



Newsletter

VOL. 7, No. 4

FOURTH QUARTER 2001

Fabulous Meeting in Sydney

**Complimentary CD
Enclosed:
"Internationalizing the
Business School:
Global Survey of
Institutions of Higher
Learning
in the Year 2000"**

*To order a hard copy,
please see page 25 of
this issue.*

Warm Australian hospitality, high-quality presentations, and a spectacular venue made the **Academy of International Business 2001 annual meeting** one of the best ever, despite the tragedies and uncertainty present in the world since September 11. Nearly four hundred participants traveled to Sydney, Australia to participate in the conference and enjoy hosted receptions every evening.



Aboriginal greeting at the opening reception

The Sheraton on the Park – Hotel Sydney provided the perfect conference venue with its central location, beautiful décor, and central location. AGSM (the **Australian Graduate School of Management**) surpassed all expectations as host school for this meeting. Local Chair Tim Devinney found sponsorship for four hosted receptions, and lined up former foreign minister Hon. Gareth Evans as keynote speaker at the fabulous Gala at the Town Hall, while assistant Anne Fitzsimmons did a wonderful job organizing the events and managing the conference registration desk with her staff. We are grateful to AGSM and its sponsors for hosting the meeting and the wonderful events at the Power House

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AIB Newsletter is published quarterly by the Academy of International Business Secretariat. For information, please contact: James R. Wills, Jr., AIB Exec. Secretary or Laurel King, Managing Director, 2404 Maile Way, University of Hawai'i, CBA C-306, Honolulu, Hawai'i 96822 U.S.A. Tel: (808) 956-3665 • Fax: (808) 956-3261 E-mail: aib@cba.hawaii.edu www.aibworld.net

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AIB Insights presents

articles by Gareth Evans,
Peter Enderwick, and Brian
Lorfman, providing com-
mentary on the tragedies of
September 11.

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Letter from the President

Dear Colleagues,

The 2001 Annual Meeting in Sydney was an outstanding success. It was attended by 369 AIB members (somewhat smaller than the norm) from 28 different countries. Less than half were from North America and a very large number were from Australia and the Asia-Pacific region. In addition we helped a relatively large number of Ph.D. students and faculty from the region attend the meeting, many of whom were at an AIB event for the first time. The meeting certainly accomplished our objective of extending our reach into this very important area of the world.



AIB President
Stephen J. Kobrin

Vice President Bernie Young put together a very interesting and varied program that provided all of the intellectual stimulation that we all have come to expect from the papers and presentations at our Annual Meeting. I know that there is no question in anyone's mind that the number, variety and quality of the cultural events (which included several chances to taste Australian wine and beer) were unprecedented. We all owe a strong round of "thanks" to Tim Devinney and Anne Fitzsimmons of the Australian Graduate School of Management who put in endless amounts of time to all of our benefit.

Both Hon. Gareth Evans, who served as Australia's Foreign Minister and Sir C.K. Chow of Barmbles Ltd., our Executive of the Year, addressed the meeting. Their talks were interesting and relevant, and for those who did not make it to Sydney, they are printed on pages 13 and 3, respectively.

I think that I speak for everyone in saying that the Annual Meeting took on unusual importance this year. AIB has always been a community as well as an academic organization and it has evolved into a truly global community over the last few decades. Coming together in Sydney as colleagues and friends was a very necessary affirmation of our common humanity and common interests; a statement that cooperation among individuals from virtually every continent (Africa, alas, was not represented) is not only possible, but productive and rewarding.

Let me close by wishing all of us a very peaceful New Year.

Regards,

A handwritten signature in cursive script that reads "Steve".

Sir C.K. Chow
Acceptance Speech at the AIB
International Executive of the Year Award
Powerhouse Museum
Sydney, 18 November 2001

Thank you very much ladies and gentlemen, thank you Jose, you certainly brought back a lot of memories on the much better life than I myself thought about, and you also took away most of my speech tonight. I'm acutely aware that I'm the only thing between you and the finest quality of Australian beer, so I'm under tremendous pressure. It is both a great pleasure and privilege for me to be here tonight to accept this award. I understand I was considered for this award, partly, at least, because of my contribution to merge Brambles and GKN support services businesses to create a global company also named Brambles. There are a number of people who have contributed significantly to the success of this merger, and I really wish to recognise them tonight, and share this honour with them. They include the two chairmen Don Argus and Sir David Lees of GKN, the former chief executive of Brambles, John Fletcher, and David Turner who was the financial director of GKN and is today the CFO of Brambles. I could not have predicted a year ago that I would be here in Sydney to have the opportunity to talk to you.

One of the features and characters of an international career is that it's full of surprises, and one of my elders once told me that the necessary condition for a successful international career is good health, a good spouse and a rock-solid family. Come to think about it, these are actually the features of most happy lives today, and I want to say that I am grateful to my wife. Although she could not be here tonight she has really been the foundation of my family when I was running around the globe, and she has given up her own career in order to satisfy my ambition.

As many of you know, I was born and brought up in Hong Kong. I left Hong Kong in 1968 to go to the U.S. to study chemical engineering as Jose said. The choice was actually quite simple, because when I left Hong Kong I spoke only a few words of English and I could write only with a very limited vocabulary. I was not literate enough to study any social science or arts program. Signs, I like, logic I understand and I love to turn conceptual things into reality. After I finished my studies and worked for a couple of years in the U.S. I returned to Hong Kong for personal reasons. Then I joined BOC, which was then called British Oxygen. I worked there for 20 years. BOC is a U.K.-based multinational company. It offered me a great development ground, not through any planned career development or career program, and I find that today that is true for many of our youngsters as well. But the development was mainly through a series of informal mentors whom I had the opportunity to meet; they met me, they kind of liked me, they opened doors for me and I tried to learn as much as I could from them. One of them, Sam who is one of the best corporate entrepreneurs that I have known, took me to Japan. Looking back, my career in Japan was not a particularly suc-

..continued on page 9

REQUEST FOR
JIBS PUBLISHING PROPOSALS

The AIB Executive Board is seeking proposals for new publishing arrangements for the *Journal of International Business Studies* to be effective from the second half of 2002 for the 2003 volume. Georgetown University will have completed its editorial term and will complete the 2002 volume. The Executive Board has decided to separate the editing activities of the journal from the production activities to provide the AIB with more flexibility regarding JIBS and to attain the highest in both editorial and publishing quality. The incoming Editor-in-Chief, Arie Lewin of Duke University, will oversee the editorial team. They are responsible for reviewing articles, editing, and submitting the final versions to the publisher. Copenhagen Business School will continue to host the www.jibs.net Web site and the online archives that are available for free to AIB members. The publisher will be responsible for managing JIBS subscriptions, final copy-editing of articles, printing, distribution, and marketing of JIBS. The five-year term for the publishing arrangements would be subject to review annually by the Executive Board.

Interested publishers should outline their plan for assuming responsibility for the administration and production of the journal. Commitments for physical facilities and personnel should be described and the proposal should include a full description of financial arrangements and projected financial statements. JIBS is now on sustainable financial footing so proposals which recommend unjustified subscription rate increases are discouraged. The AIB will maintain its copyright of the journal.

The current contract with the Georgetown University calls for a payment from AIB of US\$7.50 per member per quarterly issue. This amounted to \$77,622 during the 1999-2000 fiscal year. The host school also received US\$113,759 from the approximately 1400 library subscriptions and non-subscription revenue related to JIBS.

It is expected that a contract will be agreed upon by March 2002 so that it can be announced in the first quarter 2002 AIB newsletter and JIBS. Publishing and administrative responsibilities will shift for the 2003 volume in the second half of 2002. Proposals should be submitted by January 31, 2002. Interested parties should submit proposals and direct specific inquiries to the AIB Executive Secretariat at the address below. Since this represents a restructuring of the publishing process, innovative proposals are preferred.

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Members on the Move

HARRY G. HARRIS, Visiting Professor at the University of California, Davis, traveled to Malaysia and Argentina in October 2001 at the invitation of the American embassies in Kuala Lumpur and Buenos Aires. In both countries, he met with senior government officials and private sector leaders and gave a series of lectures and speeches on economic and globalization issues in the post September 11 environment. In November 2001, Harry was invited to present a seminar on political and economic issues in the North Asian region at the Toyota Corporation's Institute of International Economic Studies (IIES) in Tokyo.

JANET Y. MURRAY has returned to Cleveland State University after spending a year in Hong Kong during the last academic year. While she was in Hong Kong, she was an associate professor of marketing and international business at the Department of Marketing, City University of Hong Kong. She received two research grants from the City University of Hong Kong to conduct China-related studies. Dr. Murray's e-mail address is: j.murray@popmail.csuohio.edu.

JUST OFF THE PRESS

PAUL KIRKBRIDE of Ashridge, a leading European Business School, has just edited two new linked volumes on Globalization. These are: Kirkbride, P.S. (Ed.) *Globalization: The External Pressures*, (John Wiley, Chichester, 2001) and Kirkbride, P.S. and Ward, K. (Eds.) *Globalization: The Internal Dynamic* (John Wiley, Chichester, 2001). Both books are £24.95 in hardback or £45.00 for the pair. The first volume brings together a picture of how organizations are responding on a macro scale in terms of their interfaces with an increasingly global environment, while the second volume focuses on what it really takes to become a global organization.

MASAOKI KOTABE (Temple University) and **RICARDO LEAL** (COPEAD, Federal University of Rio de Janeiro) announce their recent book, *Market Revolution in Latin America: Beyond Mexico* (New York: Elsevier Science, 2001; ISBN 0-08-043897-0). This book offers a compilation of in-depth analyses of trade and liberalization movements in Latin America (particularly MERCOSUR), examines managerial issues related to collaborating with Latin American companies, and explore macro- and micro-financial implications of investing in Latin American countries. For more information, please visit <http://www.elsevier.nl/inca/publications/store/6/2/1/9/0/5/index.htm>.



2002 Local Chair Arleen Hernandez & 2002 Program Chair Lorraine Eden



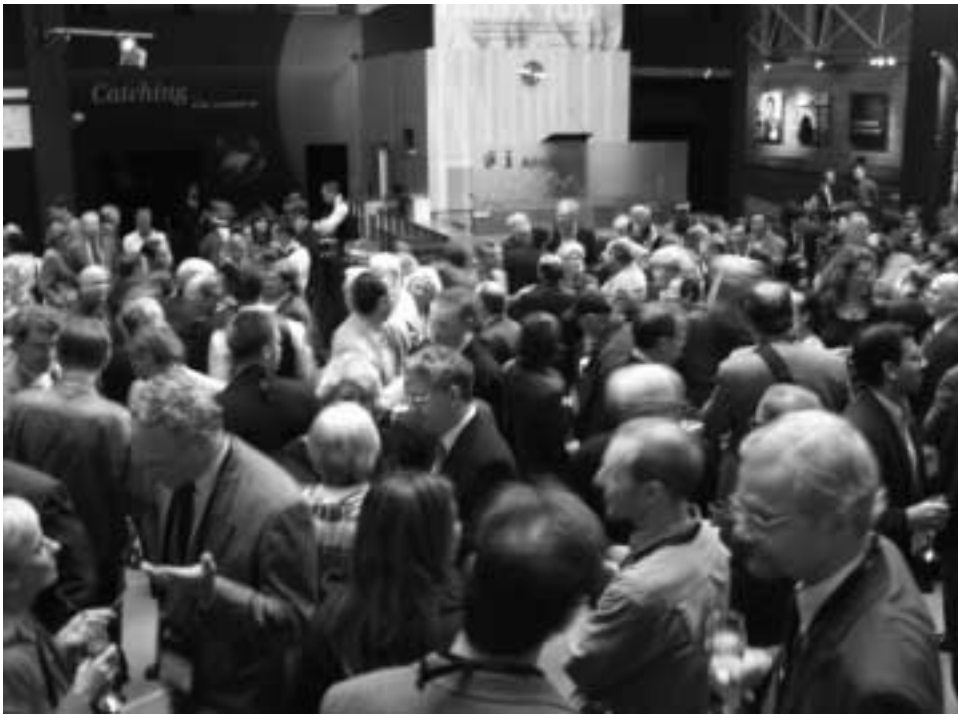
Tim Devinney and Anne Fitzsimmons of host school AGSM

..continued from cover

Museum, the Australian Museum, the Town Hall, and the Sheraton.

Program Chair Bernard Yeung of Stern School, NYU organized a thoughtful and stimulating program for the meeting with the help of his track chairs, Tarun Khanna (Harvard Business School), Durairaj Maheswaran (Stern, NYU), Schon Beechler (Columbia University), and Myles Shaver (University of Minnesota and Stern, NYU). Many participants commented on the quality of the sessions and presentations at the meeting. The AIB would like to thank his assistants Gloria Asuncion and Joan Lucas at Stern, NYU who worked endlessly to finish everything in time for the meeting, especially since devastating the World Trade Center tragedy occurring only blocks from NYU.

The program began on Friday, November 16 with the **Doctoral Consortium** chaired by Walter Kuemmerle (Harvard Business School) and **Junior Faculty Consortium** chaired by Robert Hoskisson (University of Oklahoma). Both sessions were regarded highly by the participants. A stimulating **pre-conference plenary** entitled, A Changing Japanese Business System and its Changing Relationship in Asia was organized with AJBS (Association of Japanese Business Studies) and AAoM (Asia Academy of Management) in the afternoon for those that arrived early to Sydney. The



Wine tasting at the Australian Museum

Presidential reception, a wonderful wine tasting at the Australian Museum hosted by Southcorp Wines, followed that evening. The participants were treated to a selection of superb Rosemount, Penfolds, and Lindemans wines produced by Westcorp, Australia's largest exporter of wines and learned about the different varieties of wines. They were also honored with an aboriginal greeting and were able to view the large aboriginal art collection as well.

