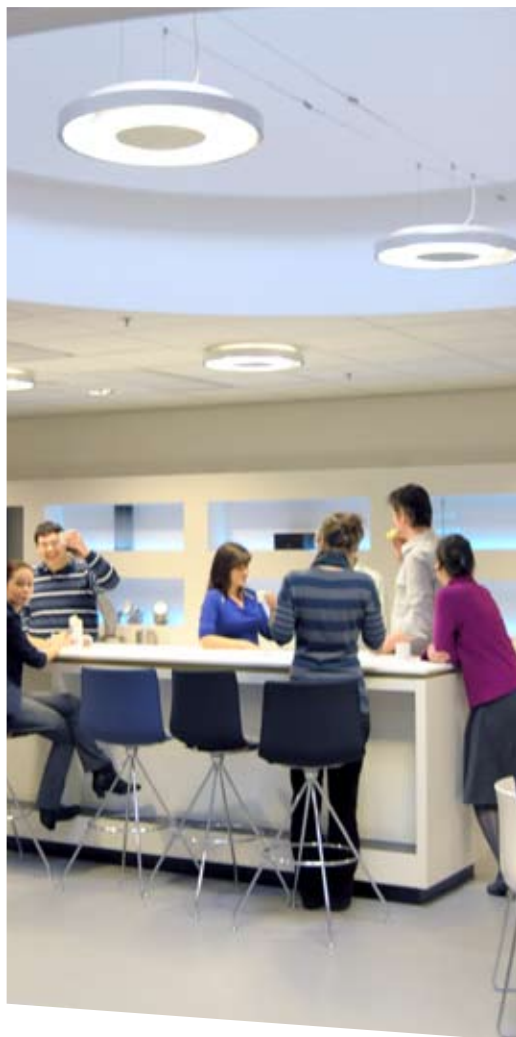


# Duisenberg Review



## Office Towers, Business Suits, Classy Restaurants

Duisenberg school of finance has moved to the Amsterdam Zuidas, the city's financial centre

The new location strengthens the school's close connection to the financial sector. Furthermore, Duisenberg school of finance's students gain a more dynamic atmosphere for financial study and an abundance of new opportunities.

Duisenberg school of finance's growth and a strong collaboration with the Tinbergen Institute made a joint move desirable. Duisenberg school of finance and Tinbergen Institute share the first floor of the Symphony building. Together, DSF and TI create a stimulating teaching and research setting, further establishing the Netherlands as a leading international centre in Financial Economics.

In the Spring, we will have a festive opening to officially introduce our new campus. We expect inspiring guests and triggering debates. In the meantime, feel welcome to come by and have a look.

Additionally, Duisenberg school of finance kick-started 2011 with a new corporate partner, new thinking in finance, and a new colleague to head the Sustainability programme. Read more about these happenings in this Review.

### In this Duisenberg Review

**Get Ready for the Finance Battle** 3

**DSF's Expanding Synergistic Network with Industry** 4  
 Jean-Pierre Boelen, Deloitte

**Building Open Innovative Communities** 5  
 Economic Development Board Amsterdam

**Introducing Bernd Jan Sikken** 6  
 DSF's Programme Director Finance & Sustainability

**Agenda** 6

**Quantitative Easing and Credit Easing** 7  
 Prof. dr. Michael Woodford

**DSF Publications** 8

**Life after Duisenberg school of finance** 8  
 Promising results from our Graduate Survey 2010

## "Teaching Others to Teach Themselves"

Duisenberg school of finance students use finance and legal knowledge and skills to empower others

Corporate social responsibility (CSR) is a hot term these days. Duisenberg school of finance is increasingly including CSR and sustainability into its curriculum. Two current students, Louis Gqoboka and Lisette Beekman demonstrate what social responsibility is all about, just without the 'corporate'...yet.

... continue reading their story on page 2



Louis Gqoboka



Lisette Beekman

...continued from page 1

## “Teaching Others to Teach Themselves”

### Empowering rural people

Louis Gqoboka, a South African national, is in the LLM Finance and Law programme at Duisenberg school of finance and also volunteers when he is back home at a legal aid clinic in a rural village. The legal aid clinic is a non-governmental office set up by a university and other NGO's. The purpose of the clinic is to teach rural people about South Africa's Constitution, Bill of Rights and to also provide them legal advice on labour law, consumer rights and property rights.

