Over 80 IFEP students attended the annual overnight retreat starting Friday, September 6 at Camp Kinder Ring in Hopewell Junction, New York. After lunch, Professor Richard Goldberg led an interactive discussion about the financial crisis. Professor Andrea Bubula, the IFEP Executive Director, also attended the retreat and provided students with an overview of the concentration and its competitive advantages in today’s job market. Students spent the rest of the afternoon playing tennis and basketball. A few even braved the late summer chill for a brief swim in the lake. After sunset, students enjoyed dinner as well as a bonfire and s’mores. Once the s’mores ran out, a dance party promptly followed—and discussion of the financial crisis promptly ended!
Robert D. Hormats, former U.S. Under Secretary of State for Economic Growth, Energy, and the Environment, visited SIPA on December 4, 2013, to share his insight and engage in an open discussion with a select group of IFEP students on U.S. foreign economic policy. Introduced by Merit Janow, current Dean of SIPA, Mr. Hormats served as Senior Deputy Assistant Secretary and Assistant Secretary of State at the Bureau of Economic and Business Affairs from 1977 to 1979, and from 1981 to 1982, respectively. He also served as a senior economic advisor from 1969 to 1977 to Henry Kissinger, General Brent Scowcroft, and Zbigniew Brzezinski. Within the private sector, he was Vice Chairman of Goldman Sachs (International). He is a recipient of the French Legion of Honor and the Arthur Fleming Award. He received his doctorate at Tufts University's Fleming School of Law and Diplomacy.

In a comparative exercise, Mr. Hormats evaluated the profound evolution that has taken place in the geopolitical arena, and how foreign policy has adjusted in response. He discussed how containment of Soviet power was the primary im- petus behind U.S. economic policy, which manifested itself via the Marshall Plan. The program's aim, he argued, was to fortify strategic ties with Europe during its redevelopment in the aftermath of World War II. While today's global political framework no longer consists of two rival superpowers, the U.S. can no longer dominate the global economy the way it could several decades ago, Hormats contends. An emphasis on cooperation is now necessary in order to tackle major issues such as harmonizing regulations and instituting environmental directives. He also discussed the geo-strategic elements of trade and how the Trans-Atlantic Trade and Investment Partnership (TTIP) was seen as a replacement for NATO in reinforcing American-European ties, as the latter had done throughout the Cold War.

The discussion concluded with a question-and-answer session wherein students asked Mr. Hormats to discuss his views on subjects like U.S./China economic relations; the domestic discussion dealing with the welfare state and how it relates to outsourcing; what Washington can do better; the "audio-visual" issues in France; and, in general, the effects of deepening economic ties on geopolitical relationships.
China needs real reforms to put the Chinese economy back on track, says Mr. Chovanec. China is reducing its dependence on exports and is focusing more on domestic demand. The composition of Chinese demand is also changing. The relative importance of consumption is increasing, while the relative importance of investment is decreasing. However, it is difficult to implement these changes because they involve serious structural reforms to the tax system, the exchange rate system, and the entire banking system. For example, in order to stimulate consumption, China has to relocate resources back to the household sectors, but that will undercut the investment boom currently taking place, threatening a lot of entrenched interests.

Mr. Chovanec thinks it remains unclear as to whether policymakers are encouraging privatized enterprise. On the one hand, Premier Li Ke Qiang has said that China should no longer delay adjusting its economic model. On the other hand, the former president, Hu Jin Tao, reinforced the importance of the State sector as the leading force of the economy. President Xi Jin Ping has also embraced Maoist concepts by republishing the Little Red Book and launching a “mass line rectification campaign.” Even if there is a consensus among members of the politburo standing committee that a market reform is pertinent, implementation is the real challenge.

Corruption has been a serious problem, undermining everything the Chinese leadership is trying to do. The problem is that “combating corruption” is often used as a tool to get rid of political rivals. Even though people have been talking about cleaning up corruption for at least the past decade in China, very little progress has been made.
I had the pleasure of taking Professor Richard Goldberg’s course, *Global Financial Services Sector in the 21st Century*, during the fall semester of 2013. It was a valuable experience to learn from a 25-year Wall Street veteran who has covered the financial sector for international M&A (Mergers & Acquisitions) and worked at various global banks. Professor Goldberg is actively involved with the Columbia University community in general, and particularly with the IFEP concentration.

The course provided a framework within which students could evaluate and understand the global financial services industry. In class, we explored perspectives such as the current and future roles of the major financial services participants, key drivers influencing an industry that has always been characterized by significant change, and strategic challenges and opportunities facing today’s financial services CEOs. That said, this course is tailored so that students with various backgrounds can follow and appreciate all of the materials read and discussed. The assigned readings were current, applicable to today’s financial markets, and focused on what was important.

In particular, Professor Goldberg’s course taught how a SIPA student might look at global financial institutions from a different perspective, focusing more on global macroeconomic and political risk over just simple returns. For example, we learned about how regulatory changes in the capital markets could affect the global strategy of a financial institution, and how a supermarket approach may be of benefit to one institution but a boutique approach might be better for another, depending on a financial institution’s strengths. Understanding the dynamics of policy and financial markets is a valuable proficiency that this course teaches.

Clearly, the guest speakers (from banks and asset managers) and the two presentations were the highlights of the course. For example: For the final case study, we divided our class into teams. Each group recommended specific strategies to senior management at Bank of America Merrill Lynch New York headquarters that could potentially strengthen the bank’s position in the financial markets. Senior executives provided feedback to all teams on how our suggestions would or would not be feasible in the current marketplace.

This live presentation to professionals was a unique experience, especially for students who have not worked much prior to attending SIPA. The skills acquired in this course will serve students well in several sectors; however, it’s tailored for careers in finance, banking, management consulting, and policy-making. I encourage students with various backgrounds to take Richard Goldberg’s course, because it teaches rich information, offers great opportunities, and is entertaining.
IFEP FALL GALA
AT THE LOTOS CLUB
IFEP FALL GALA AT THE LOTOS CLUB
November 21, 2013

Students, alumni, and faculty dressed, ate, and drank to impress at this year’s annual IFEP gala at NYC’s Lotos Club. Companies represented include...

The IFEP concentration held its annual Holiday Party at the Village Pourhouse on December 4, 2013. It was the final IFEP event of 2013. Students gathered around spinach dip and buffalo wings to discuss their upcoming final exams and plans for the winter break.