Saturday, November 17 began with an interesting **AIB Fellows plenary** chaired by Noritake Kobayashi on economic and business trends in Asia and their implications for management since the Asian economic crisis. Various concurrent sessions on cutting-edge topics were held throughout the day and lunch was served at the poster session. That evening, the Department of Management at Texas A&M hosted a reception for the first annual meeting of **WAIB** (Women in the AIB). **Austrade** generously hosted a reception that evening as well. Both receptions were well-attended and informational for participants.

An elegant **awards banquet** was held on Sunday, November 18 at the Sheraton ballroom. AIB President Stephen Kobrin announced that Sir C.K. Chow, CEO of Brambles Industries Limited was chosen as International Executive of the Year, and that Arvind Parkhe, Indiana University had won the JIBS Decade Award. The Ivey Business School swept first and second place in the first annual **AIB-CIBER Case** compe-

titition sponsored by Indiana University CIBER. A case by Ken Cole and Tima Bansal won, and the first runner-up prize went to a case by Ken Mark and Don Barclay, all from Ivey.

2001 Program Chair Bernard Yeung recognized his track chairs, staff, and AGSM for their contributions to the quality of the the 2001 Program. He announced that the 2001 **Haynes Prize for Best Paper** was awarded to Ishtiaq Mahmood, National University of Singapore. Next, **Richard N. Farmer Dissertation Award** selection committee member Rob Grosse recognized all the 2001 finalists at the awards luncheon. Finalists included Heather Berry (University of Pennsylvania, Ph.D. from UCLA), Namgyoo K. Park (University of Miami, Ph.D. from NYU), Ahmad

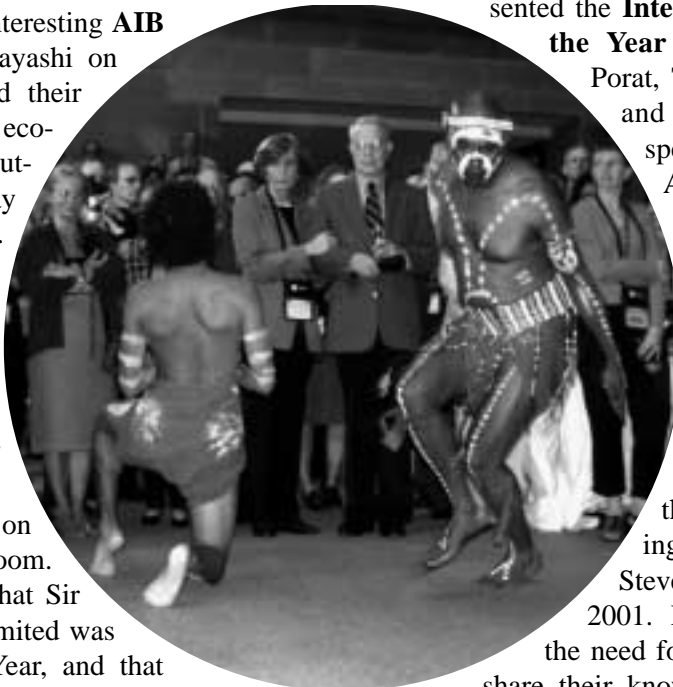
Syamil (Arkansas State University, Ph.D. from Univ. of Toledo), and William P. Wan (Thunderbird, Ph.D. from Texas A&M Univ.). The first-place winner was Heather Berry.

Dean of AIB Fellows Susan Douglas spoke on behalf of the Fellows and announced that Robert Grosse and C.K. Prahalad had been elected as new AIB Fellows. She presented the **International Dean of the Year** award to Moshe

Porat, Temple University, and he gave a short speech thanking the AIB for the honor and his work to improve international business curriculum at Temple.

AIB President Stephen Kobrin spoke briefly about the untimely passing of AIB member Steve Guisinger in July 2001. He also discussed the need for AIB members to share their knowledge of interna-

tional business and relations to reduce the negative ramifications of globalization, especially in the aftermath of the September 11, 2001 tragedies.

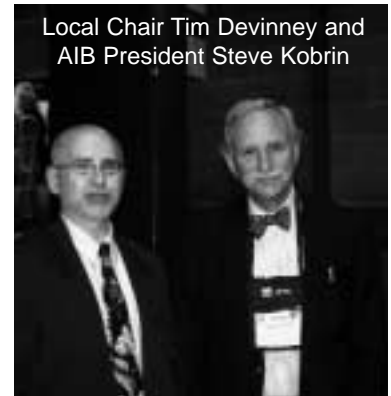




The Australian Notables Panel was a hit with the attendees: Patricia Turner, moderator Libby, Tim Flannery, and Malcolm Turnbull



Jose, Susan, Tim, Danny, Anne & Steve at the Powerhouse Museum

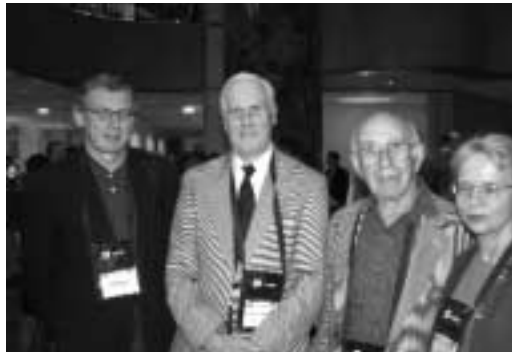


Local Chair Tim Devinney and AIB President Steve Kobrin

Finally, 2002 Program Chair Lorraine Eden, Local Chair Arleen Hernandez, and former AIB President Jeff Arpan gave a presentation on the **2002 AIB meeting** in San Juan, Puerto Rico June 28-July 1, 2002. They encouraged all to attend the first annual meeting to be held in the summer. A presentation of the International Executive of the Year award was held that evening at a fabulous beer tasting event hosted by the Lion Nathan breweries.

The last day of the conference was Monday, November 19. An abundance of panel and competitive sessions packed the day. The **2001 JIBS Decade Award** winner Arvind Parkhe (Indiana University) presented his work and its contribution to the field over the past decade in a special session. All in all, this year's conference was a wonderful success. **Poster sessions** were continually popular throughout the conference.

Sydney was a wonderful place to visit and the weather was generally warm and dry enough for several AIBers to tackle the bridge climb, partake in wine country tours and enjoy springtime in Sydney. **Thanks** go out to the program staff, host school, AIB Secretariat, the conference hotel, and numerous participants for all their contributions. The AIB invites you to join us at the 2002 meeting in San Juan, Puerto Rico June 28-July 1, 2002. It will be held at the beautiful Caribe Hilton and hosted by the University of Puerto Rico. See the AIB web site at www.aibworld.net for up-to-the-minute details under "Events".



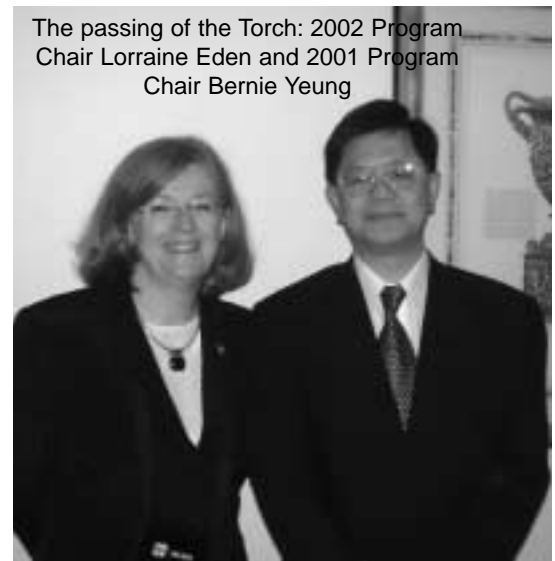
Alan Rugman, John Dunning, Steve Robock, and his wife, Hanne



Susan Douglas and AGSM Dean, Michael Vitale



AIB President Steve Kobrin



The passing of the Torch: 2002 Program Chair Lorraine Eden and 2001 Program Chair Bernie Yeung



Hearty AIBers on the Sydney Harbor Bridge Climb

International Executive of the Year

Sir C.K. Chow
CEO, Brambles Industries Limited

JIBS Decade Award

Arvind Parkhe
Indiana University

“Interfirm Diversity, Organizational Learning, and Longevity in Global Strategic Alliances”
JIBS v.22, n.4, pp. 579-602

International Dean of the Year Award

Moshe Porat
Dean, Fox School of Business, Temple University

AIB-CIBER Case Award

Winner: *Meridian Magnesium*
Ken Cole and Tina Bansal
Ivey Business School, received plaques and US\$1500 award

1st Runner-Up: *Waverider Communications Inc:*
The Sparta Deal

Ken Mark and Don Barclay
Ivey Business School, received plaque and US\$800 award
(sponsored by the Indiana CIBER)

Haynes Prize for Best Paper

Ishtiaq Mahmood
National University of Singapore
The Two Faces of Group Structure

Richard N. Farmer Dissertation Award

Heather Berry
University of Pennsylvania (UCLA), received a plaque and US\$1000 award for *“The Exploitation and Development of Intangible Assets by Multinational Enterprises (MNEs): An Empirical Analysis of the Foreign Direct Investments of US and Japanese MNEs, 1974-1997”*

Finalists

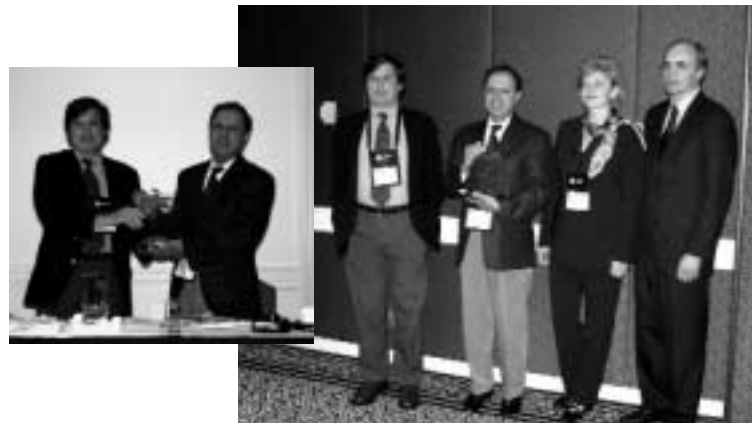
Namgyoo K. Park
University of Miami (NYU), *Resource Access and Firm Value: A Test of Resource Effects in the International Airline Industry*

Ahmad Syamil
Arkansas State University (Arkansas State), *International Benchmarking of Integrated Product Development, Practices in the Auto Industry Supply Chain: A Multigroup, Invariance Analysis*

William P. Wan
Thunderbird (Texas A&M), *Country Resource Environments, Corporate Diversification, Strategies, and Firm Performance*



Sir. C.K. Chow of Brambles Industries Limited with Immediate-Past President Jose de la Torre- see page 3 for acceptance speech



Upper Left: JIBS Editor Tom Brewer (left) presents the 2001 JIBS Decade Award to Arvind Parkhe of Indiana University

Upper Right: Tom Brewer and Arvind Parkhe with panelists Tatiana Kostova and David Ralston



International Dean of the Year, Moshe Porat, of Fox School of Business, Temple University



Ishtiaq Mahmood, National University of Singapore, winner of the 2001 Haynes Prize received a plaque and a US\$2000 award

McGraw-Hill/Irwin Asian Scholars

The ten McGraw-Hill/Irwin Asian Scholars received \$500 travel stipends to assist them in traveling to the meeting through a generous donation from McGraw-Hill/Irwin. The AIB Foundation awarded each with complimentary registration, one-year AIB membership, and \$370 to help cover the cost of hotels.

Yao Chen, Yangzhou University, P.R. China
 Lydia B. Echauz, De La Salle University, Philippines
 Shishir K. Jha, Sjm, Iit Bombay, India
 Lalit Mohan Johri, Asian Institute of Technology, Thailand
 Narasimhan Ramesh, T.A. Pai Management Institute, India
 Siriyupa Roongrerngsuk, Sasin Graduate Institute, Thailand
 Sukpal Singh, Institute Of Rural Management, India
 Susula Devi Suppiah, University of Malaya, Malaysia
 Shuming Zhao, Nanjing University, P.R. China
 Jinghua Zhao, Shangdong University, P.R. China

Sheth and AIB Foundation Doctoral Travel Stipends

The following doctoral students received \$500 travel stipends, and those coming from outside Australia also received complimentary student registration. The Sheth Foundation graciously contributed \$5000 to fund doctoral travel to the meeting.

