EU funding for curriculum development for a new MA level program if collaboration partners are from various geographic locations;
- Identify industry partners for the MA level program nationally and internationally;
- Work on establishing an international advisory Council that would include entrepreneurs, academicians, and experts, for the new MA level program;
- Proceed with the new MA level program accreditation process in Latvia (and other locations if necessary);
- Proceed with developing a financial model for financing the new MA level program;
- Raise funding for the implementation of the new MA level program;
- Take part in raising general awareness in society and among policy makers as well as academia that design is not a narrow concept for one sector but a broad encompassing model for generating value added in all spheres of economy and public life.

References

Abele, B., & Licite, Z. (2003) *Institute of Design: School for Creative Education (Dizaina institūts: Radošās izglītības augstskola)*. Riga: LMA.

American Association of University Professors (2005). *The annual report on the economic status of the profession: Inequities persist for women and non-tenure faculty*. Washington, DC: AAUP

BusinessWeek (2006). *D-Schools: The global list*. Accessed on September 9, 2007 at <http://bwnt.businessweek.com/dschools/2006/>

Dickeson, R. (2006). *Frequently asked questions about college costs*. Washington, DC: The Secretary of Education's Commission on the Future of Higher Education.

Enders, J., & de Weert, E. (2004). *The international attractiveness of the academic workplace in Europe*. Frankfurt: Gewerkschaft Erziehung und Wissenschaft.

Goedegebuure, L., Kaiser, F., Maassen, P., & de Weert, E. (1994). Higher education policy in international perspective: An overview. In L.Goedegebuure, F.Kaiser, P.Maassen, L.Meek, F.van Vught & E.de Weert (Eds.), *Higher education policy: An international comparative perspective* (pp. 1 – 12). Oxford: Pergamon Press.

Kalnins, E., & Persevics, E. (2005). *Analysis of design sector*. Riga: Rigas Ekonomikas Augstskola.

Ministry of Regional Development and Local Government of the Republic of Latvia. (2006). *Latvian National Development Plan*. Riga: Ministry of Regional Development and Local Government

Mollerup Designlab. (2004). *Design for Latvia: Final report*. Copenhagen: Mollerup Designlab A/S.

Pauna, D., Abele, B., & Kundzina, I. (2006). *Study Program for Design BA (Dizaina studiju programma BA)*. Riga: REA, LMA.

Rode, E. (2006). *New Design Education for Latvia in the Age of Experience Economy*. Rode&Weiland Ltd.

Snikersprogis, S. (2007). *Personal communication*. Riga: REA.

Saeima (1995). *Law on Higher Education*. Riga: Latvijas Vestnesis, 179 (462).

The Institute of Higher Education Policy. (2001). The tuition puzzle: Putting pieces together. In J. Yeager, G. Nelson, E. Potter, J. Weidman & T. Zullo (Eds.), *ASHE reader on finance in higher education* (pp. 43-70). Boston, MA; Pearson Custom Publishing.