WORLD OF BUSINESS MEETS THE WORLD
THE FIRST THREE YEARS
WHAT A DIFFERENCE THREE YEARS MAKE

When we launched the Institute for Business in the Global Context in 2011, revolutions were cascading across the Middle East and North Africa. Images of turmoil in Tahrir Square were being beamed around the world. Seemingly leaderless political uprisings were organized over a handful of business innovations, mobile and television networks, and social media. The region was poised to give birth to a new stretch of democratically run emerging markets. Business and the global context—geopolitics, security, the state of the human condition, among so many other factors—had collided and connected in dramatic ways.

Today, the region is in a different place. It is far from representing a new stretch of emerging markets, but the importance of that interplay between business and its wider context—there or elsewhere around the globe—was and is undeniable. When global corporations and investors consider the fastest-growing markets, they must consider factors that are quite new to the business strategist: the state and its national and international political agenda, innovations for populations aspiring to join the global consuming class; rising demand with diminishing supplies of natural resources; operating risks of markets with missing institutions; and disruptions not only from home-grown innovation, but also from war, weather, and worn infrastructure.

At the same time, approaches to problem-solving on broader international issues are no longer the exclusive domain of the traditional actors—political leaders, policymakers, diplomats, generals, or aid agencies. The table is incomplete without the business innovators with multinational and local footprints, the tech and social entrepreneurs, and the astute investors taking seats alongside the others.

As we travel and study the work of so many organizations in different parts of the world, it is clear that business innovation has the potential—largely untapped—to solve problems that have resisted other solutions. Whether through novel ways to promote economic development at scale or devising sustainable alternatives to the use of natural resources or the rebuilding of fragile states, there is much that can be done by business leaders engaging with the wider global context.

But where are the future leaders and innovators being prepared for such opportunities with the appropriate degree of “contextual intelligence?” Academic institutions are traditionally organized to keep the disciplines separated. This is in sharp contrast to the collision and connection among disciplines taking place in the world outside. As the oldest exclusively graduate school of international affairs in the U.S., the institution that introduced the very idea of an interdisciplinary approach to the world’s issues, The Fletcher School is a pioneer once again. It is the home of a truly unusual entity—The Institute for Business in the Global Context—dedicated to developing an integrated approach to international business and the wider context of international affairs. Through education, research, conferences, and experiential learning through launching start-ups and consulting on live problems, our aspiration is to prepare a new generation of integrative leaders. These are leaders adept at crossing borders of many kinds, of countries and of academic disciplines. They are true problem-solvers, who pursue opportunities regardless of the disciplines they need to understand the problem and assemble practical and sustainable solutions.

Our first three-year stretch of existence has been an exciting one. We have covered a lot of ground, some of which we wanted to share with you in these pages.

I hope you will join us for the longer journey ahead. We promise it will be an eventful one.

BHASKAR CHAKRAVORTI
Senior Associate Dean | International Business & Finance
Founding Executive Director | Institute for Business in the Global Context
The Fletcher School | Tufts University
WHO WE ARE
ABOUT THE INSTITUTE
FOR BUSINESS IN THE
GLOBAL CONTEXT

CONNECTING THE WORLD OF BUSINESS TO THE WORLD

The Institute for Business in the Global Context is the hub for international business at The Fletcher School at Tufts University, the oldest exclusively graduate school of international affairs in the United States. The Institute was founded in 2011, with initial funding through a generous gift from Fletcher Advisory Board member and former Chairman of the Board of Holcim, Thomas Schmidheiny. The subsequent growth of programs at the Institute has been supported by multiple foundation and corporate partners. The Institute is organized around four core activity areas: education, research, dialogue, and a lab. The Master of International Business (MIB) degree and leadership development programs are at the heart of the education mission. These offerings, coupled with original research in multiple areas — inclusive growth, innovation and economic development at scale, sovereign wealth and global capital, among others — facilitate a vibrant dialogue on contemporary global issues through conferences, symposia, and speaker events. The lab creates opportunities for students to take knowledge into “the field” to effect change through entrepreneurial start-ups and consulting projects. The Institute also houses the Council on Emerging Market Enterprises, a distinguished group of thought leaders and practitioner-scholar experts, who collaborate with the Institute and The Fletcher School on a variety of initiatives, such as research programs, symposia, and conferences. The acronym for the Institute – IBGC – does not roll off the tongue by design: it forces us to articulate the Institute’s full name and serves as a reminder of its unique mission to prepare leaders and problem-solvers, adept at making the connections between business and the rapidly evolving global context.

FOLLOW THE INSTITUTE’S ONGOING WORK ON TWITTER @IBGC_FLETCHER

“ The rise of the Internet, cross-border innovation, the ‘rise of the rest,’ and intertwined economies are the hallmarks of the 21st century. The Institute for Business in the Global Context helps us navigate through this complex landscape in preparing leaders and problem-solvers with a truly global perspective; it is at the heart of the mission of The Fletcher School.”

Admiral (retired) James Stavridis | Dean, The Fletcher School | Former Supreme Allied Commander of NATO
EDUCATION
Degree program and leadership development preparing business leaders with contextual intelligence.

RESEARCH
Insights into emerging markets, global innovations, capital flows, and inclusive business.

DIALOGUE
Engaging with contemporary global issues and current events.

LAB
Putting ideas into action through business and social start-ups, plans, field consulting, and more.
HIGHLIGHTS

MARCH 2014
CONFERENCE
“Africa Beyond the Headlines” hosted by The Fletcher Africana Club

FEBRUARY 2014
CONFERENCE
Tufts Innovation Symposium: “Strategies for Scaling Up”

APRIL 2014
CONFERENCE
Kingsley Moghalu, Deputy Central Bank Governor of Nigeria & Author of “Emerging Africa”

MARCH 2014
CONFERENCE
Turkey’s Turn?: Perennial Linchpin or Emerging Hub

JANUARY 2014
Susan Livingston, Partner, Brown Brothers Harriman

FEBRUARY 2014
CONFERENCE
Google’s Eric Schmidt and Jared Cohen Discuss The New Digital Age

APRIL 2014
CONFERENCE
The Bellagio Inclusive Business Summit
LAUNCH
Planet eBiz Digital Evolution Index

OCTOBER 2014
CONFERENCE
Building Bridges: Engaging the Institutional Investor in Global Infrastructure

MAY 2014
INCLUSION FORUM
The Inclusive City

OCTOBER 2013
CONFERENCE
Building Bridges: Infrastructure Investment in Emerging Markets

OCTOBER 2013
PUBLICATION
“Management in Complex Environments: Questions for Leaders” by CEME Senior Fellow Brian Ganson

SEPTEMBER 2014
CONFERENCE
Good for Growth or Growth for Good: Sustainable and Inclusive Business Activities Study

APRIL 2014
PUBLICATION
Good for Growth or Growth for Good: Sustainable and Inclusive Business Activities Study

THE FIRST THREE YEARS
"It is critical that business education stress contextual awareness, without which it is impossible to be a global manager who is truly globally aware. If there is any lesson to carry away from the academic year that is coming to a close, it is that local issues—political, social, and economic—can derail even the most elegant strategy."