Oleg Chvyrkov, Tilburg University, Netherlands
 Hung-bin Ding, Rensselaer Polytechnic Inst., USA
 Lan Ge, City University of Hong Kong, Hong Kong
 Olivier Irrmann, University of Vaasa, Finland
 Jootae Kim, Seoul National University, Republic of Korea
 Constantina Kottaridi, Athens University, Greece
 J.Muir Macpherson, The Wharton School, USA
 Jane Menzies, Monash University, Australia
 Tatiana Minchev, Flinders University, Australia
 Antoine Monteils, Texas A & M University, USA
 Bo Bernhard Nielson, Copenhagen Business School, Denmark
 Chinmay Pattnaik, Seoul National University, Republic of Korea
 Dorota Piaskowska-Lewandowska, Tilburg University, Netherlands
 Jan Marc Staelens, University of Melbourne, Australia
 Davina Vora, University of South Carolina, USA
 Yue Wang, University of Melbourne, Australia
 Klaus Weber, University of Michigan, USA
 Mina Yoo, University of Michigan, USA

2001 AIB Meeting Registrants by Country

AUSTRALIA	63	17.07%
BELGIUM	4	1.08%
BRAZIL	1	0.27%
CANADA	4	1.08%
DENMARK	8	2.17%
FINLAND	6	1.63%
FRANCE	5	1.36%
GERMANY	1	0.27%
GREECE	2	0.54%
HONG KONG, SAR-PRC	11	2.98%
INDIA	3	0.81%
JAPAN	19	5.15%
MALAYSIA	2	0.54%
NETHERLANDS	9	2.44%
NEW ZEALAND	15	4.07%
NORWAY	2	0.54%
P.R. CHINA	9	2.44%
PHILIPPINES	1	0.27%
REP OF KOREA	10	2.71%
REP OF SINGAPORE	13	3.52%
SPAIN	2	0.54%
SWEDEN	12	3.25%
SWITZERLAND	2	0.54%
TAIWAN, R.O.C.	4	1.08%
THAILAND	4	1.08%
UNITED KINGDOM	9	2.44%
USA	147	39.84%
WEST INDIES	1	0.27%
Total:	369	

successful one, but I did learn a number of lessons, which I applied to better use later on. Japan has a number of world-class industries, but industrial gases is not one of them. It is an industry in which the participants themselves call it a wide industry in a very Japanese sense, implying that it is a subordinate industry to its customers. I have over the four years seen a lot of effort to try to improve that industry. However it is very fragmented with no differentiation amongst the players. It is also

squeezed in the value chain, on the production end, by utility companies. And at the customer interface, where there are layers and layers of distributors so symbolic and representative of many Japanese sectors, that the profitability was squeezed right in the middle of these companies. Over the period I oversaw hundreds of millions of pounds of investment into this company without really a satisfactory return. There are structural difficulties in many of Japan's weaker industrial sectors and a foreign company should not underestimate the difficulties to restructure those difficulties in those industries. Having said all that the biggest failure I had in Japan is probably that I did not utilise the strength of Japan. We could have done a lot more to utilise our customer network in Japan, which included Hitachi and Toshiba of the semi-conductor industry; and Honda, Toyota and the Nissan in automotive. We could have learnt a lot more about the operation of practices, we could have conducted more joint technology programs, used them as a source of innovation and we would have become a better partner for them on a global basis. Also that we did not conduct enough research in Japan. Japan has a very good research infrastructure, good engineers and also a lot of government support. Like many other companies in Japan, we overspent on building the most expensive laboratories in Japan and underspent on intellectual capital. Understanding Japan is not an easy task for a foreign company; it often times takes more than one generation of executives, then it becomes a challenge to maintain corporate memory to remember what we have learnt over a long period of time. We did not do particularly well in that aspect either. I was very grateful

“Throughout my international career I have always tried to assimilate, but only to about 60 to 70 per cent”

to BOC because I got a promotion after Japan, perhaps I had made some incremental improvements. By 1993 I was managing the global gases business for BOC, from London, and three years later as Jose said, I was recruited to be the chief executive of GKN.

GKN has origins since 1750 and is nearly 250 years old. It was started during the industrial revolution and is amongst the oldest companies in the U.K

today. It began as a steel maker and has continuously transformed itself as the time and technology changed; it has a strong tradition in engineering and manufacturing. In many ways GKN is regarded as a very British institution. I was therefore surprised that the board would choose me, who until that time spent most of my time in the U.S. and in Asia, to be its new chief executive. I was nonetheless delighted to accept the challenge. Going to the U.K. was an interesting experience by itself. In the first three months of my arrival I managed to upset everyone I worked with. Compared to the U.S. and Hong Kong, Britain is a more structured society and I had to learn how to observe the unspoken rules in Britain. The ability to articulate and debate is more highly valued in the British business society, perhaps a reflection of the society itself. I had also to learn to temper my natural enthusiasm, because a higher level of certainty was required by my board. However I also found that I could use my distinct different background as an advantage...to confuse them. Throughout my international career I have always tried to assimilate, but only to about 60 to 70 per cent. In 1996 GKN had three main businesses. Approximately half of the company was in automotive components, 25 per cent of the company in aerospace and defence, and 25 per cent in support services.

The support services part mainly comprised of two 50-50 joint ventures with Brambles Industries Limited of Australia. These were a pallet pooling business called CHEP and a waste management business called Cleanaway. Strategically it was a number of challenges, the defence and aerospace indus-

tries were consolidating at a relatively high speed on a global basis. The U.S. competition was already completed; Boeing and Lockheed Martin were the leaders of the industry in the U.S. at that time, and the consolidation in Europe was about to begin. GKN's defence and aerospace business included an armoured vehicle business, and Western Helicopters and Western Aerospace. Western Helicopters is a proud industry and is one of the U.K.'s leading prime contractors for defence. On a

world scale, however, it had much bigger competitors. It did have a strong order book at the time and was in a good position to take advantage of the consolidation process. The joint ventures of CHEP and Cleanaway were also being tested. The long success of the relationship, 27 years in the case of CHEP, had produced two very successful businesses that were becoming bigger and bigger. Later in the GKN/Brambles transaction, we found out that about 50 per cent ownership of CHEP and Cleanaway actually represented about 60 per cent of GKN's value and nearly 80 per cent of Brambles. The tail not only started to wag the dog, the tail has become the dog.

Issues such as funding, competition for resources and management structures were growing in importance. Many of us began to think that the JV structure, which had been successful up to then, was unlikely to be the appropriate structure for these two highly successful businesses over the longer term. GKN was, and is still a strong global brand in automotive components. It has world-class manufacturing, and first-tier supplier abilities. It is global in outlook, and transfers its knowledge and process effectively across country boundaries. It is an effective global supplier to its global customers. In the beginning of 1997, we embarked on a new five-year strategy for GKN; it was called “double double” inside the organisation, signifying the financial objective of doubling the revenue, and doubling the profit the earnings would share of the company.

However there was another hidden agenda, which we did not explicitly express, and that was to seek a solution for some of the fundamental strategic issues of the company. Four-and-a-half

..continued from previous page

years later I could look back with some satisfaction. GKN merged its armoured vehicle business and the helicopter business with others to form significantly stronger companies. Agusta Westland of



which GKN now owns 50 per cent, is the second largest helicopter company in the world, and has an \$8 billion order book. GKN has more than doubled its aerospace component and service business. Utilising its knowledge in automotive is creating a first-tier supplier position in this very traditionally, very fragmented supply chain of aerospace. It has become a partner for Boeing, Lockheed Martin, British Aerospace and so on, around the world. In automotive, GKN has built a new business to about US\$1 billion in powder metallurgy. GKN's Sinter Metals is the only global company in this sector and is more than three times bigger than the next competitor. But more importantly than all this, the expansion of GKN's engineering businesses in aerospace and automotive gives it a scale to consider the merger of the support services. Scale is important in a practical sense for the capital market as well as the attraction of talented personnel. Today, other than the merger of support surfaces business, GKN is still larger in revenue and profit than it was in 1997 and it remains a FTSE 100 company in the U.K.

There was another aspect of the GKN experience that was particularly meaningful to me. GKN got it right in Japan this time. It took over a component factory in Nissan, we learned from this world-class manufacturing process, we established an engineering and research centre in Japan and we used it as a base to partner with all the carmakers in

Japan. It is already profitable and will play a central role in GKN's network as a global automotive supplier. The merger of GKN's support surfaces with Brambles was completed on the seventh of August this year. The strategic advantage of the merger was very compelling; it removed the joint venture structures for CHEP and Cleanaway and all its uncertainties and inefficiencies. It removed the artificial boundaries that were imposed on these two very successful businesses by agreements drafted many years ago. It allows CHEP to use its unique global brand in support services, and there are not too many global brands in support services to develop other products and services. It streamlines management by creating a unified one; it creates two focused companies.

GKN is a world-class engineering company on the one hand and Brambles is a world-class support service company. Today 40 per cent of Brambles business is in Europe, 30 per cent in the Americas and 18 per cent only in Australia and New Zealand, with the rest in Asia and South Africa. Our shareholder base is equally international. European shareholders hold about 40 per cent of the shares, Australian shareholders about 28 per cent and the U.S. institutions about 25 per cent. Brambles has a Dual Listed Companies structure with listings both in Australia and London. About half of Brambles is represented by CHEP, I don't know how many of you are familiar with CHEP; it is a business based on an elegantly simple idea. It is almost like the eraser at the end of the pencil. It manages a standard loading device, which can be a pallet or plastic crate, or any other container as long as they're standardized, throughout its supply chain amongst multi-users on a continuous basis. Before CHEP, when grocery manufacturers, for example, produced a laundry soap, or chocolate bar, they bought a pallet and put the goods on it. When they shipped their goods to the retailer's warehouse, that was the last time they ever saw that pallet. When they arrived at the warehouse they tried to pick up used pallets, repair them, and they bought some new ones. CHEP came along and offered them a hired pallet of a standard size that could be circulated around all grocery manufacturers and all grocery retailers. CHEP tracks, repairs, collects, and delivers these pallets, and

the manufacturers are only required to pay for them when the product sits on them. CHEP now owns over 160 million pallets on a global basis. It has grown at double-digit for many years. Its business model is based on the concept of standardisation for every participant in the industry, manufacturers and retailers alike. It has huge growth potential. After that case of growth, about 50 years in Australia and about 11 years in the U.S., CHEP has only penetrated less than 30 per cent of the Americas market and the European market. It is just beginning to enter the non-grocery market, such as chemicals, pharmaceuticals, cosmetic and health products and horticulture products. These so-called secondary markets together are as big as the grocery markets. It is also introducing other standard loading devices, such as the returnable plastic crate to replace the conventional cardboard boxes in the transportation of fruits and vegetables. Auto crates are introduced for automotive components. It is a unique business, it has a proven record, high growth, and has global market leadership.

The other two businesses of Brambles are Cleanaway and Recall. Cleanaway is a waste management business with presence in the U.K., Germany, Australia and China. And Recall is an information management business that manages both documents and digital information. Recall is relatively small today, but has the ability to become a substantial part of Brambles. CHEP, Cleanaway and Recall represent over 80 percent of Brambles' profit. At Brambles we have defined our mission to be the world's leading provider of innovative business solutions in support services, and to use our outsourcing expertise to add exceptional value in the eyes of our customers. We intend to win and create superior shareholder value through our people and the enterprising spirit. It has a number of high-quality businesses, we are a business-to-business outsourcing company with special knowledge and expertise. We intend to build a winning and enterprising culture. I'm excited by the opportunity to lead Brambles, and I'm deeply honoured by you tonight.

Thank you very much.



wine

The first evening of the conference, AIB members strolled across Hyde park to attend the opening ceremonies. Southcorp Wines hosted a wine tasting at the Australian Museum. Along with the wines and museum exhibits, AIB members also had the chance to watch Aboriginal dancers perform.

SOUTHCORP



...more pictures on pages 26-27!

New AIB Members

(Joining September 9 to December 6, 2001)

