

THE GLOBALIST

GSIEF Responds to a Turbulent Global Economy

As the world reels from the twin punches of corporate scandals and plunging markets, GSIEF is putting those issues at the top of its research and educational agenda. It is also focusing on the looming challenges of environmental issues and global aging.

GSIEF's "real time" curriculum devotes as much as 15 percent of its course offerings to new courses that deal with important current issues. This year students will examine market bubbles in Tom Shively's, "Manias and Crises" course, the ways companies relate to their communities in Michael Appell's "Corporations and Communities," and the difficult challenges that face management in the contemporary economy in Andy Molinsky's "The Leadership Experience," and the growing challenges of environmental responsibility in Laura Goldin's "Corporate Environmentalism."

An investment manager at State Street Research for more than 20 years and chief investment officer for fixed income there for ten before joining GSIEF last year, Shively will explore the long history of market bubbles, from the eighteenth and nineteenth centuries to recent activity in the US markets, and the role of "new era thinking" that often drives irrational exuberance on the way up and leads to irrational revulsion on the way down.

"Corporations and Communities" participants will hear first-hand from corporate executives how their companies introduce ethical considerations into their day-day decision-making and how they are developing new models of interaction with their communities. The new community-business partnerships that have grown out of cause-related marketing



THE PEOPLE/PROFIT/PLANET SYMPOSIUM ON CORPORATE ENVIRONMENTALISM INCLUDED A PANEL WITH ANDREW BRENGLE, KLD RESEARCH; ROBERT HURDLE, CAMP, DRESSER & MCKEE; BRANDEIS PROFESSOR LAURA GOLDIN (MODERATOR); PETER A. PETRI, DEAN OF THE SCHOOL AND CARL J. SHAPIRO PROFESSOR OF INTERNATIONAL FINANCE; BARBRA BATSHALOM, THE GREEN ROUNDTABLE; DR. BRADEN ALLENBY, AT&T VICE-PRESIDENT – ENVIRONMENT, HEALTH AND SAFETY (KEYNOTE SPEAKER); AND MICHAEL APPELL, GSIEF DIRECTOR OF DEVELOPMENT AND EXTERNAL AFFAIRS (MODERATOR).

and the blurring of the line between corporate philanthropy and corporate public relations will also be explored.

The emphasis will be on managing and leading people in difficult situations such as managing in a crisis and the approach will be experiential in Andy Molinsky's "The Leadership Experience" course. Based on his research into the "necessary evils" professionals are often required to perform, Molinsky will expose students to a variety of different interpersonally challenging situations so that they can learn how to behave as effectively as possible.

GSIEF has also taken up critical current issues in its programs outside the classroom. In parallel with the Johannesburg World Summit, GSIEF started the year

with a focus on "People, Profit, and Planet" in its September symposium on the environment. Co-sponsored with the Sustainable International Development Program at Brandeis, the gathering featured Dr. Braden R. Allenby of environmental leader AT&T and representatives of The Green Roundtable and Camp Dresser & McKee. The

continued inside

IN THIS ISSUE

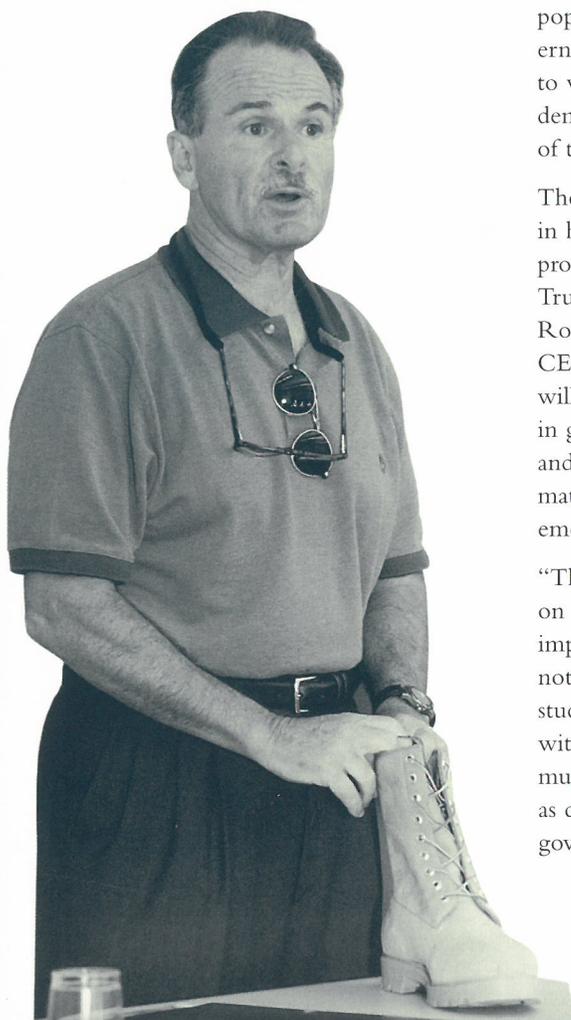
GSIEF Goes to London
MBA Program Expands Sharply
New Faculty
Faculty/Alumni News

symposium was funded by Dr. Michael P. Schulhof, Ph.D., '70 and The Schulhof Foundation, a partner with Brandeis in funding scholarships, programs and research related to the environment.