Louis explains why he volunteers, “I am passionate about the role of the constitution and law in my country. These are the two major instruments, besides money, that can empower people. Constitutional reform is the biggest project ever undertaken in South Africa and we owe our success to it. It is a document that every citizen is entitled to know and understand, even if it's not an area of speciality.”

Louis adds, “I am concerned about the knowledge divide in the world and if I can assist, it is to enlighten people in my community, especially rural people. Democracy and freedom are meaningless if people are ignorant and illiterate.”

### Creating promise through business and finance

Lisette Beekman, a Corporate Finance and Banking student at Duisenberg school of finance, is also empowering people through her volunteerism with SIFE (Students in Free Enterprise), both abroad and here in The Netherlands. SIFE's mission beholds *“the continued promise of business to create a better world would depend on improving knowledge, attitude and skills of university students who could in turn affect larger societal change and one day be entrusted with delivering on this promise.”*

Through SIFE, Lisette has used her knowledge and skills in finance in Gambia and in Amsterdam to “teach others to teach themselves.” Lisette describes the project, “in Gambia, we developed entrepreneurial classes for people studying to work in the tourism industry. Since there were not enough jobs in this industry, we explored business opportunities and created financial and other basic entrepreneurial classes. A group of 4 team members went to Gambia to give the classes, but they were also developed to be taught by the teachers already active in Gambia. The project is still running (3 years now) and, every year, several team members of SIFE fly to Gambia to teach and further develop the programme.”

In Amsterdam Bijlmer, Lisette and other SIFE volunteers created a totally different course. “We developed a two-day course discussing practical matters concerning the financial situation of teenage mothers living in temporary housing. Besides basic household financial statements, we also discussed how to spend money, and where to get the best deals. These were topics that the mothers were simply not aware of, nor had the opportunity to really discuss before.”



Lisette Beekman teaching teenage mothers

### Lessons learned

Lisette acknowledges that her volunteer experiences have broadly complemented her studies at Duisenberg school of finance. For instance, she explains that, “working with a team to develop a project and a teaching module does help you to understand practical matters you come across when implementing projects. Also, if explaining accounting and financial statements to others, you better understand the content yourself.”

Louis, on the other hand, has learned resilience and patience and that real change takes time. He explains, “I have also learned to deal with problems as they come. Reality is not some sunshine situation ready for you; you have to be ready to deal with any challenges as they arise.” Surely, this learned lesson benefits Louis in his studies at Duisenberg school of finance and will enable Louis to tackle issues more easily in his future career in finance and law.

“I am concerned about the knowledge divide in the world and if I can assist, it is to enlighten people in my community, especially rural people.”

Louis Gqoboka

### The finance world and corporate social responsibility

When asked how the world of finance contributes or can contribute to volunteer work/social responsibility, Louis comments that, "finance people must embrace voluntary work. Yes, a lot of people are contributing money for charity, but being personally involved is the most important thing."

Lisette also believes that corporations, specifically financial institutions, can do more to engage in corporate social responsibility. She remarks that, "while the financial industry should not necessarily assume a leadership function in CSR, perhaps institutions can include CSR in their investment strategy and portfolio. What they could do is, for example, 'lend' their employees, who can take a year off to use their expertise to participate as a volunteer for a special project, to other organisations that do have the core goal to improve and engage in CSR. That obviously would be great, but it needs to be facilitated by financial institutions."

Both Louis and Lisette have been inspired to help others through use of their knowledge and skills, and plan to continue to do volunteer work at least on a part-time basis while at Duisenberg school of finance, and beyond. What they learn at Duisenberg school of finance and the skills and knowledge they continue to develop in their careers will only enhance the financial and legal tools they are able to share with others.

"While the financial industry should not necessarily assume a leadership function in CSR, perhaps institutions can include CSR in their investment strategy and portfolio."

*Lisette Beekman*

## Get Ready for the Finance Battle

Duisenberg school of finance and StudentsMedia have joined forces to organise a Finance Battle

**This competition takes new thinking in finance to the next level. Talented and ambitious students can meet, compete and innovate for the Duisenberg Finance Award. Duisenberg school of finance will also offer the best individual from the overall Battle a scholarship to study in one of its Master's Programmes.**

Companies within the financial industry can submit current cases to use in the competition. Cases can deal with pension management, finance & sustainability, derivative markets, but also other themes. Companies can create teams for the competition by selecting students from the talent pool. The talent pool is comprised of excellent pre-selected Bachelor's and Master's students who are in their final year. A professional panel of judges will determine which team achieved the most innovative solutions to the cases.