Abidin Zainal Abd. Razak	Wibisono Hardjopranoto	Lewandowska	Michael Stevens
Rosiana Adinegoro	Felicity Hudson	Rebecca Piekkari	Jesper Strandskov
Erman Aminullah	Masato Inoue	Subramaniam Pillay	Robert D. Straughan
Dorian Amstel	Olivier Irrmann	Paul Prabhaker	Sri Suryanti Sugeng
Kartika D. Antono	Peruvemba Jaya	Roger Prestwich	Ly Fie Sugianto
Radianto Arifin	Shishir K. Jha	Henky Priatna	Pudjo Sugito
Bahasyim Assifie	Jessica C. Johansson	Twii Untoro Pudji	Dr. Supaath
Hassan Bachtiar	Lalit Mohan Johri	Ali Rachman	Susela Devi Suppiah
Jay B. Barney	Juana Judith	Hasan Rachmany	Franky Supriyadi
Neil Barnwell	Denny Junarto	Purbo, Sri Nugroho	Sukarno Suyoso
Aam Bastaman	P.E. Kamminga	Rahayu	Ahmad Syamil
Denise A. Berger	Jon D. Kendall	Narasimhan Ramesh	Ekki Symsulhkim
Gordon Boyce	Keiichi Kimoto	Carlos E. Ramirez	Sumihiro Takeda
Dietmar Brodel	Toshihiko Kinoshita	Syamsubaridah Ramlee	Hermansyah Tamin
Henry Shelton Brown III	Noke Kiroyan	H.S. Razad	Hwee-Hoon Tan
June Buchanan	Yanti Koestoer	Jahja B., Jr. Riabudi	Tuck Cheong Tang
Peter Carroll	Constantina Kottaridi	Corina Riantoputra	Robert H. Terpstra
Abhirup Chakrabarti	Robin J. Kramer	Derek Rich	Jann Hidajat
Yao Chen	Krisnaraga	Mark Rix	Tjakraatmadja
Kenichiro Chinen	Andrej Kumar	Sugeng Riyanto	Noriko Tokunaga
Eun-Young Choi	Carlos Lago-Silva	Edgar Rodriguez	Janell D. Townsend
Jaepil Choi	Anna Lamin	Siriyupa Roongrerngsuke	Santo Triharto
Yun Chu	Fan Liang	Unifah Rosyidi	Michael Trimarchi
Oleg Chvyrvkov	Denise J. Luethge	Jean Paul Roy	Kim-Chi Trinh
E. Eugene Clark	Ishtiaq Pasha Mahmood	Karen Ruckman	Dan Trotter
Henry Collier	Willem Makaliwe	Klara Sabirianova	Chris Tuggle
Jose R. Concha	Tsutomu Makimoto-	Mohammad Saeed	Tim Turpin
Protiti Dastidar	Kondo	Ilham Andi Said	John P. Ulhoi
Bhushan Dewan	Sjfrida Manuoto	Roy V. Salomo	Tetsuya Usui
S.E. Dibsono	Anthony Marsh	Sangkala	Eero Vaara
Irini Dimou	Maris G. Martisons	Elias Sanidas	Jeroen Van Wijk
Mark J. Dodgson	Silvia Massini	Shankar Sankaran	Lisa Voss
Lydia Echauz	Yau Ong Meng	Grazia D. Santangelo	David Walters
Alev M. Efendioglu	Xavier Meschi	James Santomier	Greg Walton
Yujiro Eguchi	Emmanuel Metais	Jose Santos	Yue Wang
Eric Ensminger	Bambang Mirawan	Achuthan Sarla	Tim White
Catharine Farrell	Kavoos Mohannak	Riri Satria	Andrew Wilson
Anne M Ferrante	Alexander Toni Mohr	Maggie Schomaker	Vincentius, Dr. Winarto
Craig Fleisher	Gordon Moir	Gad J. Selig	Djoko Wintoro
Ridwan Fontaine	Marie Louise Mors	Sen Sendjaya	Shiu Ho Wong
Anokye Frimpong	Suryani Motik	Inge Setiawati	Shiu Ho Wong
Michael R. Galvin	Mustafa Nasution	Kishor Sharma	Deli D. Yang
Frans Gana	Gogor Nurhayoko	Toyoharu P. Shimizu	Zhong Yang
Marie Gant	Safri Nurmanto	Toyoharu P. Shimizu	Mina Yoo
Lan Ge	Abdullah Othman	Adam Louis Shrier	Emre Yucel
John Godwin	Mina N. Palimoune	Elliot Simangunsong	Hassan Za'afaran
Peter Gordon	Rajendran J. Pandian	Quentin H. Somerville	Anna Zarkada-Fraser
Siegfried Gudergan	Derry Pantjadarma	Christine Soo	Sara D. Zhang
Anis Gunawan	Susan Aagaard Petersen	Low Soo-Wah	Jinghua Zhao
Dominique Halaby	Antoaneta Petkova	Doug Stace	Shuming Zhao
Budhi Halim	Michel C.T. Phan	Jan Marc Staelens	Saijing Zhou
Byung-Sop Han	Dorota Piaskowska-	Benjamin Stahl	

Comments From the Editor

Although almost three months have passed since September 11, the terrorist attacks on the USA remain in the front of our minds. These events (now often referred to as simply nine eleven or 911) and their aftermath, including heightened tensions in Israel and Palestine, remain a concern, for all the world. This issue of INSIGHTS reflects this. The articles in this issue provide three view points – a CEO working in the field, an academic teaching in the field, and students studying in the field. Included in this issue are:

- An article, by the Honourable Gareth Evans based on his address at the 2001 AIB Conference in Sydney. This piece considers "The World after 11 September", and sets out some of the consequences of the terrorist attacks – both negative and positive. Gareth Evans is President and CEO of The International Crisis Group – an organization, which "tells governments around the world what they should be doing to prevent and contain deadly conflict" (quoted from the address). Clearly, he provides an especially relevant view on the events of September 11.
- A reprint of the article, "Terrorism and the International Business Environment" (by Peter Enderwick), which we published in a special electronic edition following the terrorist attacks. This piece provides a framework for assessing the impact of the attacks, in the short, medium and longer term, and thoughts on what these impacts will be.
- A piece outlining student perspectives on the terrorist attacks "When Terrorism Hits Home", provided by Brian Lorfman at Rollins College in Orlando. This is based on responses from students, studying international business, to open ended questions regarding the outcome of the nine eleven events.

Comments and suggestions should be sent to the Editor

Please send articles and classroom material to the Editor for consideration for upcoming Insights - consider reprints of speeches you have made

Readers are encouraged to submit comments, for possible inclusion in future Insights

Please contact the Editor with suggestions

Most readers will be preparing for a new semester, or at the beginning of one, when they receive this issue of INSIGHTS. Many have struggled with the question of how to incorporate nine eleven into courses. We will continue to

face this issue for some time to come. The events of September 11, 2001, and their aftermath, have profound implications for international business, and we clearly need to deal with these in the classroom. I believe that readers will find the pieces in this issue of INSIGHTS valuable in class discussions.

Taken together, the three articles in this issue of INSIGHTS provide an effective way to incorporate nine eleven into teaching international business. I have used Peter Enderwick's framework in my own classes successfully, with an emphasis on identifying both positive and negative outcomes. Gareth Evans' assessment of positive and negative outcomes adds a knowledgeable perspective, from someone professionally involved in evaluating events of this kind. Finally, Brian Lorfman's students' comments give readers a flavor of how students are thinking. Similar questions to other students may provide interesting comparisons, similarities and contrasts.

Submission Information

- Submissions to Insights can be sent at any time to the Editor.

- Submissions may be electronic, by fax, or by mail. *Electronic submissions are preferred.*

- Submissions will be reviewed by the Editor to ensure material is appropriate for Insights, then the advisory board will comment on submissions.

- For consideration for specific editions, submissions must reach the editor by the following dates:

1st Quarter:	December 15
2nd Quarter:	March 15
3rd Quarter:	June 15
4th Quarter:	September 15

- Articles should be approximately 2-3 printed pages.

- Exercises, simulations, and other material should include all the information needed for use in the classroom. Material submitted should not contravene any copyrights.

- Blunders should be based on real-world events and should be new - ie, not previously published, or disseminated in

other media.

We look forward to your comments and submissions.

Thanks to the AIB Board for this initiative. Thanks to Laurel King for her support and suggestions. Thanks to the Advisory Board members for their assistance in preparing this issue of AIB Insights.

BJ

FAQs

The most frequently asked questions relate to the length and format for submissions to Insights. We do not have strict guidelines for submissions. We encourage you to send material in the format that you believe will provide the best insights. If we want to include the material, we may then ask you to make changes to suit a particular issue. We do have general guidelines:

- *submissions should be short (usually about two printed pages, although there will be both longer and shorter pieces), and*
- *they should be "insightful" (providing knowledge obtained by mental penetration - Oxford), and can be provocative (inviting a reaction, stimulating a response - Mirriam-Webster)*
- *necessary references should be provided as end notes*

Editor

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THE WORLD AFTER 11 SEPTEMBER: A BALANCE SHEET

Based on the Address by Hon. Gareth Evans AO QC, President of the International Crisis Group and Former Australian Foreign Minister, to the Academy of International Business (AIB) Conference, Sydney, 19 November 2001.

There has certainly been a lot happening, here and now, in the last few weeks for the world's most imminent people to be thinking about, and wrestling with. September 11 was not just another catastrophe, another CNN media moment of the kind with which we've become all too complacently familiar as a result of too many moments of well-documented TV horror over the last decade or more. What happened on that bright sunny morning – when more people were killed in two hours than were lost to terrorist atrocities over the last 50 years in Ireland and Israel combined – was a genuine watershed in world history: things are not going to be the same again.

Obviously a number of the changes that have occurred have been for the worse: it's not hard to list them, and I will. But the shock of 911, as shock often does, has also produced a number of changes which – if they can be sustained, and that's a big if – have the potential to make the world a better, safer and saner place than it has been. Let me make an effort, then, to sketch out a balance sheet of the world after 11 September, at least as I see it from my present vantage point in the International Crisis Group.

Since where you stand often depends on where you sit, perhaps I should say a word about that vantage point. The International Crisis Group – of which I have been full-time President and CEO since January 2000 – is a fascinating, and I think unique, private, non-profit, multinational organisation which tells governments around the world what they should be doing to prevent and contain deadly conflict. We give them analyses of

what's going wrong, and policy prescriptions as to how to put things right, which they usually don't want to hear, and often don't even want to think about, but which they are certainly increasingly taking notice of.

The organisation began in 1995 essentially as a response to the policy disasters of the early 90s in Somalia, Bosnia and Rwanda. It's founders were a group of well known international figures from the US and Europe, who have now been joined on a rather glittering governing board full of former Presidents and Prime Ministers and Foreign Ministers and the like. ICG has grown rapidly, especially in the last two years, to the extent that we now have field operations in some 20 countries across four continents, along with advocacy offices in Brussels, Washington, New York and Paris.

From that platform, what is to be said first of all about the negative side of the 911 ledger?

The world's new physical vulnerability. Not only the immediate physical impact of the 911 attacks, but their demonstration effect, has been extremely scary. If this is what a handful of well-organised, imaginative fanatics can do by totally low-tech means – using primary weapons no more complex than knives or box-cutters – how much more damage can a handful of well-organised and imaginative fanatics do employing the high-tech weaponry that is potentially available to them with chemical, biological and bomb-in-an-ice-cream-van nuclear weapons? Every major city, every major financial centre, in the world is hopelessly unprepared either to pre-



vent or to cope with such an attack at the moment, and we are deluding ourselves to deny it.

The world's new economic vulnerability. This audience will know better than most, and be better able than most to calculate the order of magnitude involved, the extraordinary economic damage done by 911: consumer confidence has collapsed, investment is not happening, trade is falling away, the tourism and travel sectors are on their knees, productivity is sliding backward as inventory management systems fall apart, the stock market is reeling, unemployment is skyrocketing, and recovery seems a long way away.

Of course it has all been made worse by the economic downturn that was well and truly underway by 911, but even the most buoyant environment would have been punctured by the enormity of the events of that day, and the knowledge we now have of what more danger might be possible.

The psychological scars that have been inflicted. I am not talking here only about the gut-wrenching impact of ground zero, not only for the families and friends of those who died there but for anyone who visits the site or

even just sees it on TV; nor even just the palpable new fear around the place, most easily measurable by the huge number of people in the US and around the world who are now refusing to fly. I'm talking also about something more insidious – the suspicion and hostility on racial and religious grounds that 9/11 has brought to so many of our human dealings and interactions, notwithstanding all the highly laudable efforts of Western leaders from the outset to characterise the war against terrorism as a war against deeds not beliefs.

At the macro-level we've seen it in the kind of ugly campaign against Afghan boat-people refugees that Prime Minister Howard and his party were able to mount to win the recent Australian election. I doubt this would have had the same resonance before 9/11.

And at the micro-level we see it happening all the time: in my case most recently in New York late last week, boarding my flight to LA to connect to Australia. Every passenger had already been through the most comprehensive electronic and manual search procedure, with every bag emptied and pocket turned out. But that didn't stop the captain of the aircraft standing at the door and turning back, in the most obvious and humiliating way possible, for further interrogation and body searching, anyone of Middle Eastern or West Asian appearance. The young man beside me who – as he told the flight crew and anyone else who would listen – had been born and raised in Manhattan, studied at Wharton and now worked for Goldman Sachs – was almost crying with rage and pain at being singled out in this way for his appearance alone, and it was difficult for a lot of us not to cry with him.

The downside costs and risks of new conflict. It is difficult to argue against

the US reaction to 9/11 taking a partly military form. When any country's homeland and heartland have been attacked on the scale that happened in September, when the ultimate responsibility could reasonably be sheeted home to Osama bin Laden and al Qaeda – despite all the problems of court-proof evidence – and when this group was so obviously being sheltered and nurtured by the deeply unlovely Taliban, a punitive retaliation was inevitable and defensible. But it was even more inevitable that, even with the best conceived and managed such campaign, innocent civilians would die in the process. It continues

“11 September shattered any illusion that the two-ocean cocoon in which the US has felt so sheltered for so long was any longer a protection for the heartland”

to be desperately necessary as a result that any such campaign be as limited as it possible to be: not only to meet the immediate moral imperative, but also to avoid giving fuel to extremists elsewhere, making the whole problem of extremist-generated terrorism worse than it was to begin with.

And it is also crucial in this context that the costs and risks of embarking on any *new* military campaign – above all in Iraq – be weighed very carefully indeed.

Positives

In all this litany of gloom and anxiety, how can there possibly be any ground for optimism about the future? What on earth could have been positive in the fallout from 9/11? Well, let me give you my own list of half a dozen items for a start, which I think do make a reasonable case in defence of optimism.

The end of American disconnectedness. 11 September shattered any illusion that the two-ocean cocoon in which the US has felt so sheltered for so long was any longer a protection for the heartland. And with that recognition has come a much greater recogni-

tion, psychologically, across the nation and not just among policy makers (who I don't think ever really believed it), that isolationism – switching off from the rest of the world's problems and just focusing on America's own – is just not an option.

The world is a highly connected place these days, as every highbrow study and lowbrow piece of journalism keeps telling us, and dirty little wars in faraway places that may not seem to be anyone's business in the developed world – and political and economic and social and cultural grievances that no-one wants to have to even think about in the West – have shown themselves to be capable of generating, directly or indirectly, the most catastrophic damage in the West. The impact on North America and Europe of instability and conflict in faraway corners of the world has been obvious enough for years if anyone had wanted to look in the spread of narcotics trafficking and other international crime, in the spread of disease like AIDS, in spillover environmental disasters, and in mass movements of the refugees and displaced. And, as nobody now needs reminding, it's there with international terrorism. What 9/11 has done is force everyone to face up to the reality of international connectedness, and to accept that this means some kind of policy engagement.