BLOOMBERG BUSINESSWEEK

"The world is quickly being divided into companies that are secure and companies that are not."

THE NEW YORK TIMES

"There’s another big cost of cash to our society. The tax gap. All the money that we don’t send the government in taxes, when we pay for things off the books. Chakravorti estimates that cash costs the U.S. government more than $100 billion a year."

MARKETPLACE

"In the leaderless, digitally mediated revolutions we are seeing today, [the traditional] path to leadership no longer applies. The crowd converges and topples statues, the images ricochet around the world, then more people converge on the square until eventually the ill they are fighting against is ousted. But what follows? A vacuum."

THE WASHINGTON POST
“With half the world’s output and two-thirds of the world’s growth coming out of countries that are still ‘emerging,’ it is important to recognize the centrality of context... We should factor in how business decisions connect with non-business factors, such as politics, history, and the human condition.”

HARVARD BUSINESS REVIEW

“U.S. industry was never truly globalized in the first place. American globalization is a myth spawned by the realities of information traveling at the speed of light, business executives traveling at the speed of a Boeing 747, and fast food flying out of McDonald’s outlets in 122 countries. In fact, the ubiquity of McDonald’s has inspired the Big Mac index, to make purchasing-power-parity ‘digestible.’ Unfortunately, we have been fooled by a Big Mac mirage.

FOREIGN AFFAIRS

“We need business leaders who can make the necessary lateral connections between the world and the world of business. The impact of business, its potential both to trigger global crises and to innovate and solve the most intractable of problems, is impossible to avoid. Business education is too important to be left only to business schools.”

FINANCIAL TIMES

“When Tufts University launched its Master’s in International Business program four years ago, it was focused on one thing: global context.”

WALL STREET JOURNAL

“‘Innovation – the act of creating extraordinary new value in extraordinary new ways – is a dance with one foot in the future and the other in the past. It is the past that gives you the raw material to imagine things that never were ask the proverbial, ‘why not?’ question. And then, of course, the future takes over, for that is where innovation must find its home.’”

THE HUFFINGTON POST
THE GLOBAL CONTEXT
When averaged across the many nodes of economic activity, the world’s center of gravity has been steadily shifting southward and eastward. According to the McKinsey Global Institute, this center will have moved from the neighborhood of Iceland after the Second World War to Novosibirsk in southwestern Siberia by 2025. It is not just the emergence of China that accounts for this shift – we have many fast-growing economies in Asia, sub-Saharan Africa, and Latin America to thank as well. Indeed, the world is experiencing a new Industrial Revolution that may have a thousand times the impact of the first.

The present day post-industrial super-revolution is larger not only because of the speed with which economic development is taking place, but also because of the orders of magnitude of people whose lives are being transformed. These could, indeed, be the best of times for the majority of the world’s population. In fact, if the positive trends continue, most of the world’s population would technically be considered middle-class by 2025. Even those at the proverbial bottom of the pyramid could be in a place that inspires hope and optimism. Relative to the original Millennium Development Goals, reducing poverty by half was accomplished five years early. More than a billion have been lifted out of poverty in the past twenty years. By 2030, the total number of poor people will be down to 200 million, with virtually no one poor in China. For businesses that aim to serve a growing consumer class and thrive on expanding markets, the times are rich in opportunity.

Ironically, these may also be the worst of times. As growth accelerates, economic and social inequities are likely to increase. A greater segment of the world’s population is aware of the possibility for change and now aspire to join the consuming class, yet finds itself excluded from it. Fast growth frequently occurs at the cost of inclusive growth. In the meantime, as more consumers join the club, the demand on the world’s finite

What can UNICEF teach Unilever about succeeding in emerging markets?

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resources – water, land, minerals, and energy sources, among others – increases. This begs the question of whether this fast growth, as it embraces a wider swath of the world’s population, is sustainable over the longer term. More of the world’s population is now crammed into cities, creating challenges to balancing fast growth with either inclusion or sustainability. Yet another challenge is the lack of transparency and missing institutions – whether political, legal, or an effective social contract – in the countries where the economic circumstances have changed but not much else. Context moves more slowly than businesses or the economy. All of these factors can contribute to states that are politically unstable or fragile. Collectively, they can accumulate and knock the trajectory of the world economy’s center of gravity off-course and away from its 2025 destination in Novosibirsk.

Business can play an important role in addressing many of the forces that could abort the post-industrial super-revolution. After all, entrepreneurial opportunity seeking and innovative problem-solving is business at its very best. Businesses can directly take these forces, not only because they might be able to produce the best solutions, but because it is also in their longer-term interests. The key challenges include:

- Measures to promote inclusion
- Sustainability and transparency
- Investments in the missing institutions
- Many gaps in the context in the emerging world and the stabilizing of fragile states.

The Institute for Business in the Global Context is committed to preparing new generations of global leaders to channel their innovation energies in these directions. Recently, there has been plenty of soul-searching among scholars, investors, and entrepreneurs about whether the era of breakthroughs is over and whether innovation resources are being appropriately directed. The Economist published its January 12th-18th 2013 issue with a cover depicting Rodin’s thinker seated on a toilet, pondering, “Will we ever invent anything this useful again?” Peter Thiel, the well-known venture capitalist, innovation champion, and founder of PayPal, has lamented: “We wanted flying cars. Instead we got 140 characters.” We urge the editors of The Economist and Mr. Thiel to consider not flying cars, but a solution to the flying toilet – involving a simple plastic bag – a practice common to residents of slums in Nairobi, who are excluded from access to modern sanitation systems. Indeed, getting the toilet, modern plumbing, and sanitation to the majority of the world’s poor could be just as useful an innovation as the invention of the toilet itself.

It would certainly be an invention more useful than a flying car.

Bottom-up or top-down: Which is the fastest route to economic development?
PROBLEM
SOLVE
SOLVING

ADDRESSING THE ISSUES
MASTER OF INTERNATIONAL BUSINESS (MIB)
PREPARING GLOBALLY AWARE LEADERS FROM DAY ONE

Being a global leader means being truly globally aware. Every day, headlines remind us how profoundly the world is changing. New international actors, new emerging economies, new technologies, new political movements, new pressures, and new business models. Business is not only affected by cascading forces of change, it is also essential to solving problems and unlocking opportunities. In such a world, the MIB degree is more critical than ever. It uniquely combines concrete global business skills with a nuanced understanding of geopolitics, law, negotiation, and leadership. The MIB program prepares students to step into positions of leadership and successfully cross borders of many kinds—of countries and disciplines.

TOMORROW’S INTEGRATIVE LEADERS PRIMED FOR BUSINESS WITHOUT BORDERS

The MIB curriculum is crafted to ensure that students develop deep competency in international business practices and a nuanced understanding of global context for business. Designed like a dual MBA-International Affairs master’s program, the MIB curriculum hones students’ contextual intelligence—the ability to recognize the impact of politics, laws, culture, and society on the world of business.