The competition consists of two preliminary rounds. The winning teams of those rounds will compete in the final in October 2011.

The main organiser of the Battle is StudentsMedia. StudentsMedia provides an online marketplace for talent. Students looking for internships and jobs present themselves via a short video and profile. Companies get the opportunity to find the talented potential they need. StudentsMedia has also successfully organised battles in the Energy industry and Health industry.

Duisenberg school of finance encourages new thinking in finance, both in research and in teaching. In addition to offering the Duisenberg Finance Award and study scholarship, the school will provide expertise during the Battle and host the first preliminary round on the 20<sup>th</sup> of May.



## DSF's Expanding Synergistic Network with Industry

Partnership between Duisenberg school of finance and Deloitte



Jean-Pierre Boelen

**Deloitte will become a partner of Duisenberg school of finance. A closer look at Deloitte with Jean-Pierre Boelen, Partner and Country Leader of the Financial Services Industry at Deloitte.**

### An introduction of Deloitte and her ambitions

Today, about 25% of all Deloitte's activities are in the Financial Industry. The company realised that the rising demand for services in that industry provided them with opportunities. But, the demand was not for just any service. Rather, the demand was for service which brings added value and customer knowledge, as well as the ability to use that knowledge in an *efficient way*.

Deloitte in the Netherlands is on the same track as Deloitte globally with its primary growth resulting from increased work in the Financial Services Industry (FSI). Jean-Pierre Boelen is satisfied; building the FSI department in the Netherlands, is what he envisions. However, the growth in the past years did not put him, being head of the FSI department, at ease; he was and remains ambitious to keep on building. In his plans, FSI will double in the coming 4-5 years.

### Innovation in the financial industry

Boelen explains, "The Financial Industry has a large role in the world. The industry is present in and facilitates all other industries. In that sense, the social role of the industry is enormous. It has never been and will never be a stand-alone industry. Deloitte wants to be a forerunner in the Financial Industry. Wants to continue to drive innovation. We want to be the partner to help our customers, financial organisations, shape the future of their organisation."

Boelen is involved in several initiatives in the Netherlands that contribute to the position of the Netherlands as a financial centre and stimulate change. He chairs the innovation cluster of the Holland Financial Centre, and joins meetings of the Economic Development Board Amsterdam. "One of the aspects that keeps on coming back in these initiatives, is the importance of good education in order to innovate. Education that bridges the gap between academia and practice. Looking at Duisenberg school of finance, the school perfectly matches that demand."

As said, Deloitte wants to contribute to the larger picture of the Financial Industry in the Netherlands as well. Deloitte's power rests in the ability to provide content and added value, but to also combine that with realising business impact. "Rules and legislation such as Basel III, IFRS 9, Solvency II, are a given. Quite technical topics. Naturally, customers expect up-to-date knowledge from our consultants. And, what really adds to that, is the capability to embed these concepts in the business and to bring additional value throughout the whole organisation."

### New thinking in finance

To Jean-Pierre Boelen, it comes down to having a dream. "Dream about what you wish to be. Where do you want to be in the future? The Netherlands is, honestly, a bit modest. We are afraid of having big dreams. In the past, we had part of our dream; we had large financial companies. Going back even further, we were known as a great trading nation. Where did that spirit go? Let's pick up on what we traditionally do best. International-oriented trade."

Deloitte, Duisenberg school of finance, but also other organisations in the Financial Industry have a role in enabling dreams and establishing new thinking in finance. "Once you have a certain size and are a serious player in an industry, you have to contribute. It then comes down to proving your quality in the output you deliver. Duisenberg school of finance has to make sure to deliver its top quality graduates and get them in great positions. That's what shows your added value," states Boelen.

Boelen is personally interested in people. He is convinced that there's always more to get out of somebody. Human behaviour triggers him. Building successful teams and creating movement. On top of that, his passion for the industry drives him.

“The Financial Industry has a large role in the world. The industry is present in and facilitates all other industries. In that sense, the social role of the industry is enormous.”

*Jean-Pierre Boelen*

### Deloitte and Duisenberg school of finance

Looking at the upcoming cooperation between Deloitte and Duisenberg school of finance, Boelen has three lines of expectations. Duisenberg school of finance and Deloitte will jointly position in the market, i.e. through seminars and papers. The parties will contribute to building the bridge between the academic world and practice, as the school does with all her partners. Next to that, Duisenberg school of finance will provide talented graduates to Deloitte. Third, Deloitte's high flyers can take part in the school's educational programmes. “Knowledge is important in order to be innovative and sustainable. I expect Duisenberg school of finance's graduates and educational programmes to provide that.”