The subject of Social Security finance in the US and around the world was the subject of the October 10-11 symposium of the new Rosenberg Institute of Global Finance, GSIEF's principal research platform in the field

GIVING COMPETITORS

THE BOOT- SIDNEY SWARTZ, FOUNDER AND CHAIRMAN OF THE TIMBERLAND COMPANY, SPOKE TO GSIEF STUDENTS IN PROFESSOR CHUCK REED'S COURSE ON ENTREPRENEURSHIP ABOUT THE SUCCESSFUL DEVELOPMENT OF A FOOTWEAR AND APPAREL BRAND, FROM ENTREPRENEURIAL CONCEPTION TO GLOBAL EXECUTION.



of international finance. Professor Martin Feldstein of Harvard University, president of the National Bureau of Economic Research and former chair of the President's Council of Economic Advisors, launched the symposium with an exploration of the debate in many countries about the impact demographic changes will have on public and private retirement finance, and the resulting shifts in economic activity and resource flows.

Experts from several countries, including MIT professor Dr. Franco Modigliani, who won the Nobel Prize for his work on life-cycle savings, joined representatives from The World Bank, TIAA-CREF, Fidelity Investments, the AFL-CIO, the Cato Institute, Moody's, and many other institutions to examine key questions such as how widespread, serious and urgent the impact of an aging population is; whether an aging population should be financed by governments or markets; and the extent to which the financial effects of demographic change in different parts of the world will offset each other.

The Rosenberg Institute was established in honor of Dr. Barbara Rosenberg, a prominent educator, alumna of Brandeis Trustee, and her husband Richard M. Rosenberg, the former Chairman and CEO of Bank of America. The Institute will analyze and anticipate major trends in global financial markets, institutions, and regulations, and develop the information and ideas required to solve emerging problems.

"The School's fields of interest touch on some of the most complex and important policy issues of our day," notes Dean Peter Petri, "and our students benefit from grappling with these issues as they unfold—much as they will have to one day as decision-makers in business and government."

GSIEF Goes to London



PARTICIPANTS IN THE WORLD FINANCIAL CENTERS WORKSHOP, JULY 2002.

GSIEF students traveled to London in July for an intense examination of the regulation of volatile markets in this post-Enron age. GSIEF's fourth World Financial Centers Workshop featured lectures by the faculty of the Management School at Imperial College, business people, and government officials. Among others, students heard from the head of international banking at Clydesdale Bank PLC and representatives of the Center for Central Banking Studies, Bank of England; Goldman Sachs; and Deutsche Bank.

Field visits took the group to leading London-based financial institutions such as the Stock Exchange, Lloyd's and the European Bank for Reconstruction and Development.

In addition to regulation, the one-week course delved into issues of corporate governance, the valuation of options and shares, and accounting practices, as well as the Euro, the equity and insurance markets, entrepreneurship and venture capital, pensions, public infrastructure projects, and money laundering.

One of 17 workshop participants, Bobby Stadler, summed up his experience: "I got a rich, diverse wealth of knowledge from this course, from some of the smartest people in finance, economics and business."

Paris, Frankfurt, and Tokyo were the sites of earlier workshops.



Alumna Honored by Goldman Sachs

Melissa Otto '00 has been named an "Amazing Broad" by the Goldman Sachs' women's network, 85 Broads (named after the company's New York headquarters address). Always one to seize a good opportunity, she became involved in the 2500-member international network when she did a summer internship with the company in Japan.

Now working as an investment analyst for GE Asset Management in Tokyo, she was recognized by 85 Broads for the work she did to bring together members of the Sachs' network with the GE Women's Network, which numbers 1,000 members in Japan alone.

Melissa is an 85 Broads Regional Chapter Co-Head for Asia, which has active chapters in Japan, China, Hong Kong, Korea, and Singapore. 85 Broads also reaches out to women business school students through an initiative called Broad to Broad. The aim is to foster mentoring and information exchange.