“Fletcher nurtures ‘geocentric’ business leaders. The Fletcher MIB combines core analytical competencies with ‘distance vision’ and ‘cross-cultural fluency’ to deliver a renaissance education required for the 21st century.”

Professor Laurent Jacque | Walter B. Wriston Professor of International Finance & Banking
Academic Director of the Master of International Business
CULTIVATE CONTEXTUAL INTELLIGENCE

As business today demands more global insights and perspective, success and impact as a leader fundamentally depends on the ability to link business decisions with the forces that define the wider context—in the organization, in society, and in the geopolitical realm. A “21st century leader” must develop the skills to connect the dots and develop “contextual intelligence.” Leaders today are committed to having an impact with the goal of combining institutional objectives with transparency and social responsibility.

The Institute has pioneered a variety of leadership development programs tailored to address this need.

THE “OPPORTUNITY OF CRISIS” SERIES

The global marketplace faces significant influences from crises. The political turmoil in the Middle East, the financial meltdown on Wall Street, or scarcity of drinkable water in Africa—all crises impact international business. In conjunction with the Tufts Financial Network, we convened leading experts across disciplines for a four-part series on geopolitical, financial, resource, and imagination crises, designed to answer the question: How do crises impact the global economy and in what way do they shape business risk and opportunity?

FLETCHER READS THE NEWSPAPER SERIES

Is Nation Building Possible Without Business Building? Privacy and Security in the Age of Snowden Rana Plaza Tragedy and Supply Chain Implications

Every day, the headlines we read cross borders of many kinds: those of countries, cultures, and disciplines. The MIB program seeks to make sense of those headlines for our students, using the rich pool of faculty and experts at our disposal. We pick several hot news items each semester, gathering an interdisciplinary panel of Fletcher experts to examine the issues. Students then approach the problems as they would a case study, offering a set of practical recommendations for executive decision-makers.

FLETCHER FUTURES: PREPARING TO MAKE DECISIONS IN THE FACE OF GLOBAL UNCERTAINTIES

Investigate the headlines of 2024 through this interactive, multi-media executive program designed to explore key topics and themes that may emerge in the next 10 years and how they might impact decision-making and planning. Aspiring and seasoned leaders alike experience non-linear discussions, new thinking about the underlying drivers, interconnections, and the origins of random shocks as well as predictable surprises in geopolitics, business, social, and cultural movements. Guided by Fletcher’s multidisciplinary faculty, participants are encouraged to consider the alternate possibilities, structuring different sources of uncertainty, infusing new perspectives into the organizational planning process, and making decisive choices while keeping options open.
One day we realized, in the world of financial inclusion, there were various programs for central bankers and CEOs of banks – but few for regulators. As a school of international affairs, and as an Institute with expertise in financial inclusion, we saw the opportunity to help a select cohort of promising regulators develop their policy-making skills while navigating through their own domestic and regional systems.

Since 2011, the Fletcher Leadership Program for financial inclusion has done just that, cultivating more than 40 financial regulators and influencers from 24 countries and helping them push for innovation and implementation of impactful financial regulation. Our goal through the Fellowship is to identify natural talent and enhance it with a pedagogy grounded in the twin factors of leadership: confidence and competence.

The Leadership Program’s central assumption is simple: Good financial policies need trained champions to guide them to completion. Completion may be the full development of a policy idea to be adopted by multiple stakeholders, or it may be the articulation of strategies that can transform existing mandates into plans of action.

Each year the Fellowship matriculates 14-16 mid-career regulators from central banks, ministries of finance, and similar departments and agencies. Its first two classes of fellows have made significant impact on post-graduation, with 13 new financial inclusion policies implemented and numerous examples of professional success.

“I’ve learned life skills, including persuasion, negotiation, and how to deal with other parties. All of these skills will help me serve my country and the institution I work for.”

Bosco Sebabi | Chief Operating Officer, East Africa Exchange
Student researchers conducting field interviews with SMEs in Turkey.
We aim to address practical and policy questions through several streams of research on issues that lie at the intersection of business, innovation, and the global context.

There are several questions that motivate our research.

What are the facilitators and constraints that govern how a country makes the transition from a brick-and-mortar economy to a digital economy? What is the role—and cost—of cash as economies develop and confront other factors, such as proximity to a large economy or to a large underground economy, political instability, or extremes in wealth and poverty as well urban and rural populations, among others? How does sovereign wealth fund activity affect global capital flows and what drives investment behaviors by managers of such funds? What motivates multinational companies to invest in sustainable and inclusive business activities and what inhibits them from investing enough?

We aim to address the practical and policy questions through several streams of research on issues that lie at the intersection of business, innovation, and the global context.

These include:

- **Innovation and Change**: Planet eBiz
- **Inclusive Growth**: The Cost of Cash
- **Sovereign Wealth and Global Capital**: SovereigNET
- **Inclusive Growth**: Sustainable Inclusive Business Activities

Throughout the following pages, we offer a glimpse of the research motivations, objectives, and implications. While the topics are different, they share several common attributes. They offer international pattern recognition. They help us get beneath the observed behavior and understand the reasons behind why these behaviors occur. They are meant to inform decisions and have implications for action.
A billion customers has become a unit of measurement of the Global Internet Economy lately. It took the World Wide Web 12 years to gather its first billion users, and a third of that time to amass its third billion. Cisco analysts predict that by 2017, half the planet will be connected to the Internet. The era of near-universal mobile connectivity is poised to enable the rest of the world to leapfrog into the Internet fold, bringing along the promise of greater global economic growth and increased business opportunity.

Consumer-centric e-commerce has been growing in lockstep at an equally rapid pace, projected to double in size from 2013 to reach US $2.4 trillion by 2017, with a major share of the consumer spending originating in Asia Pacific, according to eMarketer. The inclusion and participation of the other half of the world in the global digital economy will have profound implications for the future of global commerce and digital marketplaces.

Where will the next billion users come from? Who are they? What are they like? How will they shape the digital marketplaces of the future? These are questions of great importance to businesses and investors globally. The answers depend on how government, business, and consumer co-evolve to face the challenges and opportunities of the digital future.

Planet eBiz, The Fletcher School’s lens on the digital planet, aims to make sense of this rapidly transforming global digital landscape by offering data-informed insights for businesses, investors, and policymakers. One of our first initiatives, the Digital Evolution Index (DEI), analyzes the underlying drivers and barriers that govern a country’s evolution into a digital economy: Demand, Supply, Institutional Environment, and Innovation.

A longitudinal analysis of 50 countries, home to 3/4ths of the global population, along these four drivers – comprised of 83 unique comparable data...
points—from the year 2008 onward enables us to make sense of the evolving global digital landscape, reveal patterns, and provide insights into both current users and those to come.