**Deloitte.**

## Building Open Innovative Communities

Duisenberg school of finance actively takes part in the Economic Development Board Amsterdam

**The Economic Development Board aims to boost 7 main economic clusters in the region, in order to empower the Amsterdam metropolis area. The mayor of Amsterdam, Eberhard van der Laan, chairs the Board.**

As Mayor Van der Laan explains, “With the launch of the EDBA, critical mass and cooperation will be organised in such a way that the Amsterdam region can better compete with economic hubs around the globe and also improve economic growth and employment.”

### Financial and professional services cluster

One of the 7 economic clusters concerns ‘financial and professional services’, chaired by Hans van der Noordaa, member of the ING board. Duisenberg school of finance also takes part in this cluster. The cluster formulated a three-fold mission statement to guide the region's development. The goal is to achieve the following objectives by 2020:

- The Amsterdam region holds a top 7 position amongst European financial centres and a top 10 position worldwide in the specific areas of: sustainable finance; pensions; financial logistics, and financial trade systems.
- The Amsterdam metropolis region holds a leading position in European services innovation.
- Amsterdam is a worldwide recognised incubator for talent in the financial and professional services sectors.

### Knowledge and innovation

The first step for this cluster is that entrepreneurs, researchers and politicians jointly develop a knowledge & innovation agenda. Two hurdles must be overcome to achieve this. One: the academic field is too heterogenic in its programme offering and does not cater for the sector's developmental needs; hence, the sector tends to look outside the Netherlands for (executive) education. Two: the academic institutions

do not cooperate well enough, thereby limiting their own power to innovate. According to Dirk Schoenmaker, Dean of Duisenberg school of finance, “This is where Duisenberg school of finance comes in; as the liaison between academia and the financial sector. The school works closely together with other academic institutions and with the (financial) sector. By building open innovative communities and service innovation alliances, Duisenberg fulfils its mission - to be an incubator for financial leadership, to provide new thinking in finance and to build on Amsterdam as an international financial hub.”

### Collaborate and benefit

Duisenberg school of finance and the municipality of Amsterdam collaborated to establish the school itself and also recently launched the Research Department. Furthermore, the Mayor actively promotes Duisenberg school of finance and greater cooperation between the financial and academic sectors in order to enhance knowledge, talent sharing, and innovation.

As Schoenmaker adds, “It's needless to say that Duisenberg school of finance proudly contributes to the mission of the EDBA. We know that investing in the mission of this cluster will strengthen the school's position as well.”

**On February 11th, an energising mini-conference was held at the Shell Technology Centre and chaired by Mayors Eberhard van der Laan, and Annemarie Jorritsma from Almere. 140 top executives, policymakers and experts, attended the conference and committed themselves to invest in the mission of the EDBA and, therefore, in the growth of the Amsterdam metropolis region by 2020. Duisenberg school of finance actively contributes to this mission.**

## Agenda

### Upcoming and Not to Miss

April 7, 2011:  
**DSF Information Session and Mini-Master's Class for students**

April 8, 2011:  
**Governance and Regulation in Crisis - Addressing the Next One, Lecture**

April 20, 2011:  
**Research Seminar with Michael Roberts, Wharton**

May 18, 2011:  
**Research Seminar with Holger Mueller, NYU**

May 23, 2011:  
**Official Opening DSF at Zuidas with Alexander Rinnooy Kan, SER**

May 31, 2011:  
**Public Debate with David Held, LSE**



For more information about the Duisenberg school of finance events, please visit our website: [www.dsf.nl/home/events/upcoming\\_events](http://www.dsf.nl/home/events/upcoming_events)

## The Role of Finance in Accelerating the Transition Towards a Sustainable Economy

### Introducing Bernd Jan Sikken

Duisenberg school of finance is growing fast and one of its key focus areas is the role of finance in driving sustainability. To further develop the educational and research activities in this domain, Bernd Jan Sikken has recently been appointed Programme Director Finance & Sustainability. His role is to ensure that Duisenberg school of finance delivers a world-class programme that is tailored to the needs of business.



