

ADDING TENSION, CONFLICT TO THE GLOBAL MODEL

[Weisman, Robert](#). **Boston Globe**; **Boston, Mass.** [Boston, Mass]26 Oct 2003: E.2.

If global trade is going to advance in the 21st century, business leaders will have to navigate not only a world of integrated markets, but a world rife with tension and conflict.

That squabbling world has been on full display over the past several years, from the antiglobalization protests to the trans-Atlantic product boycotts that accompanied the rift over the war in Iraq. Now the climate of divisiveness is drawing the attention of business educators preparing students to enter the field of international commerce.

At the Brandeis University International Business School, where 55 percent of the student body is drawn from other countries, graduate students debate in classes how American trade policies affect their countries, how the backlash against the United States plays into branding decisions, how child labor and environmental laws are implemented around the world, and how protectionism, economic nationalism, and terrorism affect the global economy.

Brandeis opened its Graduate School of International Economics and Finance in 1994, and it has expanded gradually from 50 to about 200 students. The school recently changed its name to the International Business School, and added faculty in marketing, strategy, technology, and organization. Finance and economics remain the focus. But the school is grappling with an issue that cuts across disciplines: what it means to do business globally in an age of war and terror.

In one sense, global business operates on a different plane than global politics. It's a plane in which relationships matter and the personal often can supplant the political - in business, and business education.

"At the same time as we think of the world becoming more fractious and hostile, there is an extraordinary optimism and commitment to internationalism by a new generation of leaders," said Peter A. Petri, the Hungarian-born dean of the Brandeis business school. "They see this as the world they want to live in, and this is the world they want to build."

But on another level, the post-Sept. 11, 2001, world does impinge on international business, with the rise of economic nationalism, the quickness of capital markets to punish countries with unstable investment environments, and the new wave of consumer boycotts. "The issue of how closely you identify a brand with a nationality has become a big subject," Petri said. But there is no one answer. For many overseas consumers, buying American means buying into the ideas of freedom and democracy. For others, the American brand has been tarnished by what they view as a heavy-handed foreign policy.

Some multinational executives are troubled by the prospect of political turbulence spilling over into the business world, and want to do something about it. Among those reassessing the role of business leaders in the crises roiling the planet is Douglas Daft, the chairman and chief executive of Coca-Cola Co., who will give the keynote address on Nov. 13 at a Brandeis-sponsored conference titled "Winning Back the World: America's New Challenges in the Global Economy."

In a lecture at Columbia University's School of International and Public Affairs last spring, Daft argued that captains of commerce need to step up to their new responsibilities. He called for working groups of companies that could collaborate with government officials on reducing regional conflicts and solving global problems.

"The magnitude of the challenges the world faces today requires businesses to demonstrate more leadership and more action," Daft said. "We must step up and help break logjams on the critical issues: disease, ignorance, hunger, and even interstate conflict. We must work alongside diplomats and statesmen and women, not taking their place, but no longer abdicating to them our own responsibility to help."

Such a tack might be welcomed at the Brandeis business school where, in one class, there are 45 students, 23 nationalities, and 21 languages. Students from Argentina dissect relations with the World Bank; students from the Balkans weigh in on the rebuilding of Serbia; and students from India and Pakistan monitor trends in outsourcing. During the Oslo peace process, Petri recalled, students from Israel and Arab countries swapped models for a new Middle Eastern trading system. Such give and take has faded with the resurgence of violence. Yet "if there were a possibility for that again, Brandeis would quickly become a leader," Petri predicted.

Petri, a professor of international finance, said global trade spiked early in the 20th century, retreated during the two world wars, and rebounded strongly over the past two decades. The latest tide of economic integration already has surpassed that of a century ago, and Petri believes it has progressed too far to be turned back by the specter of terror. "The globalization forces are just too deep and too strong," he said.

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