The DEI revealed both surprises and patterns worth noting:

- **Digital evolution is non-linear:** each country charts its own path. Our research shows that there is very little about the digital past and present of the West that instructs us about the digital present and future of the rest

- **Neighborhoods matter:** Countries in close geographic proximity seem to display similar trajectories, as seen among the Nordics, Central and Southern European States, and the members of the ASEAN. Shared cultural norms, similar environments (social, political, and economic), and demonstration could all play a role

- **Innovative hybrid solutions are fostering vibrant digital marketplaces in emerging economies:** Cash on delivery where electronic payments are thin, tablet-toting vendors where access is patchy, and delivery personnel doubling up as sales persons to cross-sell or up-sell are some of the strategies being deployed by nimble start-ups in emerging economies to work around infrastructural gaps

- **The digital economy is firmly tied to institutions:** Policy and regulatory environments that help rather than hinder the digital economy create a competitive advantage. By contrast, the lack of effective institutions can stymie the growth potential of e-commerce in some of the biggest emerging economies, including China, India, and Brazil
In an increasingly diversified financial world, there is still one ultimate guarantor of value: cold, hard cash. The user of cash is anonymous. Cash doesn’t disclose your whereabouts to the telephone company. Cash doesn’t leave a paper trail at the store where you spend it. And cash certainly doesn’t need any third parties to complete a transaction. Once you hand it over, it’s gone.

However, cash can be inconvenient to carry, it requires visits to an ATM or a bank, and, most importantly, it can be stolen. Why—despite all the digital alternatives—does cash still exist? What do businesses and households spend on all the deposits, withdrawals, and security that cash requires? Does cash ultimately benefit the government and the central bank? How? These are some of the questions that the Institute’s “The Cost of Cash” research sets out to answer in the United States, Mexico, India, and Egypt.

Although we tend to treat cash as if it were the natural way to transact business, history shows just the opposite. Long before there was money, there was credit. The earliest agricultural societies learned to write down their accounts millennia before gold coins were invented. It took thousands of years for those coins and debts to become aggregated into bank notes and ultimately the credit of the central bank.

In the United States, the vast majority of money in the economy does not circulate as cash. Although some 45% of retail transactions still occur in hard currency, virtually all business transactions occur as bank transfers and payment systems of one type or another. If cash is so cheap and beneficial, why don’t most businesses use it to conduct meaningful amounts of business? Furthermore, perhaps half of US $100 bills are thought to reside abroad, serving as a sort of global money of last resort—for those who can afford to keep money on hand for emergencies, for world travelers, and for shady businesses of all kinds.
The findings of *The Cost of Cash* in the United States are revealing:

- Cash in the aggregate entails more than $200 billion worth of annual costs to economic stakeholders.
- Cash is not a safe harbor for poor households. Since the majority of income payments are not sent as cash, cashing out checks and transfers costs money.
- Even when fees are low, the time and money spent traveling to the point where cash is accessed can be the largest cost of cash for individuals.
- Cash contributes significantly to fraud and tax evasion; converting any portion of cash transactions to a traceable, electronic form can help recover a portion of the cost of cash borne by the public because of the “tax gap” of approximately $100 billion.

The latest findings from India and Mexico demonstrate how national context drives both the reasons for cash use and the costs it imposes on national economic stakeholders:

- In Mexico, despite belief that doing so is risky, consumers see no alternative to holding large amounts of cash.
- Electronic payments – and not financial access as traditionally measured – are changing consumer perceptions about money in Mexico. Providing empty bank accounts to consumers drives up costs and has no meaningful impact.
- In India, we measured for the first time the impact of India’s custodial inventory system, called currency chests, on the financial services industry.

In an increasingly diversified financial world, there is still one ultimate guarantor of value: cold, hard cash.
Financial crises are remarkable catalysts for change. Beginning with the Asian contagion in 1997 and the later Russian and Argentine debt crises, then accented by the Great Financial Crisis of 2008-09, governments began to question the post-war legacy that is the international monetary system. Instead, many began to favor regional or self-insured approaches to financial stability. The years since have witnessed a massive build-up of surpluses, particularly among emerging economies, and the rapid acceleration of capital movements. This extensive growth in states’ real and financial assets has established the sovereign as the primary fiduciary of national wealth with its place squarely among the world’s largest and most influential global investors.

The Fletcher Network for Sovereign Wealth and Global Capital, SovereignET, is a global expert network for policy research and analysis, which reaches from Medford to Washington, London to Rome, and Oslo to Warsaw, Cairo, Doha, Delhi, and back again. Our mission is to advance research, advisory leadership, and education on national wealth management, the evolving role of the large public investor, and the impacts of both on capital flows and global capital markets. SovereignET stands unique in a world awash in think tanks and research institutes as a dedicated community of leading practitioners and researchers who bridge the intersection of international political economy and global capital. In doing so, we contribute directly and meaningfully to the public policy debate on national wealth across an array of professional disciplines.

Our impacts span:
• Political and economic risk mitigation
• Investment analysis and decision-making
• Institutional governance
• Public-private sector participation and engagement

Rooted in a deep tradition of academic excellence, our analytical models are constructed on the strength of a robust data aggregation initiative. This includes The Fletcher Sovereign Wealth Fund Database, our initiative to build and enrich a deep dataset of direct, private investments by sovereign wealth funds. SovereignET hosts annual symposia uniting representatives from government, multilateral institutions, and institutional investors to explore timely themes in global infrastructure investing. Our first symposium in 2013 brought together sovereign wealth and other long-term investors, fund managers, corporate executives, public policy makers, and academics to discuss challenges, risks, and opportunities in emerging market infrastructure investment, as well as the policy frameworks that govern it. In 2014, we examine the burgeoning gap between global infrastructure needs and funding sources and the role of sovereign wealth funds, and other institutional investors in bridging that gap.

For investment and legal professionals, global bankers, and financial policy makers, whose work requires navigating the ebbs and flows in global liquidity and market volatility in the broader context of global regulatory change, SovereignET produces practical insights on opportunities and risks along with creative solutions via its research, publications, and symposia.
“Assets under management have grown to over US $5 trillion, establishing many Sovereign Wealth Funds among the largest institutional investors globally. This affords their host countries considerable ‘voice’ even beyond the global financial dialogue.”

Pat Schena & Eliot Kalter | Co-heads of SovereignET

There has been recent acceleration in the build-up of sovereign assets since 2000. Of the 40 sovereign wealth funds (SWF) created since 2000, 78% are in the emerging market economies. Their investments in natural resources, real estate, healthcare, utilities, transportation, and urban development, demonstrate a strong preference for infrastructure. Together, these sectors accounted for 83% of all SWF transactions in 2012.

Source: Sovereign Wealth Fund Institute (LEFT); Fletcher’s Sovereign Wealth Fund Transaction Database (RIGHT)
Yum! Brands faced a sharp decline in profits in China as an antibiotics scare threatened the local poultry supply chain. Droughts added unpredictability to Coca Cola’s supply of ingredients, such as sugar cane and citrus. Flooding in Asia forced Nike to shut down some of its factories.