The greater embrace of multilateralism in American foreign policy. It's one thing to recognise that engagement is necessary, quite another to carry it out in the right way. A turning away from isolationism doesn't mean an end to unilateralism. Small or medium sized countries have long recognised the need for engagement to occur on a cooperative, give-and-take, multilateral basis, not least because they don't have the economic or political or military clout to be able to do it any other way. But big guys – and especially *very* big guys – find it hard to be persuaded not to act unilaterally. As the old Swahili saying has it: Where does the elephant sit? The elephant sits where he likes... Things were not really all that different in substance under either Bush Senior

or the Clinton Administration, as I can testify from eight years as Australia's Foreign Minister – and we were one of their favorite countries! But unilateralism was at its most extreme level for a long time in George W's Foreign Policy Mark I (the one prevailing from January to 10 September this year): America didn't really need much help from anyone else, and it certainly didn't need to enmesh itself in tiresome and restrictive treaty obligations on climate change, biological weapons, small arms, the new international criminal court...

While I don't want to exaggerate the extent of the conversion – and there are certainly many EU members who would remain to be convinced of the US's enthusiasm for acting in any way but unilaterally – I do think it's fair to say that since 911 there has been *something* of a conversion. The realisation does seem to have dawned in a major way that there are a whole bunch of inter-related problems, not least those involving terrorism, that no country in the world, not even the US, can solve all by itself. Building sustainable defences against international terrorism means not only mounting punitive military action (which needs, at the very least, bases and overflight rights in other countries), but intelligence cooperation, money trail cooperation, public diplomacy cooperation (what used to be

trade round, the US is going to win more genuinely appreciative friends around the world than it's had for a long time, and that will very much work to the country's long term interests both in security and economic terms.

A better US relationship with Russia.

President Putin's alacrity in responding to 911 with policy support across a wide front (intelligence cooperation, air corridors, support for basing in Central Asia) may have been opportunistic – motivated by a desire to get some cover for Chechnya, hold some lines on missile policy and get some help for the Russian economy. But it's certainly breathed new warmth and content into a relationship that certainly needed both, and could lead to some real benefits – not least getting a real policy partnership going in resolving the remaining problems in the Balkans. Among the unthinkable things that have now become thinkable is Russia's admission to NATO – although Russia could of course end up taking the rather sophisticated Groucho Marx view that it wouldn't want to belong to a club that was prepared to have it as a member...

A better US relationship with China.

Even more extraordinary than the US-Russia love-in has been the rapprochement in Washington-Beijing

in the Asia Pacific region, and dedicated in particular to forging a workable set of relationships around the region with China.

The possibility of forward movement on the Israel-Palestine conflict.

There has been a great deal of rethinking going on in the US since 911 about American relations with the Islamic world generally, and the need for the US to win moderate Arab support for the war on terrorism has led to some useful signs in relation to the Arab-Israeli conflict – that it wants to play a role back in the field and not in the bleachers, that it is prepared to recognise the absolute legitimacy not only of the Israelis' but also the Palestinians' claim to have a viable state of their own, and that it is prepared to be tough about some of Mr Sharon's more egregious excesses.

But of all the areas for optimism generated by 911 that I have identified, this has to be the flimsiest. It's not possible to be very optimistic about anything with the Palestinian leadership as rudderless as it usually seems to be, and with the present Israeli leadership all too clear in its determination to steer anything resembling a viable peace plan straight on to the rocks. That said, an activist role by the US is an absolutely indispensable precondition to dragging the present awful situation in Israel, Gaza and the West Bank back

“...there are a whole bunch of inter-related problems, not least those involving terrorism, that no country in the world, not even the US, can solve all by itself”

indelicate called propaganda) and cooperation in addressing root cause grievances through effective development assistance and conflict resolution diplomacy.

If the multilateralist approach the US is very effectively adopting at the moment in the war against terrorism – and which it's going to have to maintain there for a long time to come – can start filtering out into other areas of external policy, as it seemed to last week with the flexibility shown at the Doha WTO negotiations on a new

relations, a remarkable turnaround from the deep freeze relationship – with the spy plane affair as the nadir – just a few months ago, which Bush Foreign Policy Mark I seemed determined to create and maintain. China, again, has its own motives for wanting to be cooperative on terrorism – with its anxiety about Islamist extremism in its western border zones, but the thaw is in everyone's interest. And I say that with particularly deep feeling as someone whose foreign policy life has been concentrated

on track, and it's good that it's starting to be played.

A new focus on the values that really matter.

Tragedy can be cathartic, and there's plenty of evidence of 911 jolting people in the United States into new patterns of behaviour that are genuinely admirable. One thing that many people have remarked upon, and as a regular visitor to New York I can vouch for it, is a new kind of courtesy and consideration for others that is genuinely noticeable in this

normally brash, tough, swaggering, in your face, me-me kind of town. I'm not suggesting that Manhattan turned overnight into a kind of hippy commune, and you would have to be a supreme optimist to think this will last forever, but it's nice while it does – and maybe New Yorkers will actually get to like it.

Another phenomenon is the bursting of the conspicuous consumption bubble of the 1990s, with a great many people in this country, as well as the West generally, having second thoughts after 911 about whether the things that really matter in life *are* all the material badges of success – as distinct from home, family, personal relationships and deeper values. What we are also perhaps seeing is the beginning of a glimmer of recognition that maybe it's not all that good idea to be showing it off so much in a wider world where per capita income in the world's richest country is 100 times higher than the poorest, as compared to a ratio of just 9 to 1 a century ago; where in a number of places not just relative but absolute levels of poverty are growing as well; and where around half the world's 6 billion people are struggling to survive on less than \$2 a day, and have never seen a personal

computer or even made a telephone call.

There's one other value, of particular resonance with this audience, that has been getting a lot of attention in the aftermath of 911 – not so much in the context of the US or the West, but rather that of the regions of the world where terrorism is bred - and that is *education*. The relationship between the rise of Islamist extremism and the collapse of the secular public education system in a number of countries has been much remarked upon – especially in Pakistan, where poor families have been left with no alternative but to send their children to madrassas, with an almost wholly religious curriculum designed in the 18th Century, the numbers of which have grown from 3000 in the late 70s to 39,000 today. If ever there was a job for educationists, and a priority target for development assistance in the Middle East and West Asia, this is it - and it's encouraging to see the extent to which that has been accepted.

I've tried to make a case for deriving at least a little good cheer from the aftermath of events which themselves had nothing but horror about them. It's the fate of optimists to be constantly disappointed by the real world - opti-

mism, as they say, is simply the triumph of hope over experience - and it may be that many of the developments I have mentioned will prove all too unhappily transitory.

But it's the nature of optimists to bounce back, and that's an important dynamic in the world out there. Optimism can be just as self-fulfilling as pessimism and despair, and if it leads you to take risks – hoping always that some good will come from disturbing the status quo – then just occasionally some good is just what will happen. A little bit of intelligent, adventurous optimism, combined with some faith in basically decent values and the ultimate power of good to triumph over evil, is what not only the United States, but the whole world, most needs right now. And the more people there are saying that, and believing it, and acting upon it, the faster we will put the horror of 11 September behind us and create a world which is a genuinely better place for all its citizens.

On The Lighter Side

Based on an email sent to BJ Punnett by Dave Wood. Thanks Dave!

Some directions and warnings seen on products:

"Do not use while sleeping" (Sears Hair Dryer)

"Use like real soap" (Dial Soap)

"Serving Suggestion – Defrost" (Swanson Frozen Dinners)

"Products will be hot after heating" (Marks and Spencer's Bread Pudding)

"Do not iron clothes on body" (Rowena Iron)

"Do not drive a car or operate machinery" (Boot's Children's Cough Medicine)

"Instructions: Open bag, eat nuts" (American Airlines packet of peanuts)

"Warning: Contains nuts" (Sainsbury's Peanuts)

"May cause drowsiness" (Nytol)

...If we can do this in English, how were these translated into other languages?

Terrorism and The International Business Environment

Professor Peter Enderwick
 Department of Marketing and International Management
 University of Waikato
 Hamilton
 New Zealand

Introduction

The terrorist attack of September 11 triggered worldwide condemnation and revulsion. For many those feelings will long persist. However, teachers of international business are likely to discern a growing interest in both understanding the causes of, and the likely effects of these acts. For international business academics it is important to try to understand what these events might mean for our discipline. Their impact is likely to be considerable. The September 15-21 2001 issue of *The Economist* was entitled 'The Day the World Changed'. We need to analyse ways in which these changes will occur and what they will mean. This article offers an initial assessment. It recognises that at this early stage it may not be possible to identify all of the impacts, or to fully assess their importance. However, it may be seen as a first step in trying to discern some of the immediate impacts and in raising some of the more complex, longer term issues that will arise.

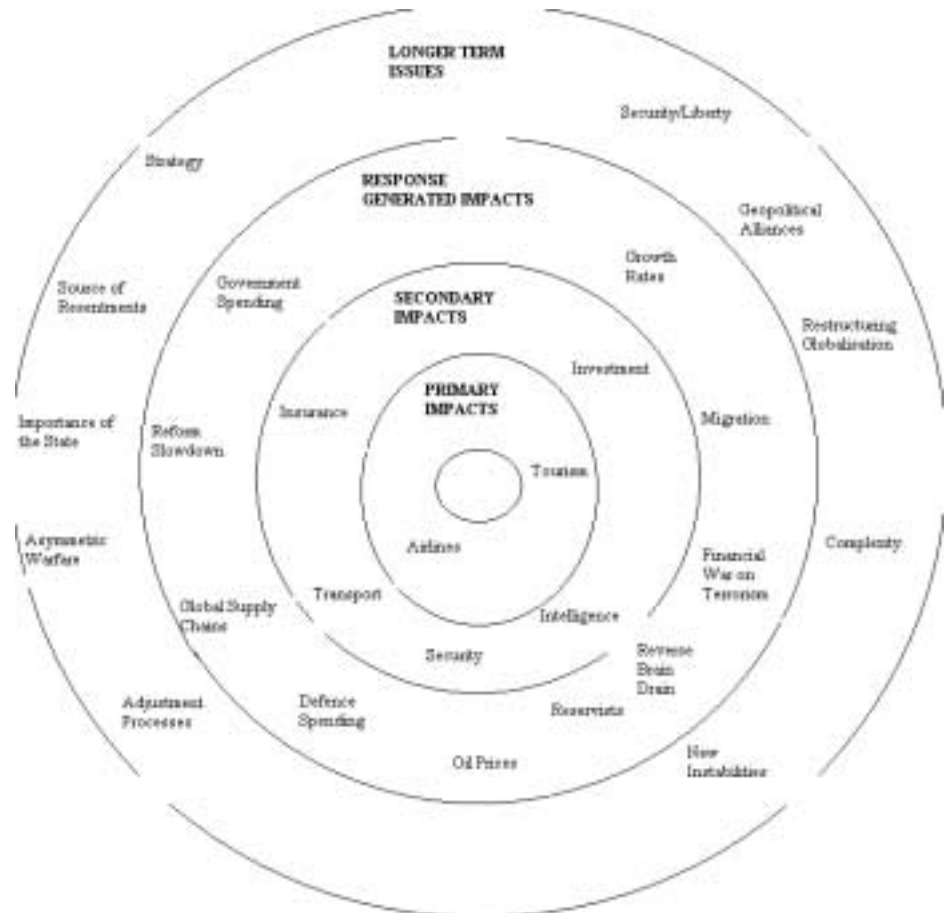


Figure 1 Discerning Impacts of the Terrorist Attack on the International Business Environment

Discerning Impacts

A useful way of thinking about the likely impacts of such a significant event is to utilise a framework such as that provided in Figure 1. We can analyse impacts in terms of a series of concentric bands. Bands closest to the centre show primary impacts. As we move out secondary impacts can be seen, followed by those impacts which will result from the various responses to the attacks. The outermost band identifies a number of longer term issues that may arise. Currently these

are perhaps the most difficult to understand and their evolution is subject to considerable uncertainties. Nevertheless, they are likely to represent the most significant changes in the international business environment. We will discuss these in turn.

Primary Impacts

Our discussion is confined to the primary business impacts of the terrorist attacks. The two sectors most significantly impacted were airlines and

tourism. The form of the attacks, utilising commercial aircraft, had an immediate impact on the propensity for, and cost of, airline travel. This in turn adversely affected the tourism sector. Airline layoffs in just the first few weeks have topped 100,000. It is not just US airlines that have required assistance. Chinese, Korean and Australasian airlines have all received assistance. Many have cut back on services. Globally, the airline industry may lose US\$7 billion in 2001. The stock values of airlines fell by up to 65

percent. However, prospects are not the same for all airlines. Air Canada, heavily dependent on US traffic has already grounded a number of planes. Singapore Airlines, while some distance from the US market has a 49 percent stake in Virgin Atlantic. Virgin Atlantic depends on the US for 70 percent of its traffic. Budget airlines such as Ryanair and Easy Jet seem likely to be less affected. The high levels of financial assistance provided to the major US airline companies will also put smaller regional carriers, such as those within Central America, at a major competitive disadvantage.

Higher security costs and delays will have a differential adverse impact on the productivity of short haul carriers. In turn, Boeing in anticipation of a drop in orders, has announced layoffs of between 20,000 and 30,000. World tourism growth rates have been halved to 1-1.5 percent. It is worth noting that airline traffic levels did not fully recover for 12-15 months after the Gulf War.