*Bernd Jan Sikken*

### Can you briefly introduce yourself?

Before joining Duisenberg school of finance, I worked at the World Economic Forum in Geneva where I led multi-stakeholder initiatives to accelerate the transition towards sustainable business and investment practices. As Associate Director of the Centre for Global Industries, I worked with leading investors and corporate executives on topics such as: mainstreaming sustainable investing, restoring trust in financial institutions, and embedding sustainability principles into core business strategies. Earlier in my career, I was a managing consultant in strategy & change at PwC, and an investment manager at ING.

### What makes the Finance & Sustainability programme unique and what are the key focus areas?

The unique element of this programme is that it focuses on the role of finance in accelerating the transition towards a sustainable economy. Nowadays, there are many sustainability-oriented MBA programmes, but hardly any programme that explicitly focuses on the role of finance in driving this transition. The overall programme consists of three parts: Master's courses for full-time students, Executive courses for specialists and top managers, and a research programme. Key topics that we cover include: sustainable and responsible investing, carbon finance, sustainability & value creation. We will further develop the programme in the next few months through active engagement with senior executives.

### Who will be teaching these courses?

Duisenberg school of finance aims to be the best finance school in Europe and, therefore, we work with

some of the leading professors in the world. For example, Noreena Hertz has been appointed Professor of Globalisation, Sustainability & Finance. She is an influential economist who became world famous through her visionary books "The Silent Takeover" and "IOU: The Debt Threat". In the latter, she predicted the 2008 financial crisis. In addition, her thinking on new sustainable business models inspired Product (RED) which raises money to fight HIV and AIDS through alliances with global brands such as Motorola, American Express, and Starbucks. We will also invite top speakers from business and politics. For example, Wouter Bos recently shared his view on sustainable development with our current cohort of Master's students.

### How was this programme initiated?

The Finance & Sustainability programme is directly supported by the Holland Financial Centre as part of its objective to further strengthen the financial sector in the Netherlands. The Netherlands is one of the world's leading countries in the sustainable financing domain. Further developing this competency is not only important from a sustainability perspective, but also from an industry perspective.

Sustainability is not only a societal imperative, but also an opportunity for innovation and value creation!

### How can people get additional information about the Finance & Sustainability programme?

People can contact me at [bernd.jan.sikken@dsf.nl](mailto:bernd.jan.sikken@dsf.nl). Additional information can also be found on our website: [www.dsf.nl](http://www.dsf.nl).

## Quantitative Easing and Credit Easing

Michael Woodford, John Bates Clark professor of political economy at Columbia University, conducts a public debate at Duisenberg school of finance

On January 11, 2011, Michael Woodford presented his views on Quantitative Easing and Credit Easing. The United States Federal Reserve recently signalled its intent to continue with the Quantitative Easing programmes, and since Professor Woodford also serves on the Economic Advisory Panel of the Federal Reserve Bank in New York, his speech was well-timed.

### Remembering the Japanese experience of the mid-90s

Professor Woodford explains that the Fed is entering an uncharted era of monetary control. Prior to the financial crisis, monetary policy was discussed in terms of only one mechanism, the target overnight rate; little attention had been devoted to the necessary mechanisms to maintain and enforce this rate. Following the fall of Lehman Brothers, the LIBOR/OIS spread jumped wildly to over 350BPs and most banks sought the lower bounds of the interbank lending rate. In response, the Fed and the ECB used the experience of Japan in the mid-nineties, whereby only a combination of lowering the overnight rate and increasing bank reserves was able to stimulate the financial sector and the economy.

### Discipline in reserve control

The first post-crisis round of quantitative easing resulted in most central banks' balance sheets growing tremendously (predominantly due to increases in reserves) after the fall of Lehman (80% growth for the ECB and 130% for the Fed). The ECB has been more disciplined in controlling reserves, while the Fed has resorted to printing money, but both have entered an era where they are purchasing new assets (mostly mortgage-backed securities) that have wildly differing liquidities, collateral, and counter-party risk.

### No net benefit from quantitative easing

Woodford's findings disprove the example of Japan, citing that Japan's increase in monetary base between '90 and '08 suggests that there was no net increase in real GDP. The Curdia-Woodford Model, which Woodford presented, suggests that a central bank can reduce its costs by raising treasuries in the event of real demand – however, "pure quantitative easing" causes no net benefit if a real demand does not exist.

In their research, and as presented in their paper, Curdia and Woodford show evidence supporting the Fed's \$1.25 trillion purchase of mortgage-backed securities, as the private sector was too distressed to handle the real demand. However, Woodford categorically denies the validity of studies that directly correlates the amount of funding provided to the amount of new jobs created. Woodford also disproved of quantitative easing being used as a signalling mechanism by the central banks, as it is a highly inefficient one and because it raises expectations about inflation that may not be justified.