For business to continue to succeed, it cannot wait for others to address the challenges of operating across so many international markets with so many idiosyncratic problems.

Emerging economies continue to be vital to the growth of businesses, both domestic and multinational organizations. While the pace of growth changes as many prominent emerging markets navigate their internal challenges and the effects of the global economy, the countries outside the G7 nations still hold the greatest potential in the coming decade. Many companies, even those not generating revenue in emerging markets as of yet, see these markets as a priority when it comes to doing so in the future.

As has been a secret to no one, business in many of these markets is fraught with challenges, full of “contextual gaps” in need of closing for true growth potential to be realized. These gaps can give rise to political, social, and environmental challenges. Businesses cannot afford to wait for governments, grassroots enterprises, or civil society to close the contextual gaps; neither can they rely on prevailing business-as-usual practices to automatically overcome or resolve them.

Multinationals must find ways to create and nurture the very markets they look to for their own growth. Unlike vague notions of good citizenship or Corporate Social Responsibility (CSR), Sustainable and Inclusive Business Activities (SIBA) harness the power of business to address contextual gaps and inefficiencies as a natural extension of core business and maintain long-term growth – creating stronger communities and future customers in the process.

Yet, there are plenty of questions to be asked. Why are so many companies hesitant to engage in such practices? What remedies can a business turn to as it looks to overcome these challenges? How do multinationals take the step from CSR and philanthropy to investing in sustainable and inclusive business as an integral part of core strategy?
There are many barriers standing in the way of SIBA at many multinational corporations:

- Absence of common vocabulary to engender common conversation and collective buy-in
- Lack of a single motivation for businesses to engage in these types of efforts
- No defined home for SIBA within existing organizational architectures
- Pre-existing local constraints on the ground, such as with infrastructure or suppliers
- Difficulties measuring and monetizing impact

Through research into these barriers and the incentives to SIBA, the Institute hopes to provide insight and leadership into how business can begin to move the needle when it comes to inclusive business. As a whole, it is still a nascent area in need of coordination, collaboration, and the support of many, but there are some potential remedies:

- Create space for innovation around SIBA
- Partner strategically and proactively with governments and other organizations, including private sector organizations, NGOs, or networks of entrepreneurs
- Create new measurement and feedback frameworks to track and articulate outcomes
- Identify solutions to contextual gaps and market failures as part of core growth strategy

For business to continue to succeed, it cannot wait for others to address the problems of inclusion and sustainability.
DIALOGUE
Where the Front Page Meets the Business Page
BUILDING BRIDGES SYMPOSIA
Bringing together investors, fund managers, corporate executives, public policy makers, practitioners, and academics, Fletcher’s Network for Sovereign Wealth and Global Capital annual symposia examine the challenges, opportunities, and risks of investing in emerging market infrastructure. Turning to institutional investors themselves, the second gathering in Washington, D.C. asks, “What is the role of sovereign wealth funds, government pension funds, and others in bridging the gap between needs and funding sources in global infrastructure?”

“TURN” SERIES CONFERENCES
In the first two installments of the “Turn” series conferences, we looked at potential growth markets around the world at a point of inflection accompanied by a very high degree of uncertainty. Africa has long been the global economies “final frontier,” but what is the promise and what is the reality? Is it Africa’s Turn? We then turned our attention further to the north. Can Turkey, a perennial linchpin in a volatile part of the world, “break out” and become an emerging hub in the region? Each conference convened over 250 speakers and attendees representing business, government, multilaterals, NGOs, academia, media, and local diaspora.

STUDENT CONFERENCES
Students from The Fletcher School and Tufts University are highly engaged in questions relating to timely topics of social entrepreneurship, global risk, and the role of business in doing good in the world. Through networks, funding, and other types of assistance, the Institute supports student-led conferences such as Fletcher’s Africana Club’s look at “Africa Beyond the Headlines” and The Tufts Innovation Symposium on “Strategies for Scaling Up.”

INCLUSIVE GROWTH FORUMS
Each year, our Inclusion Forums debate an aspect of economic development through the lens of inclusion, aiming to re-define how business, governments, and non-governmental actors can collaborate to create sustained and broad-based prosperity. Our first two forums, focused on “Extreme Inclusion” and the “Inclusive City” convened all these players, along with central bankers and regulators from 24 countries to grapple with the core questions and hammer out real solutions.
Each academic year, the Institute’s Global Speaker Series hosts 15-20 high-profile lectures, events, and master classes featuring global industry leaders and entrepreneurial visionaries from diverse international business fields. They come to share their experiences, insights, and advice with Fletcher students and the community at large. The purpose is to examine inclusion, sustainability, transparency, and other important challenges as experienced by leaders navigating them firsthand, all while inspiring and offering a ‘breadcrumb trail’ for the next generation.

JOIN THE CONVERSATION WITH OUR LATEST SPEAKERS ON TWITTER WITH HASHTAG #IBGCSPEAKS

TOPICS INCLUDED

EMERGING MARKETS
• Emerging Africa: Myth or Reality?
• Economic Development in Active Conflict Zones: Lessons from Iraq and Afghanistan
• A Resurgent China: Advice for Future Country Managers

FINANCIAL INCLUSION
• Financial Inclusion: Are Emerging Payment Products the Magic Bullet?
• Smallholder Agricultural Finance: The Next Frontier of Financial Inclusion

MANAGING IN A GLOBAL ENVIRONMENT
• Insuring the Future: Challenges of Leading and Managing a Global Enterprise
• Smart Simplicity: Perspectives on Achieving Organizational Advantage in a Complex Global World
• The Power of Proximity: Understanding Politics and Emerging Markets

DEVELOPMENT
• Development 2.0: Trends Shaping the Future of Global Development
• Public-Private Partnerships: Refereeing a Meeting of Equals
• For Profit, Non-Profit, or New Profit: Perspectives on Blending Social Innovation and Enterprise

ENTREPRENEURSHIP
• Integration, Irritation, Innovation: Tickets to the Entrepreneurial Journey
• Global Innovation: A Tale of Three Cities – Shanghai, Boston, and Milan
• Buy, Grow, or Innovate: Entrepreneurship in a Global 500 Firm

GLOBAL FINANCE
• ‘Fat Tails’ and Other Creatures: An Asset Manager’s View of Managing Risk in Today’s Global Markets
• The Wealth of Nations: Intangibles and the Global Economy
• The Three R’s of Global Finance Today: Regulation, Risk, and Reward
IMPACT
KNOWLEDGE IN THE FIELD
NEXT GENERATION OF GLOBAL LEADERS

MASTER OF INTERNATIONAL BUSINESS (MIB): Global Impact Across Sectors

Graduates of the MIB program possess deep competencies in international business practices and a nuanced understanding of the global context for business. MIBs come equipped with essential contextual intelligence—the ability to recognize the impact of politics, laws, culture, and society on the world of business. Witness their impact in the world across sectors:

JORDAN FABYANSKE (USA)
Project Manager, Dalberg Global Development Advisors, Washington, DC

“The MIB program prepares students for truly innovative work; in my case, channeling market forces to drive economic growth, improve social equity, and address global challenges.”