However, one of the perverse effects of the attacks is also apparent in the travel industry. While numbers on commercial flights have fallen, the demand for executive jet flights has increased significantly. Similarly, substitution is apparent in the increased demand for Amtrak services, particularly in the Washington-New York-Boston corridor. Airline costs will also rise significantly as insurance risk is reassessed.

Significant impacts will also be experienced by countries and industries heavily dependent on Middle Eastern markets. An example is provided by the Korean construction industry which has long depended on contracts from this part of the world. Korean construction contractors currently have more than 60 projects worth US\$1.3 billion in the Middle East. This represents half of all overseas contracts. The increased difficulties of doing business in these markets,

particularly when large numbers of personnel are based there, means that the impacts will be considerable.

Secondary Impacts

The second band highlights a number of sectors where there will be significant impacts that will develop over the short to medium term. These include insurance, transport and the security industry. With the terrorist attack representing the biggest event in insurance history, the industry is in for a very difficult year with preliminary claims possibly as high as US\$50 billion and losses of perhaps US\$2 billion. Insurance risks and premiums will increase significantly for a number of transport industries. Shipping companies are likely to face a war risk premium of between 0.1 and 0.25 percent of insured value. On the other hand, the security industry is likely to benefit. Suggestions are that its growth rate over the next few years could exceed 10 percent per annum. Similarly, the substitution of video-conferencing and other communication technologies for air travel and face-to-face meetings could benefit companies in these areas.

The investment industry has also reacted to the attack and the changed its risk perception. We may see a shift of capital towards 'relatively' safer markets such as Europe. If the US attracts a premium, investment sources may develop more rapidly in the markets of Europe and Asia. However, the magnitude of this will depend critically on a range of factors including the extent to which other markets are identified with the US and therefore share risk premiums.

Considerable changes in intelligence gathering are likely to result from the apparent failure of intelligence agencies to anticipate the attacks. There will be a reassessment of the terrorist threat: this was not an attack involving chemical, biological, nuclear weapons, nor was it a cyber attack. More traditional methods of

intelligence gathering will be reconsidered. There are likely to be strong calls for greater communications surveillance. Regulations on phone taps, access to e-mail and powers to detain and deport will be amended. We may even see the authorities seeking 'anticipatory powers'. Where the terror threat is perceived as global there will be strong incentives for cooperation in information gathering and sharing. As we will discuss in a subsequent section, these changes are likely to generate conflict between national security concerns and civil liberty rights.

Response Generated Impacts

We can distinguish a third band of impacts, those that are the result of responses to the terrorist attacks. These range from the stimulus of government spending, new controls on financial transactions and migration, to induced changes in costs and individual behaviour.

At the most general level are the impacts on expected growth rates. In the global era interdependency between markets means that a downturn in any major market is likely to quickly feed through to affect other markets. We may expect a closer synchronisation of the business cycle. Forecasts for US growth in 2001 are around 1.5 to 2.0 percent compared with 4.1 percent in the year 2000. We should note that the US economy had slowed before the attack, but this could precipitate a recession. Since the US accounts for one-fifth of global economic activity the contagion effects are considerable. A sharp downturn in the US would be expected to cut around 1.2 percent from the growth rates of East Asia economies, excluding Japan.

It is difficult to assess the likely impact of this attack from past experience. The September 11 attack differs from earlier conflicts such as the Gulf War which was an 'external' shock for the US economy and the effects trans-

mitted through reduced travel and higher oil prices. A direct attack on the US will have a more sizeable impact on confidence and sentiment. World economic prospects also depend critically on the price of oil. At the present time there has been no substantial rise in oil prices but this will depend critically on the form, extent and duration of retaliatory conflict.

Perhaps the easiest impacts to understand are the stimulatory effects of increased government expenditure. This expenditure is generally reflationary and takes the forms of direct assistance to distressed industries such as airlines, underwriting of additional insurance and security costs, increased military expenditure as well as macro economic effects. The progressive cutting of US interest rates also raises the possibility of negative real interest rates (where rates are lower than the rate of inflation), which stimulate borrowing and spending.

While US military expenditure will rise by perhaps one percent of GDP it will still amount to only around 4 percent, compared with some 38 percent at the height of the Second World War. While wars generally have an expansionary effect on the world economy this conflict may be different. It will not involve full-scale troop deployments or the traditional build up of armaments and could actually cost the world economy some US\$160 billion (due to a half percent reduction in the global growth rate) as a result of disruption. Furthermore, the call up of reservists will also adversely impact many high technology industries and businesses. While these people are unlikely to be in front line operations they will have to assume the tasks traditionally performed by the military. If the conflict is protracted this loss of key staff will sap the strength of many businesses.

Attempts to starve terrorist groups of funds will also impact on financial markets. The G7 and the EU's member

nations have already moved to tighten financial controls on significant cash flows. Tighter regulation by markets such as Switzerland (home to one-third of the world's offshore wealth), Luxembourg and Liechtenstein is likely to slow the rapid expansion of global capital flows and may bring greater transparency to financial markets.

Migratory movements are also likely to be curtailed. While the resulting conflict may substantially increase the world's refugee problem, international migration, particularly for economic reasons, is likely to be more difficult. This will also include a tightening up of student visas, a system which seems to be easily abused.

Induced changes in behaviour will affect businesses, governments and individuals. For businesses, tighter security measures for cargo shipped by air and sea and checks on border crossings will throw into question the value of just-in-time global supply chains. A week after the attack Ford cut production by 13 percent because of delivery delays. Business planning may be expected to change. In the increasingly turbulent business environment there is likely to be a shift from incremental to scenario planning. For government, a new focus on terrorism means that other objectives may be neglected. This may include restructuring programmes that are badly needed in countries such as Japan, Thailand and Indonesia. The danger is that governments will simply focus on surviving the turbulent market conditions and postpone needed reforms.

Changes in individual behaviour may also be seen as responses to the terrorist attacks. An example may be provided by labour flows. In recent years high skilled individuals have left many of the smaller or less developed economies seeking higher rewards and opportunities in major markets such as the United States and the United Kingdom. This has certainly been the experience of countries including

Australia and New Zealand. We may expect some reversal of these flows as locational choice is increasingly determined by safety related and not simply pecuniary considerations. A further example is provided by the longer term need to socialise the additional costs of security. While government may be willing to offset these in the short term, it is unlikely to continue to do this indefinitely. Producers, and ultimately consumers, will have to learn to bear these costs.

Longer Term Issues

The outer band identifies a number of more tenuous, longer term issues that have emerged since the attack. Here we briefly outline some of the most significant.

The first concerns the tension between security and liberty. As mentioned above the 'asymmetric warfare' characteristic of the recent attacks creates a dilemma for governments. On the one hand they will require more information on citizens in an attempt to combat this form of conflict, on the other, we have experienced several decades of growing social and political freedom. How these two can be effectively reconciled is likely to emerge as a major challenge for most democratic governments.

A second issue is increased complexity in the business environment. This complexity stems from a number of sources including rising costs and uncertainty, unpredictable induced changes in behaviour, greater state intervention in a range of areas and the growing power of poorly understood groups and individuals. The key players in the global business environment are no longer simply nation states, multinational enterprises or NGOs. In the past decade we have seen the awesome power of individuals to disrupt the environment. This would include perpetrators of computer viruses, global investors such as George Soros, and now terrorists such as Osama bin Laden.

The changing role of the state is a third issue that will need to be addressed. Despite years of privatisation and deregulation as well as assertions that globalisation will lead to a contraction or even elimination of the state, much of this appears to be overturned in a day. Many businesses now look to the state to resolve this new concern. The state has been instrumental in both underwriting the costs of the attacks and in carrying the responsibility for tackling it. The adjustment process is also of interest. Despite the widespread belief that a market system is best equipped to deal with change and uncertainty, it is government that seems to be driving the response in this case. It will be necessary for us to research the issue of whether such an event causes some form of market failure or whether we have underestimated the importance of the state. The airline industry at least in many countries seems set to return to varying degrees of state ownership and control.

A fourth issue concerns global business strategy. Our rather simplistic analysis of the trade-offs between the cost advantages of global strategy and the need for local responsiveness will need to be revisited. The attacks clearly demonstrate that there are significant parts of the world that reject Western business strategy and the values that lie behind them. We are likely to see a growing interest in new ways of achieving local responsiveness and acceptance. The pursuit of global (Western) branding strategies will also be reconsidered.

A more controversial issue, and one which international business scholars will need to confront, are the underlying causes of the attack and the resentments that appear to have triggered it. We will need to incorporate into our teaching and research a greater recognition of the interdependencies between foreign policy and business strategy. While for those approaching international business from a political economy perspective this is perhaps nothing new, it would be true to say that much of mainstream analysis has undervalued such connections. US foreign policy towards the Middle East,

its unqualified support for Israel, maintenance of conservative regimes in the Middle East and strategic focus on oil supplies, have undoubtedly fuelled resentment in much of the Muslim community. A long term 'solution', as opposed to simply eradicating terrorism, will necessitate changes in Arab opinion and this may well require a response to perceived injustices in the Middle East, a negotiated solution to the Palestinian problem and the lifting of sanctions against countries such as Iraq.

A related issue is the continuation of globalisation in its present form. It is clear that the massive inequalities that have accompanied the growing globalisation of the world economy must be addressed. While anti-globalist protesters have increased awareness of these concerns, the attacks of September 11 have elevated them to a new consciousness. It is clear that an attack on the World Trade Center is also an attack on the heart of global finance and business. It is important not to lose sight of the fact that continuing globalisation may be the most effective way of raising the living conditions of the world's most disadvantaged, but in the absence of some form of intervention it is unlikely to do so. To bring a more human face to globalisation may be the single most important challenge in the first half of this century.

A seventh issue is the recognition of new, and extremely significant, geopolitical alliances. Cooperation between the US, India, Pakistan and Russia with strong endorsement by Iran and China is an alliance that would have been laughingly dismissed six months ago. As the structures and processes of the Cold War era have given way to unfettered economic competition in the present global era, shifting political alliances become a new reality. These new alliances have radically altered perceived tensions in the international system. The concern with US-China relations has now given way to a new focus on the non-specific enemy of terrorism.

However, the formation of such alliances is likely to bring new instabilities. The threat is perhaps greatest

within countries such as Pakistan and Indonesia, which, while pledging support to the US, also contain sizeable Muslim populations. At the same time these countries will extract considerable concessions in exchange for their support. This has already happened in the case of Pakistan with the lifting of sanctions and the rescheduling of debt. We may also expect to see international organisations such as the IMF and World Bank align their policies to reflect these new political realities.

Conclusions

This brief discussion offers an attempt to understand the likely impacts of the tragic terrorist attack on the United States. A number of conclusions are evident.

First, the attack highlights the dynamism and the volatility of the international business environment. It is evident that patterns and processes may change suddenly and radically. It has implications for a broad range of sectors and issues.

Second, the impacts are difficult to fully discern or quantify at this early stage. However, the framework offered above does allow us to distinguish between immediate effects, induced changes and more nebulous, longer term issues. Over time, our understanding will increase and many of the changes will be incorporated into our teaching and research programmes.

Third, it is apparent that the world has indeed changed, and in significant ways. New geopolitical alliances, new tensions, increased pressure to address long standing perceived inequities and to bring a more human face to the driving force of globalisation have all coalesced in the brief weeks since the attack. As international business educators it is incumbent upon us to better understand why this has occurred and what it means for our discipline.

When Terrorism Hits Home: Student Perspectives

Brian Lofman
Department of International Business
Rollins College
Orlando, Florida

As I prepared for my International Business class on September 12, I was undecided how to discuss, if at all, the incomprehensible events that had occurred the day before. Would an armchair analysis be in order? No, there were too many unknowns and those events could have been the harbinger of other horrific acts soon to follow. Would a more personal characterization of the events be appropriate? No, my students and I might hold some thoughts and feelings in common, but we likely experienced the events and interpreted them in diverse ways. Could I simply move on with our scheduled agenda? No, I would be remiss in not addressing the immediacy of the situation.

The answer became clear - I would make a few comments and then ask the students for their thoughts and feelings, even if this were merely to get ideas out on the table for all to consider. The students responded with a broad variety of concerns, and raised some interesting points relevant for international business (all but one were IB majors). One student reflected on the difficulties of conducting business in the future, given the perceived need for increased security. Another sounded distressed that the dream of working abroad might have been shattered. Another wondered if any business career was worth the risk. In all, some negativity pervaded the classroom, though there were hints of optimism. The discussion lasted the entire class session.

Two months later, I developed a brief questionnaire of five open-end items, designed to elicit students' views on the 911 events (as they have become known). Following are the questionnaire items, with excerpts from selected responses:

How have the terrorist events of September 11 (and subsequent related events) affected your interest in pursuing a career in international business?

- "I felt vulnerable, betrayed, and began to question the security of relations with foreign countries."
- "I have a dream/goal of entering the field and making a positive difference in the lives of others ... if September 11th has done anything to affect my interest in the field, it has increased it."
- "These events have actually made me want to pursue my interest in an international business career even more. They have made me realize that life is too short to worry about what might happen "
- "Although we all have fears, I do not fear change ... good or bad. I knew that my ability to react to sudden change has led me to business."
- "... the recent terrorist attacks have been very destructive and detrimental, however, it hasn't changed my interest in pursuing a career in international business. ... made me focus more on my personal relationships The attacks ... will affect my decisions as far as living outside of the country with a family"
- "My goal is to do business internationally and I intend to keep it that way. Life is all about risk to me ... I cannot let this kind of fear or threat take over my life."
- "I still want traveling to be a part of my job, and if I let these events affect that, then I feel that they have won."
- "I'm still interested in traveling and dealing with different cultures around the globe. I will not let terrorists keep me from pursuing my career."