Michael Woodford

### Quality versus quantity

The audience members at Woodford's 11 January presentation raised numerous concerns regarding the arbitrage opportunities that this new round of quantitative easing presents, citing the necessity to bail out the mortgage-backed securities in 2008, and how some institutions could willingly recreate a similar scenario. These concerns further prove the need for quality rather than quantity when it comes to central banks injecting capital in the economy.

The discussion with the audience raised a further interesting question of how the large exporter nations, such as China and Germany, should react to this wave of monetary stimulus. In short, both China and Germany face the challenge of adjusting their policy or lobbying regulators, in order to assure that they are not solely being paid in freshly printed currency.

"When financial markets are sufficiently disrupted, as shown by the appearance of large and unusual spreads between different interest rates, apparent freezing of particular markets, and so on, the conclusions that you should reach are not simple. In particular, Central Bank Credit policy can be effective under those circumstances and can, in fact, increase welfare."

Michael Woodford

## DSF Publications

Sharing new thinking in finance

**One of the most important pillars of Duisenberg school of finance is research-based teaching. Where industrial companies have Research & Development for their innovation, Duisenberg school of finance has research to foster its innovative approach to finance.**

As a result, the school's programmes provide students with an unconventional and forward-looking approach to finance. Besides feeding the educational programmes, the school's research and researchers also contribute to the public policy debate on current topics. Several young and talented research fellows, as well as experienced top academics capture their research and visions in papers.

With the intention of sharing the school's new thinking in finance, three types of publications have been established:

- **DSF Policy Briefs.** These Briefs provide short and up-to-date visions on current policy issues. The Briefs can be published in the media and will be sent out via email to those that have a connection to issues covered. The target groups for the Policy Briefs are regulators, professionals from the industry and policymakers.
- **DSF Policy Paper Series.** This Series is aimed at professionals interested in research-based visions. Readers of this series seek a more in-depth view on certain topics. The Policy Papers translate research findings into applicable solutions.
- **DSF-TI Discussion Paper Series.** In this Series, the hard-core academic pieces are listed. In cooperation with Tinbergen Institute, this series is developed to offer academic insights into fundamental and innovative research. The authors are mostly experienced experts in their fields. The majority of the readers are academics.

All publications can be found on DSF's website: [www.dsf.nl/home/research/publications](http://www.dsf.nl/home/research/publications)

## Join the Communication Team on our Social Media Sites and share in the DSF Experience

View our Facebook page for regular updates on DSF activities and student commentary or see what our students experience everyday in the class room by joining us on Twitter.

Engage in forum discussions via LinkedIn or view our public debates and lectures on the Duisenberg YouTube Channel. You will also find our image gallery on the DSF Flickr account.

We look forward to seeing you there,

Srinivas Nemani, Lisette Beekman and Adelina Toader, DSF Class of 2011



## Life after Duisenberg school of finance

Promising results from the school's 2010 Graduate survey



*Class of 2010*

The Class of 2010 is very content with the return on investment from their studies at Duisenberg school of finance. Over 90% of the graduates are employed and report a high to very high job satisfaction. Over 2/3 of the graduates are working in the Netherlands. Moreover, 50% of the graduates working in the Netherlands were recruited by Duisenberg school of finance's partners: ING, APG, ABN Amro and Aegon. Of the graduates working abroad, most found a job in 'the City' with large financial institutions: J.P. Morgan, Barclays Capital, UBS, Morgan Stanley and Goldman Sachs.

Not surprisingly, the largest employer of Duisenberg school of finance talent is the financial sector. Other graduates found jobs with large corporates and consulting firms, and several graduates decided to continue their academic career as PhD students.

Without exception, students are positive about the extent to which Duisenberg school of finance fulfilled their goals in doing a Master's in finance. They consider the school's career services effective. On a monetary level, a Duisenberg school of finance programme also pays off, with significantly higher starting salaries than average for university graduates in similar sectors. These statistics bode very well for Duisenberg school of finance's current Class and may be another reason for prospective students to sign up for the Class of 2012!

### Duisenberg school of finance

Gustav Mahlerplein 117

1082 MS Amsterdam

The Netherlands

T +31 (0)20 525 85 90

info@dsf.nl

www.dsf.nl