TATIANA POPA (MOLDOVA)
Senior Brand Manager, Pfizer Inc., New York, NY

“I support the commercialization of a new lung cancer therapy in the US, having worked on the emerging markets launch previously. My work has the potential to greatly improve the quality of life and chances of survival amongst a subset of patients.”

VIOLET MIDZI (ZIMBABWE)
Public Private Sector Partner Specialist, UNICEF, Harare, Zimbabwe

“At Fletcher, I learned that it is absolutely possible to have a career where you can be ambitious and driven, but also be passionate about social justice and helping those in need.”

SHAILESH CHITNIS (INDIA)
Office of Strategy & Planning, Cisco Systems, Bangalore, India

“My team is responsible for shaping the company’s strategy for emerging countries transforming their education, infrastructure, and healthcare sectors. My Fletcher background—with the right mix of economics, international affairs, and business—is extremely useful.”
INTERNATIONAL ORGANIZATIONS
- International Finance Corporation (IFC), US
- International Trade Centre (ITC), SWITZERLAND
- OECD, FRANCE
- Sovereign Wealth Fund Institute, UK
- UNICEF, ZIMBABWE
- United Nations Conference on Trade & Development (UNCTAD), US
- United Nations Development Programme (UNDP), US
- World Bank, US
- World Economic Forum, SWITZERLAND

MULTINATIONALS
- Amazon.com, US
- Amgen, US
- Cisco, INDIA
- Diageo, US
- Deutsche Telekom, US
- eBay, US
- General Electric, US & BRAZIL
- IBM, INDIA
- Hitachi, UK
- JetBlue, US
- Liberty Mutual, US
- Nike, US
- PepsiCo, BRAZIL
- P&G, CANADA
- Pfizer, US
- Target, US
- Unilever, THAILAND

CONSULTING
- Bain & Company, SOUTH AFRICA
- Booz & Company, US
- Control Risks, US
- Dalberg, US
- Deloitte Consulting, US
- NERA Economic Consulting, US
- Monitor Deloitte, US
- Oliver Wyman, US
- Ogilvy Public Relations Worldwide, KENYA
- PriceWaterhouseCoopers, US

PUBLIC SECTOR
- Indonesian Railways, INDONESIA
- Bank of Japan, JAPAN
- Ministry of Economy, Trade & Industry, JAPAN
- Federal Electricity Commission, MEXICO
- Rwanda Development Board, RWANDA
- Undersecretariat of Foreign Trade, TURKEY
- Undersecretariat of Treasury, TURKEY
- Agency for International Development (USAID), US
- Department of State, US
- Department of Treasury, US
- Overseas Private Investment Corp (OPIC), US

FINANCE
- Aberdeen Asset Management, UK
- Banco Itaú, CHILE
- Banco Santander, SPAIN
- Barclays, US
- BNP Paribas, CHILE
- Brown Brothers Harriman, US
- Cambridge Associates, US
- Cit, US
- Federal Reserve Bank, US
- Fidelity, US
- John Hancock Financial Services, US
- Merrill Lynch, JAPAN
- Moody’s, UK
- Shanghai Pudong Development Bank, CHINA
- State Street Corporation, US
- UniCredit, GERMANY

NON PROFITS, NGOS & DEVELOPMENT
- ACCION, US
- Chemonics, US
- Clinton Global Initiative, US
- Consultative Group to Assist the Poor (CGAP), US
- The Elizabeth Glaser Pediatric AIDS Foundation, US
- Environmental Defense Fund, US
- FINCA, US
- Operation Smile, UK

ENERGY
- CERES, US
- Chicago Bridge & Iron, US
- China Beijing Environment Exchange, CHINA
- China Light & Power Holdings, HONG KONG
- Enel Green Power, US
- GE Transportation, US
- IHS CERA, US
- International Energy Agency, FRANCE
- Juwi Solar Inc., US
- Northeast Utilities, US
- Petrobras, NETHERLANDS
- SinoChem, CHINA
- Department of Energy, US
GLOBAL CONSULTING PROGRAM
SOLVING COMPLEX INTERNATIONAL PROBLEMS

For more than a decade, Fletcher students have successfully completed nearly 80 high-profile, demanding international projects for senior executives of corporations, governments, and NGOs worldwide. Diverse teams apply their knowledge and personal experience to support challenging decisions such as:

- How to attract foreign direct investment to Rawabi City, a new planned city in Palestine
- The best way to evaluate key market entry possibilities for a distinctive new product line for The Christian Science Monitor
- Coping with traditional cash dependency to develop strategies enabling electronic transactions in emerging markets for MasterCard
- Strategy for Habitat for Humanity to accommodate the need for urban dwellings in cities worldwide
- Helping The Nike Foundation unleash the Girl Effect
- Proposing full-blown market entry strategies into new frontier markets for CB&I

The Global Consulting Program takes on challenging consulting projects that require a multi-disciplinary approach, cross-cultural flexibility, and foreign language skills, along with the required contextual intelligence needed to succeed in today’s fast changing world.

Our clients — senior leaders from global corporations, banks, multilaterals, government agencies, and non-profit organizations — benefit from a consulting team primed to evaluate a complex international problem or opportunity in a new market, recommending implementable strategies and actionable tactics.

A FEW OF OUR 70+ CLIENTS

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THE FIRST THREE YEARS
“THE QUALITY OF THE TEAM, AND THEIR ABILITY TO DRAW INSIGHTS FROM LIMITED KNOWLEDGE OF THE SUBJECT MATTER, WAS HIGHLY IMPRESSIVE.”  
Patrick Mullen | Executive Vice President, CB&I

“The unique backgrounds of the team members, particularly their interest and experience in both government affairs and business, allowed them to bring a broad perspective and high quality thinking to our complex project.”  
Evan Goldberg | now Regional Therapy Area Lead, Asia/China, Pfizer

“THEIR RESEARCH WAS EXTREMELY ACTIONABLE.”  
Stuart Hogue | General Manager, Girl Hub, Nike Foundation

“The team was very proactive and structured in their approach. The project recommendations were concrete next steps that we will use to move forward in various countries.”  
Vivek Deshmukh | Director | Mobile Strategy | MetLife

“We’ve benefited from the fresh, multidisciplinary perspectives Fletcher teams bring forward. They come in well prepared, ask a lot of good questions, and manage difficult scope issues. Very impressive.”  
Ed Brandt | Executive Vice President, MasterCard

“The ‘best thing’ about this experience was the international experience/background of the team members; quick learning from the students on NGOs is a big differentiator between this team and other teams/schools.”  
Tony Chan | Senior Director, International Programs | Habitat for Humanity International
Can business and commerce build peace and prosperity—even in conflict-torn Palestine? Palestinian businessman and entrepreneur Bashar Masri thinks so. He presented students from Fletcher’s Global Consulting Program with an historic challenge: Help him build a new city in the West Bank.