How have these events changed your view of international business?

- "After the tragic events, I viewed the international business major as a 'waste of time.' My anger and shock resulted in the consideration of a new major. I no longer wanted to study an international perspective."
- "Before September 11th I would often wonder where my career would take me. Would I work for a large international company? Would I live and work in a big city? Would I travel extensively or even live in a foreign country? ... I am still very interested in and excited about international business as my chosen major."
- "I am still interested in international issues, however, I feel I may now be extremely limited in pursuing significant international experience in the local business environment."
- "This has really made my international business classes seem more real than ever. It feels like I am actually a part of what I am studying and has let me realize some of the factors involved in international business that cannot always be learned in a classroom."
- "A businessperson should spend time learning the culture he will be dealing with to better anticipate a particular outcome."
- "The role that international business will play will prove to be vital for sustainability in an emerging global environment."

What negative consequences will these events ultimately have for the conduct of international business?

- "Foreign travel and expansion will no longer be taken so lightly without serious concerns for heightened security. Likewise, expatriates will need extra incentives and protection when assigned to foreign locations."
- "This will make another argument in the case against globalization and put fear in those who conduct it."
- "These events will slow down international business and the international economy for years to come ... due to an overwhelming amount of caution taken by companies and their executives in traveling and business negotiations."
- "People are more afraid for their personal safety and are less willing to invest. These events have also caused some inconvenience in the transportation system. Air travel is becoming more restricted and expensive. Ground transportation is slowing down"
- "The process of doing business internationally is greatly slowed down in various industries due to new safety issues. These longer procedures can negatively affect many businesses in terms of using time as efficiently as possible."
- "Many more people that encouraged globalism may be much more hesitant and selective in the future. Security restrictions may inhibit some globalization, but these are small setbacks to improve future relations."

What positive consequences will these events ultimately have for the conduct of international business?

- "... The world will become more cautious and perhaps develop stronger relations with foreign countries."
- "... improved security regulations which would protect expatriates and tourists visiting foreign countries that have high political and social tensions toward the United States."
- "... awareness and more careful thinking when it comes to conducting business internationally. People, companies and firms will have to look more closely at the consequences of their actions."
- "It forces companies to rethink their strategies and alliances ... it will improve the safety and efficiency of the way in which business is conducted. It may take time for some minor problems to be worked out, however, in the long run this could open up and create many more jobs related to the international business field."
- "People are becoming wiser and more aware of what's going on around them ... technology will play a bigger role than ever, especially in communication, transportation and security systems. American businesses ... may have to merge with domestic companies in order not to be big a target for such terrorist acts."
- "Firms will assess which businesses to invest in, reviewing their financial statements and culture a lot closer, so their risk can be reduced and they can feel more confident in the potential of the investment."

Please comment on any related opinions or viewpoints.

- "... they have created this sense of pride and solidarity among Americans, even with other countries. ... for young Americans ... there has been this awakening of strong feelings of nationalism and unity ... sparked a sense of greater awareness to what is going on around the world"
- "I would like to see actions taken toward human rights worldwide (the poor, oppressed women of the Afghanistan region). ... I hope to see a great deal of positive changes in the valuation of all humans. ... people advertising products using the tragedy - ethically aware corporations would not use desperation to their advantage - this frustrates me and I hope to see it discontinue."
- "... attacks will give reason for countries and international businesses to unite and come together to possibly help solve other world problems such as global warming and promoting sustainability."
- "..., business will always be business, and opportunities will always exist in foreign countries. International business will not be affected more than domestic business."
- "The role of international business will become much more important in sustaining successful alliances."
- "Some issues I have pondered since September 11th - how easy it would be for a group of terrorists to shut down a global economy, how one hiccup in a global system can affect everything, how far reaching the ripple effect can be, what level of control is someone willing to give up for safety."

In the face of these adverse circumstances, it's reassuring to hear optimistic voices among my students, and an overarching message of hope for a better future.

Thanks to my students who participated. The following agreed to having their names published:

Jennifer Beames, Meg Glynn, Evan Shapiro, Betsy Carroll, Evan W. Hoffman, Jennifer Treco, Cristina Fernandez, Luigi Saieh, Diego Vargas

“Internationalizing the Business School: Global Survey of Institutions of Higher Learning in the Year 2000”

This is the most comprehensive survey report, in terms of geographic reach and the scope of information requested, about changes in the internationalization of business schools’ curriculum, faculty, organization, affiliations and institutional arrangements, and their goals, emphasis and approaches.

The survey, conducted once again by the University of South Carolina’s Center for International Business Education and Research, was the sixth one commissioned by the Academy of International Business since 1969. (You can also download a short version of our 2000 survey on AIB’s website: www.aibworld.net)

The survey team discovered more than a hundred findings pertinent to all colleges and universities, and also identified some of the areas in which non-U.S. schools have made greater progress toward globalization. Attached is a summary of the entire study, FYI.

For a copy of the research book (about 360 pages), please complete the form below.

INTERNATIONALIZATION OF BUSINESS SCHOOLS: SUMMARY AND CONCLUSIONS

Significant progress continued to be made in the internationalization of business schools throughout the world. The courses, programs and other educational experiences available to students of business were rich and varied. Capacity to provide education in the international dimensions of business of specific functional fields was dramatically enhanced. Whereas previously most schools sought to provide students with only an *awareness* of the international dimensions of business and primarily used only *infusion of international content into core courses*, far more schools now had *understanding* as the objective for all students, and *expertise* for increasingly more students than previously. They also now had more IB courses, and required more of them for all students, and infusion of international material into core courses continued to proceed significantly. However, at the master and doctoral level, non-US schools were stronger in terms of internationalization than US schools (consistent with their higher objectives), while US schools were stronger at the undergraduate level, and accredited schools were stronger in terms than non-accredited schools. Internships and overseas study opportunities also increased in many more schools throughout the world, although a slightly higher percentage of non-US business schools offered more student internships in other countries, and as did accredited schools compared to non-accredited schools.

All institutions reported significant enhancing and upgrading of the international capabilities of their faculty, and learned more about the value of various methods of

internationalizing faculty which resulted in their assessments that their faculty’s international knowledge was greater than it had been five years ago. Faculty research became more international, and schools responded more to the global needs of their stakeholders. However, there remained some differences. The US had fewer faculty who were *natives of other countries, did international research, taught IB courses, had taught in other countries, and had IB experience in industries*, and faculty in accredited schools did more international research and consulting and were slightly higher in terms of levels of IB education and training

The majority of business schools were satisfied with the internationalization of their curricula and faculty, only there remained only a minority of business schools who were *very* satisfied, despite an overall improvement and enhancement of the internationalization of faculty, programs and students. By comparison, non-US schools were more satisfied than US schools about the progress of the internationalization of their institutions over the last five years, and accredited schools were the most *satisfied* and the most *dissatisfied!* The most likely reason for remaining dissatisfaction was that globalization throughout the world increased even faster than the internationalization of business schools’ curricula and faculty—hence business schools continued to lag behind business needs and developments. Hopefully, the next decade will show a closer fit between academic and world realities.

Yes, I would like a copy of “Internationalizing the Business School.” The price per copy for AIB members is \$20; for non-AIB members and libraries the price per copy is \$35. For a CD attached: an additional \$10. Postage per copy is as follows: U.S. \$3, Canada \$7, Mexico \$11, Other countries \$18. Checks are to made payable to **The Business Partnership Foundation.**

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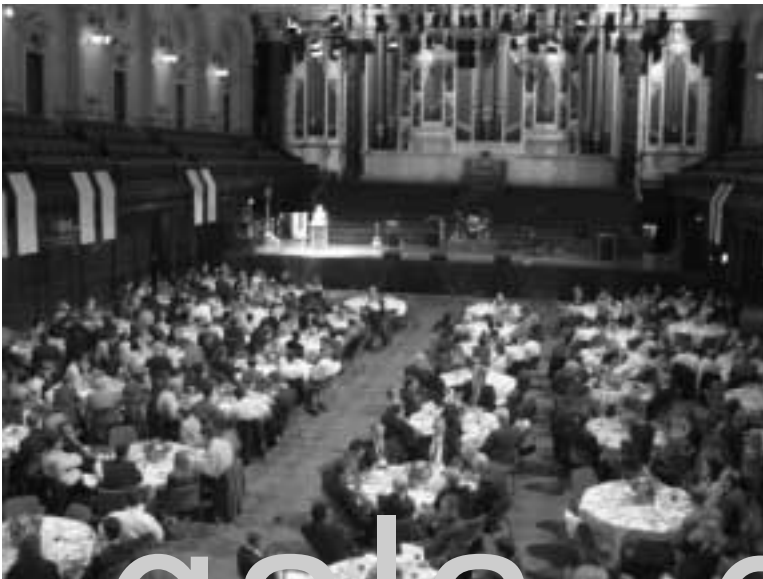
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...More pictures from Sydney!

beer

The Powerhouse Museum housed the fabulous beer tasting sponsored by Lion Nathan brewers of Hahn, Tooheys and Victoria Bitter. C.K. Chow won the Executive of the Year Award and spoke at the event.





Gala Dinner

Sydney Town Hall set the stage for Monday night's spectacular Gala Dinner. Speakers included Michael Vitale, the Dean of AGSM, and the Honorable Gareth Evans, who spoke on the impacts of September 11's events. A transcript of his speech can be found on page 15 of this newsletter, in this month's *AIB Insights*.



UNITED KINGDOM

Chapter Conference
April 12-13, 2002
University of Central Lancashire,
Preston

“INTERNATIONAL BUSINESS IN THE
GLOBAL KNOWLEDGE ECONOMY
Economic Growth: Competition,
Cooperation, Resistance”

For this conference at the start of the new millenium - in which globalisation is seen by some as a driver for economic growth but by others as a threat - the AIB UK chapter is encouraging a wide range of contributors centred around the **forward-looking perspective** of how international business will progress. Papers on new and emerging issues will also be very welcome.

There will also be a Doctoral Colloquium, to provide doctoral researchers in International Business with the opportunity to present and discuss their research with a panel of distinguished scholars in the field. The Colloquium also provides doctoral researchers with an opportunity to interact with colleagues from other institutions working on International Business topics, and to join and feel part of the AIB community of researchers.

For more information, contact: Liz Kelly, Business Services,
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+44 (0)1772 892938 / email:
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SOUTHEAST ASIA / AUSTRALIA

Regional Conference
July 18-20, 2002
Shanghai, China

The 2002 Academy of International Business (AIB) Southeast Asia and Australia Regional Conference is co-hosted by the Hong Kong Institute of Business Studies (HKIBS), Lingnan University, Hong Kong and Shanghai University of Finance and Economics (SHUFE), Shanghai, People's Republic of China.

We invite papers for presentation and proposals for panel discussion related to the Conference Theme from scholars, business executives, professionals and public policy makers. Conceptual, theoretical and empirical papers will all be considered. Relevant papers are those related to Global Competition and International Business.

For more information, contact:

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E-mail: hkibs@ln.edu.hk

NORTHEAST USA

Chapter Conference
September 26-28, 2002
Salisbury, Maryland

The 2002 meeting will be held September 26-28, 2002 in Salisbury, Maryland. The host is the Perdue School of Business at Salisbury University. The program chair is Dr. Richard Hoffman.

The conference theme is “Global Transformations”. Globalization of economies, markets, and cultures is affected by a number of factors including: regional economic integration (EU, NAFTA, ASEAN, MERCOSUR), changing technology, security issues, and innovation.

Submission Deadline:
April 26, 2002

Awards for best paper and best doctoral student paper will be presented.

Send submissions to or for more information, contact:

Dr. Richard C. Hoffman,
Program Chair
Perdue School of Business
Salisbury University
Salisbury, MD 21801

Tel: 1.410.548.5398
Fax: 1.410.546.6208
Email: rchoffman@salisbury.edu



MISCELLANEOUS ANNOUNCEMENTS



Calls for Papers

- **3rd World Symposium on Logistics in Forest Sector
Khalkis, Greece
23-24 September 2002**

As we have now completed a vast job in establishing the logistics research into the forest sector, we expect submitters of papers to be aware of, and to refer to, relevant articles published in LOGISTICS IN THE FOREST SECTOR, 2000; and SUPPLY CHAIN MANAGEMENT FOR PAPER AND TIMBER INDUSTRIES, 2001. Greece in September is expected to have a warm and nice climate. We intend also to arrange a half-day industrial tour hosted by Shelman Wood Product Industries Company. Further information is available at:
<http://members.surfeu.fi/otaniem/sympgrec.htm>

- **International Business Education & Technology
Conference
Clearwater Beach, Florida, USA
14-19 February 2002**

Organized by Midwestern Academic Publishers, the IBET Conference seeks papers related to educational technology, internet, distance learning, business & economics instruction, curriculum, cases, multi-disciplinary, and related educational issues including research related papers and cases in accounting, marketing, management, economics, e-business, finance, CIS, MIS, ethics, international business, global technology, literature reviews, pedagogy and empirical research. Email enquiries to karik@ibetconference.com or visit the web site at <http://www.ibetconference.com>.