At GE Melissa covers diversified financials and consumer electronics companies worldwide. She analyzes consumer electronics companies (mostly Japanese) as well as Chinese and Korean electronic manufacturers. She speaks Japanese, Spanish, and French, and is currently learning Chinese, in preparation for what she assumes may be the next international growth market.

"I'm really enjoying investing," she reports. "I just can't imagine doing any other job, where I can just think about the entire world and have it at my fingertips. I would like to see myself evolve into a CIO, maybe in the next 10 years, managing \$5-\$10 billion of international equity investments."

When asked how she has negotiated her adventurous career so successfully, from studying at GSIEF and in England, to working for Fulbright in Peru, to moving on to Japan, Melissa lists her "magic ingredients—guts, thick skin, persistence, self-confidence, and a sense of humor."

She also credits members of 85 Broads and the GE Women's Network, some of whom she speaks to daily. "They have been really helpful in the nuts and bolts of what I do—how to get my stock ideas out there, how to present them to portfolio managers, how to integrate myself with the team."

She offers this advice to women coming into the business world: "Pursue the things that make you happy, the things that make you excited, and that make you feel alive. Ultimately, this is what will carry you through tough times. Pursue the things that are going to make you happy in the long run. When I look back, I'm glad I stuck to my guns and kept going."

Journal of Economic Literature, the *Ohio State University Press*, and the *Economic Policy Review of the Federal Reserve Bank of New York*.

Can Erbil, a specialist in international trade, has been teaching at Brandeis, Harvard, Suffolk University, and Boston College for several years and is currently a research partner in EcoMod Project. He is doing trade analysis and modeling of expansion of the European Union to include countries in the Middle East and North Africa. He received his Ph.D. in economics from Boston College and has received many awards for teaching and research excellence. His fields of interest include development and growth, political economy, international monetary economics and finance, labor economics, and econometrics.

Carol Osler, Ph.D., a financial microstructure expert, has worked for the past ten years at the Federal Reserve Bank of New York as senior economist in the Capital Markets Section of the Research and Market Analysis Group, where she specialized in currency market microstructure, exchange rate dynamics, and asset pricing. She earned her Ph.D. at Princeton and taught previously at Columbia University, the Amos Tuck School at Dartmouth College, and the Kellogg School of Management.

Rashmi Shankar, whose fields of interest include macroeconomics, international finance, and econometrics, received her Ph.D. in international economics and finance from the University of California at Santa Cruz. She taught there as an instructor and teaching assistant and won several teaching awards. In work for the World Bank, she has done research for the World Bank on Latin America, Hungary, and Tunisia.

Cecchetti and Bui will start teaching in the fall of 2003.

IN THE NEWS

Professor Blake LeBaron recently published two papers examining the role short-memory traders, or traders looking at only the recent past, play in generating excess volatility in simulated financial markets. "Short-memory Traders and their Impact on Group Learning in Financial Markets" appeared in *Proceedings of the National Academy of Science*, (vol. 99 suppl. 3, 2002: 7201-7206). "Evolution and Time Horizons in an Agent Based Stock Market" appeared in *Macroeconomic Dynamics* (5, 2001: 225-254). He also published "Stochastic Volatility as a Simple Generator of Apparent Financial Power Laws and Long Memory" in *Quantitative Finance* (1, 2001: 621-631).

Professor Jane Hughes took her turn with "Guilt and Pride" in the "My Turn" section of the Women in Management Education issue of *BizEd* magazine (July 2002). She is also working on a book entitled *Carnival on Wall Street: Global Financial Markets, 1992-2002*, to be published by Wiley next year.

Alumni Notes

Alex Arifianto '01 is a staff researcher with the Smeru Research Institute in Indonesia, a public policy think tank which studies poverty, decentralization, and government policies toward the poor in that country. The Institute receives support

from the US Agency for International Development and the Ford Foundation.

Erik Rios '02 is working in the credit area of Banco de Boston in Brazil, Fleet's Latin American operation.

Please send alumni news you would like to share with the GSIEF community to Michael Appell, director of development and external affairs at appell@brandeis.edu.

THE GLOBALIST Fall 2002
THE GLOBALIST is the newsletter of the
Graduate School of International Economics
and Finance of Brandeis University. Comments
and suggestions are welcome.
Peter A. Petri
Dean and Carl J. Shapiro Professor
of International Finance
Editor:
Geraldine F. Koch
Assistant Dean for Admissions
Tel: 781-736-4829
gerikoch@brandeis.edu
Writer: Prado Associates
Design: Nieshoff Design, Lexington, MA

Brandeis University
The Graduate School of International
Economics and Finance
Sachar International Center, MS-032
Waltham, MA 02454



NONPROFIT ORG
U.S. POSTAGE PAID
BOSTON MA
PERMIT NO. 55949