Masri is a well-known figure in his homeland whose company, Massar International, is one of the largest business groups in Palestine. As a passionate advocate for the Palestinian people and their economic future, he and his partners have embarked on their most ambitious venture yet—building Rawabi City as the new standard for the Palestinian middle class.

Rawabi is the first planned city in Palestine. It is the region’s largest ever, private sector project. Called the “Marshall Plan for Palestine,” investment in Rawabi’s construction will ultimately exceed US $1 billion. Masri envisions it as a Smart City, complete with state-of-the-art infrastructure, and as a regional ICT [information communications technology] hub. This is where Fletcher student consultants came in: to formulate a strategy to bring IT companies to Rawabi and create jobs for its residents. Over the course of the semester, the student consulting team visited Rawabi, working closely with their counterparts and formulating a strategy for creating Palestine’s first ICT Hub in Rawabi.

Three Master of International Business (MIB) students continued on as summer interns, putting that strategy into action. This entailed meeting with local and international IT companies, coordinating with interested third parties, creating marketing tools, and putting an ICT Hub team together.

For MIBs Ankit Kumar, Ayesha Patel, and Mio Yamada, working at Rawabi served to reinforce just how critical contextual intelligence is. Fletcher’s MIB program emphasizes the importance of doing business in a global context, with all the politics and externalities that entails. Working closely with Masri, the team experienced firsthand how the complex geopolitical situation influences decision-making.

“People have to look beyond the obvious to find solutions to the challenges and problems they face because of the restriction of movement and goods in Palestine,” says Kumar.

Only a few weeks into their time there, tensions flared between Israel and Palestine. Promising conversations had to be put on hold as prospective partners adopted a ‘wait and see’ approach. Nonetheless, the fact that many of these conversations were with Israeli companies highlights the possibilities and promise of building bridges over some of the world’s greatest chasms through business. Masri and Fletcher share the belief that business is indeed a critical peace-building mechanism.
2015 MIB students Mio Yamada, Ayesha Patel, and Ankit Kumar survey the state of progress on Rawabi City.
SUMMER RESEARCH FELLOWSHIPS

From the emergence of global e-Cities, to small and medium-size enterprise (SME) development in Turkey, to scaling up mobile banking in Indonesia, Fletcher students are engaged in cutting-edge research around the globe as IBGC-MasterCard Junior Research Fellows in Inclusive Growth. Using high-touch, in-field research methods to uncover important aspects of industry or economic development in the emerging and frontier economies, Summer Fellows are pioneering new models of experiential learning in international business while also forwarding the action on inclusive growth in the countries they study.

INDONESIA

Mike Mori (F'15) and Trevor Zimmer (F'15) are advancing Indonesia’s mobile banking (m-banking) market. Their work seeks to understand the current m-banking landscape in Indonesia and the effect of new regulations, as well as to inform recommendations for scaling m-banking among unbanked and under-banked segments. M-banking is a disruptive platform capable of accelerating Indonesia’s transition to a cashless society.
Conducting field interviews with Turkish small and medium-size enterprises (SMEs), the backbone of the Turkish economy, Sarah Willis-Etur (F’14) and Jennie Vader (F’14) uncover the unique ways SMEs access capital, recruit human talent, navigate complicated regulatory structures, follow formal and informal rules, and utilize their social networks. The team’s research addresses common constraints SMEs face in Turkey while identifying important leverage points to help SMEs access finance, grow, and innovate.

Anisha Baghudana (F’15) and Julia Leis (F’14) are undertaking groundbreaking research on urbanization, digitization, and consumer-driven business innovation in emerging markets, specifically in e-Cities. Considered a preeminent emerging e-City, Nairobi, Kenya, is the technology hub of East Africa, known as “Silicon Savannah.” As digital ecosystems in Nairobi and other African cities are transforming consumer and citizen behavior, their research constructs a conceptual framework for a digital basket of goods, digital depth, and digital elasticity to extrapolate what is happening in Nairobi and applying it to other emerging e-Cities.

Myanmar is undergoing an unprecedented transformation, from one of the most restrictive countries to a nation in the middle of wide democratic and economic reform efforts. The country suffers a low rate of formal financial services penetration.

The report, “Cash in Context: Uncovering Financial Services in Myanmar,” examines the current informal savings, loan, and remittance practices that urban and rural populations conduct in Myanmar. It deconstructs the financial services needs of the Myanmar citizens in multiple geographic areas, occupations, and education levels throughout the country. It also outlines the perceptions and usage of mobile phones within these communities. The research and report was completed by Alessandra Valenti (F’14) and Tommy Galloway (F’14) after spending two months conducting on the ground interviews in the “Land of a Thousand Temples.”
Many students want impactful careers but struggle to start them. There’s also a strong willingness to become a social entrepreneur and make a difference, but unworkable ideas stand in the way, as can a simple lack of ideas. To address that, Fletcher’s Institute for Business in the Global Context and The D-Prize combined forces in 2013 to launch a unique social entrepreneurship business plan competition as a way to fuel the new generation of global social entrepreneurs looking to fight poverty. The Fletcher D-Prize supports promising, budding entrepreneurs at the concept stage by pointing them in the direction of good ideas that are truly impactful.

The world already has many solutions to poverty. The question is: Can you get them in the hands of the people most in need? The Fletcher D-Prize: Poverty Solutions Venture Competition brings together the best of Fletcher’s interdisciplinary, holistic problem solving to the world’s most pressing development issues with The D-Prize’s venture capitalists, who have a track record of finding and funding proven poverty interventions.

“D-Prize believes a problem isn’t solved until the solution is in the hands of those who need it. We don’t care about shiny new solutions, we fund strong entrepreneurs who will distribute proven solutions and help millions of people.”

Paul Youn | Co-founder, D-Prize
CLAIR DE LUNE: LIGHTING THE WAY OUT OF POVERTY

In remote regions of sub-Saharan Africa, where local bus routes provide one of the few regular connections between businesses and families, two Fletcher graduates are finding a way to bring people light from a natural source: the bus driver.

Pioneered by Tommy Galloway (F’14) and Andrew Lala (F’14) and funded in part by $15,000 from the Fletcher D-Prize, Clair de Lune—French for “moonlight”—aims to bring solar lights to villages in sub-Saharan Africa. Without traditional delivery networks found in other parts of the world, the distribution platform leverages existing bus infrastructure and cultural remittance practices to bring these lights to the rural poor.

Many of these families—an estimated 600 million people in the region—rely on kerosene lanterns to light their homes. Yet, solar lanterns provide a cheaper, safer, and cleaner alternative. Families that buy solar lamps save money on energy expenses and are more productive outside of daylight hours. Household incomes often increase 15-30 percent. Children study for an additional two hours a day.

The solution existed, but it was up to Tommy and Andrew to find a way to bring the lights to those who could benefit from them most. Starting in the summer of 2014 with 400 off-the-grid families in Burkina Faso, the Fletcher alumni duo aims to scale to 30,000 customers within two years.

Clair de Lune’s creators found inspiration for the venture in work they had done around the world before, Andrew in Burkina Faso and Tommy in Myanmar. They saw firsthand the powerful conduit buses serve as for transport of all kinds, from people to goods to information.

“I saw my Burkinabe counterparts frequently going to bus stations to send cash and goods that you couldn’t find in villages, such as flashlights and cell phones, to rural family members,” Andrew said. “Buses are the West African version of a FedEx and a Paypal mixed together.”

Tommy and Andrew have faced their share of challenges, from lack of infrastructure to difficult trade policies, yet the pilot program continues onward with new opportunities as Clair de Lune looks for second round financing. What was once a simple business plan hatched on the seventh floor at The Fletcher School has evolved into a tangible and promising network of clients and partners on a real path to helping fight poverty.

“It’s a rush, in that every day you can engage in creating something new that you fundamentally believe in,” Tommy said, “and that is affirmed with every step forward we make.”

“Buses are the West African version of a FedEx and a Paypal mixed together.”

Andrew Lala | Co-founder, Clair de Lune & Fletcher D-Prize Winner
CONNECTING THE WORLD
With half the world’s output and two-thirds of the world’s growth coming out of countries that are still “emerging,” it is important to recognize that markets move much faster than the surrounding context. This multi-speed system must necessarily deal with a variety of stresses. In some situations, the markets and innovative businesses find ways to adapt and create alternatives. In other situations, the context trumps the market, resulting in slowing growth and, at the extremes, political upheavals. Preparing to do business in such an environment demands a “contextually intelligent” mindset. One of the challenges of developing such a mindset is that the context is globally dispersed. The Institute for Business in the Global Context has developed a worldwide network, including alumni, partners, and affiliates to help create a distributed learning environment to draw upon insights from places that are very far from our perch in the Boston area and helps extend our line of sight.

Our Council on Emerging Market Enterprises (CEME) is home to a prestigious group of Senior Fellows, regional and thematic thought leaders on a range of globally impactful issues—from international finance and global capital flows, financial inclusion, Indian consumerism, innovation and entrepreneurship, urbanization, to managing in complex environments. CEME Senior Fellows contribute to and lead research initiatives at the Institute, working with students to bring the latest in contextual thinking to the challenges and opportunities of operating in the emerging markets.
OUR NETWORK

JUSTIN ETTINGER, SAN FRANCISCO, CA

With MIB in hand, Justin Ettinger joined Converse, then Old Navy at the Gap Inc. as a Senior Manager, Business Development following his 2013 graduation from Fletcher. Looking for an international business degree program after working in consulting, Ettinger chose the MIB for the ability to simultaneously develop core business skills and an international perspective on business issues. His MIB experiences - including research for the Institute and a summer internship developing Latin American strategy for Converse — set him up for a successful international career in emerging market expansion. Today, Ettinger is responsible for adding new markets to Old Navy’s international franchise portfolio.

NARDA SOTOMAYOR, LIMA, PERU

As part of the inaugural class of the Fletcher Leadership Program in Financial Inclusion in 2011, Narda Sotomayor came to Fletcher with a mandate: draft the first ever mobile money regulation for Peru. Utilizing the program’s support, training, coaching, and cohort of peers, Sotomayor continued to draw on this knowledge and network of support long after the fellowship’s conclusion. Her hard work paid off in January 2013, when Peruvian Congress issued Law No. 29985, significantly advancing the spread of financial inclusion for poor and unbanked citizens both in rural and urban centers throughout Peru.
JAVIER CAPAPÉ, MADRID, SPAIN

Currently a Ph.D. candidate at the prestigious ESADE Business School in Madrid, Spain, Javier Capapé studies the world of Sovereign Wealth Funds (SWFs) from a dual perspective, utilizing his training in both economics and international business. As a researcher at the ESADEgeo Center for Global Economy and Geopolitics, Capapé’s work examines sovereign wealth in the context of development economics and corporate governance. He is a prolific writer, with numerous working papers, book chapters, and blogs that advance our understanding of SWFs.

RAMA BIJAPURKAR, MUMBAI, INDIA

A respected market strategy consultant, and thought leader, Rama Bijapurkar has written multiple books on the logic of consumer India. She is widely considered to be among the top experts in the world when it comes to understanding the mind of the Indian consumer. Her most recent publication, “A Never-Before World,” examines the Indian market’s development over time – how consumers live, think, and evolve. According to Bijapurkar, the emerging markets are places where the business world must be finely tuned into the context of society and people’s lives to determine market strategy. As a CEME Fellow, Bijapurkar is a collaborator on Fletcher’s “Cost of Cash – India” research and spoke at the Institute’s “Extreme Inclusion Forum” in 2012.
SUMMARY
WHERE DO WE GO FROM HERE?

Consumers in emerging markets are expected to deliver $30 trillion in value by 2025, according to McKinsey & Company estimates. If realized, a figure of this magnitude would represent not only a giant growth and innovation opportunity for business, it would also be transformative to the state of global development and of the human condition. In fact, it would be the biggest jump of its kind in history. However, there are many traps along the path to the $30 trillion prize. There are at least three ways in which value might be trapped.

One source of “trapped value” is the rational business practice that emphasizes a focus on the most profitable areas. This would lead managers to ignore investments in inclusive activities to embrace segments of the consumer markets and the supply chains that are not in the immediate and most profitable core. The second source of “trapped value” is in the failure to invest in the sustainability of key inputs, especially of non-renewable natural resources. The third source is the risk of not taking steps to ensure the development of robust institutions in the wider context and assure transparency in the conduct of business.

At the Institute for Business in the Global Context, we intend to explore these areas of “trapped value.” We will develop an understanding of the underlying drivers and assess the losses associated with these different, trapped values. We also intend to identify the actions, practical steps, and investments that decision-makers in the private, public, and social sectors might take to recover the true value of the transformative changes ahead.

Where do we go from here? Our hope is that we can play a role in helping the various stakeholders—the consumers, the business innovators, those who work towards international development, the investors—seize their share of the prize (whether it amounts to $30 trillion or another very large number) and fulfill the promise of the transformation ahead. The journey will be an exciting one. We plan to be on it for a while. We hope you will join us as well.
ACKNOWLEDGEMENTS

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Associate Director, Master of International Business Program

and numerous faculty, students, staff, and alumni of The Fletcher School

OUR SUPPORTERS

BILL & MELINDA GATES FOUNDATION
CHICAGO BRIDGE & IRON (CB&I)
CITI FOUNDATION
THE GLOBAL FUND
HITACHI CORPORATION
THE HITACHI RESEARCH INSTITUTE
K&L GATES

MASTERCARD CENTER FOR INCLUSIVE GROWTH
THE MASTERCARD FOUNDATION
MASTERCARD WORLDWIDE
THE ROCKEFELLER FOUNDATION
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TUFTS UNIVERSITY

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“Pioneering A Framework For Balance Between Fast And Inclusive Growth”