- **6th International Workshop on Teamworking
(IWOT6)
Malmö University, Sweden
16-17 September 2002**

The aim of the workshop is to bring together researchers interested in the issues raised by teamworking. The workshop will include work from a variety of perspectives, disciplinary backgrounds and geographical areas. While papers are welcome on any aspect of teamworking, cross-national comparisons, empirical work in general and theoretical/conceptual analysis are especially welcome. Special streams shall be organised around large-scale organisational surveys and panel studies, the use of the team concept in the service sector and project teams. For more information, please visit the conference website at <http://www.ts.mah.se/forskn/worksci>.

The AIB Newsletter is proud to share the latest news about its members in the **Members on the Move** and **Just Off the Press** sections. E-mail your professional accomplishments, book publications, promotions, and honors, to:
aib@cba.hawaii.edu

Or send typed items and photographs via mail to:

**AIB Newsletter
2404 Maile Way, CBA-C306
Honolulu, HI 96822-2223 USA**

AIB Copy Deadlines are:

Quarter 1:	February 1
Quarter 2:	May 1
Quarter 3:	August 1
Quarter 4:	November 1

Only items received on or before the first working day after the deadline will be considered for publication. Fax us at **(808) 956-3261** for information regarding our advertising and promotional services.

Feature Articles for Insights

For consideration in *Insights*, feature articles may be sent at any time to Newsletter Submissions Editor Betty Jane Punnett. Submissions should be a maximum of 2000 words and of general interest to the AIB membership. See page 13 for details.

Send articles as a Word attachment or as text in the body of the message to:

eureka@sunbeach.net

You may also mail articles with a diskette to:

**Betty Jane Punnett
Dept. of Management Studies
The University of the West Indies
Cave Hill, Barbados
West Indies**

Mark your
calendars
for AIB's
2002
Annual
Meeting

*Geographies and International
Business*

Caribe Hilton San Juan, Puerto Rico
June 28 - July 1, 2002

Program Chair Lorraine Eden, Texas A&M University

Hosted by the University of Puerto Rico

www.aibworld.net

click on "Events" for details

2002



The Institute of International Business (IIB) at the Stockholm School of Economics hereby announces a call for papers for a conference with the intention to discuss conceptual and empirical developments on the identification of culture within countries, communities, organisations, groups, teams, professions and demographic categories.

Research on the identification of culture (national, organisational, professional etc.) has emerged from various disciplines and theoretical perspectives within the social sciences. The relevance of culture and its implications for management and organisation is extensively studied and vividly debated. This multidisciplinary conference aims at addressing the following key issues in the study of culture and subcultures:

IDENTIFICATION OF CULTURE

Which culture matters, where, when and under which conditions?

DEFINITION OF CULTURE

The choice of definition and its consequences.

CULTURAL PROCESSES AND GROUP DYNAMICS

What are the dynamics of the process where cultures and groups evolve over time?

THE REPUTATION OF CULTURE OR THE ROLE IT PLAYS

Where do cultures' consequences stop, and when do different types of culture come into play?

The conference will combine keynote speakers and paper presentations in an interactive and stimulating environment. It especially welcomes contributions from International Management, Ethnology, Sociology, Psychology and Social Anthropology. The authors of a selection of 25-30 papers are welcome to participate in the conference and to contribute to the published conference proceedings.

www.iib.edu/Identifyingculture/New_versions/Identifying_culture.htm

ENQUIRIES AND SUBMISSIONS can be directed to either Lena Zander (Assistant Professor, Institute of International Business, Stockholm School of Economics) at lena.zander@iibs.se, or to Annick Sjögren (Associate Professor in Ethnology, Educational Department, University of South Stockholm) at annick.sjogren@sh.se.

Research Papers should be submitted by February 1st, 2002 either by e-mail to identifying.culture@iibs.se or by mail to:

IDENTIFYING CULTURE

Institute of International Business

Stockholm School of Economics

P.O. Box 6501, SE-113 83 Stockholm, Sweden



**INSTITUTE OF INTERNATIONAL
BUSINESS - IIB**

STOCKHOLM SCHOOL OF ECONOMICS



SAINT LOUIS
UNIVERSITY

Tenure Track Position Fall 2002

Assistant Professor of International Business

*John Cook School of Business
Boeing Institute of International Business*

Requirements: Applicants must possess a Ph.D. in International Business or Business Administration. Tenure track positions carry an expectation of excellence in teaching and adequate evidence of scholarly production.

Course Assignments: Probable assignments include Introduction to International Business, International Business Strategies, and Asian, Latin American, or European Business courses.

The University: A Jesuit institution, Saint Louis University comprises eleven schools and colleges specializing in numerous disciplines including medicine and law. The university's diversity is further enhanced with a fully operating campus in Madrid, Spain.

John Cook School of Business: Approximately 1300 undergraduate and 400 graduate students study at the university's School of Business and Administration.

- **Accreditation:** The school is fully AACSB accredited
- **Expansion:** Completed in summer 2000, John and Lucy Cook Hall, the School's \$15 million expansion, contains high tech classrooms, study rooms, offices, and meeting facilities.
- **International Business:** Degrees offered include BS/BA, MBA, Ph.D. and Executive Master of International Business.

Location: Located in midtown St. Louis, the University is accessible from all major thoroughfares. The St. Louis metropolitan area with 2.5 million residents is home to many Fortune 500 companies and is rated among the top cities for livability with regard to cost of living, housing, cultural and entertainment venues, educational institutions, and employment. Numerous opportunities exist for the successful candidate to interact with area business leaders.

To be considered, please send cover letter, curriculum vitae, and supporting documents to:

Dr. Seung H. Kim, Director
Boeing Institute of
International Business
Saint Louis University
John and Lucy Cook Hall, 332
3674 Lindell Boulevard
St. Louis, MO 63108-3397

Phone: (314) 977-3898 Email: biib@slu.edu
Fax: (314) 977-7188 Website: <http://biib.slu.edu/>

Saint Louis University is an affirmative action/equal opportunity employer.
The final offer is subject to approval of the university's budget.

Brandeis University

GRADUATE SCHOOL OF INTERNATIONAL ECONOMICS AND FINANCE

THE GRADUATE SCHOOL INTENDS TO MAKE THE FOLLOWING APPOINTMENTS FOR YEAR 2002

FINANCE (INVESTMENTS) Candidates with interests in the international aspects of the field and in risk assessment and management are particularly welcomed, as these fields would complement the work of other faculty at the School. The successful candidate will excel in teaching at the MBA level and in research valued by both academics and practitioners. Versatility in teaching and interest in participating in academic activities outside of the candidate's functional specialty are also desirable. The School has a preference for filling the position on the full professor or associate professor level, but will consider assistant professor candidates with exceptional credentials. **MANAGEMENT** Candidates may have interests in functional fields such as financial management, service management, or technology management. Their expertise should encompass a practical understanding of how companies design and implement management strategies, and the ability to communicate this knowledge through examples and case studies. The successful candidate will excel in teaching at the MBA level, will ideally have experience as a corporate executive or consultant, and will produce research valued by both academics and practitioners. Versatility in teaching and interest in participating in academic activities outside of the candidate's functional specialty are desirable. The School has a preference for filling the position on the assistant professor level, but will also consider more senior candidates with exceptional credentials.

Established in 1994, the Graduate School of International Economics and Finance is a rapidly growing, interdisciplinary business school with a strong commitment to international business and finance. The school currently enrolls more than 200 graduate students from 40 countries in MBA, MA, MSF and Ph.D. degrees. Further growth is anticipated. The School is unique among business schools in combining an intimate, rigorous educational environment with a focus on global markets and institutions; it also maintains active exchange programs with leading business schools worldwide. Faculty research interests range from foreign direct investment and alliance strategy to international trade, financial markets, and development economics. For further information, visit www.brandeis.edu/global.

Candidates should send a CV, a sample of research, and evidence of teaching ability. First consideration will be given to candidates whose application is complete by December 31, 2001. Applications should be sent to: Search Committee, GSIEF MS 032, Brandeis University, Waltham, MA 02454.

As an equal opportunity/affirmative action employer, Brandeis is committed to building a diverse faculty and invites applications from women and minorities.

Assistant Professor of International Business - Oakland University

The School of Business Administration at Oakland University is seeking to fill a position in International Business at the Assistant Professor level starting in 2002-03.

Qualified applicants should have a Ph.D. in International Business or an equivalent degree. In addition, a significant interest in a functional area of business, a strong commitment to teaching preferably with some teaching experience, and a clear research agenda in international business and/or international aspects of a business functional area are required.

Candidates with greater teaching and/or research experience may be considered for a senior Assistant or untenured Associate level appointment. Successful candidates should be able to help shape the growing international business emphasis within the MBA and contribute to the unique international and information technology foci of the school's graduate business programs. The normal teaching load is five classes per academic year. Class sizes are moderate. Research activity is supported and expected. Summer research support or teaching is readily available. Salary is competitive with excellent fringe benefits.

The undergraduate and MBA programs within the School of Business Administration are AACSB-accredited. The school has 1,950 undergraduate and 550 masters students. Oakland University is a state-supported institution located in Rochester, Michigan. With about 16,000 students, it has a wide range of majors in the arts, sciences, engineering, health services, and business.

For more information about the School of Business Administration see www.sba.oakland.edu.

Send letter of application and vita to:

**Ravi Parameswaran, Chair, IB Recruitment Committee,
School of Business Administration, Oakland University,
Rochester, MI 48309-4401 (tel: 248 370-3299)**

The Committee will begin reviewing the applications on **November 1, 2001** and the search process will be open until a suitable candidate is found. Oakland University is an affirmative action/equal employment opportunity employer and encourages applications from women and minorities

Global Corporate Finance, 5th Edition Suk Kim, Seung Kim, and Kenneth Kim Blackwell Publishers, 2002

The fifth edition of *Global Corporate Finance* is suitable for both undergraduate and graduate courses in international finance. This book may be used successfully in college courses and in professional seminars all over the world, because it does not take a specific national viewpoint, it is self-contained, and it combines theory with applications. *Global Corporate Finance*, one of the most popular textbooks in the field, has been used at over 200 colleges, universities, and management development programs worldwide, because it stresses practical applications in a user-friendly format.

Global Corporate Finance provides students with the practical skills needed to understand global financial problems and techniques. The fifth edition of this distinguished text has been completely revised in the areas of shareholder value and corporate governance, global strategy, and corporate finance practices, while its approach is still grounded in readability, case studies, the basics, and user-friendliness.

The fifth edition of *Global Corporate Finance* is accompanied by a highly extensive set of supplements. A comprehensive Instructor's Manual is available for adopters of this book from Blackwell Publishers. And the following textbook-related items are available on our website: a study guide, transparency masters of lecture notes prepared by the authors, and currency symbols and codes. Our website is an integral part of the fifth edition. In addition to providing useful information about the book, our site will also direct visitors to World Wide Web sites in three related areas: international business, investments, and student needs. To help visitors use our website more effectively, we have developed 40 Internet exercises and posted them on our home page.

To obtain a copy of the book, please contact:

Blackwell Publishers: ISBN 0-631-22951-5 (hardback)

PO Box 20

Williston, VT 05495, USA

Tel: (800) 216-2522

Fax: (802) 864-7626

Blackwell Publishers: ISBN 0-631-22952-3 (paperback)

PO Box 269, Abingdon

Oxon OX14 4YN, UK

Tel: +44(0)1235 465500

Fax: +44(0)1235 465555

Loyola University New Orleans
College of Business Administration

Gerald N. Gaston Eminent Scholar Chair in International Business

The College of Business Administration seeks nominations and applications for the Gerald N. Gaston Eminent Scholar Chair in International Business. The Gerald N. Gaston Eminent Scholar will support the College's international business program by teaching and conducting research in international business. The person selected to hold the chair will be a highly qualified, eminent scholar with substantial research and instructional experience in international business. It is also expected that the individual selected will have substantial understanding of the business world and the economies of Latin America.

Position Duties:

- Teach international business courses at both the undergraduate and graduate (MBA) levels.
- Teach courses of interest not only to majors in international business but also of general interest to business majors and students from across campus.
- Take a leadership role in establishing an applied research agenda with an emphasis on Latin American business and economic issues.
- Forge relationships with corporations and academic institutions in Latin America.
- Seek external grant funding to support research.
- Enable Loyola to play a major role in improving significantly research about and the education of students in international business.
- Advise majors in international business.
- Provide assistance to the business community and local and state government on dealing with current international and Latin American business and economic issues.

Qualifications: Ph.D. required.

Terms of Appointment: Tenure-track position. Date of appointment is negotiable.

Salary: Competitive.

University: Loyola University New Orleans is a Jesuit university chartered in 1912. Located in uptown New Orleans, the University is composed of five colleges; Arts & Sciences, Business, City College, Law, and Music, and enrolls approximately 5000 students.

College of Business: The College is accredited by AACSB International, The Association to Advance Collegiate Schools of Business. Approximately 800 undergraduate and graduate students are enrolled. The faculty consists of 34 full-time members. The Gaston Chair is one of four endowed Chairs in the College of Business. Degrees offered include the BBA (economics, finance, international business, management and marketing), and the BAcc. (accounting). Graduate degrees include the MBA and MBA/JD.

Application & Nominations: Send applications and nominations to:

J. Patrick O'Brien, Dean
Gerald N. Gaston Eminent Scholar Chair in International Business Search Committee
College of Business Administration
Loyola University Box 15
New Orleans, LA 70118
e-mail: pobrien@loyno.edu

Applications must include a letter of application, résumé, and letters of references from at least three individuals. Applications must be received by December 15, 2001 for full consideration. The position will remain open until filled.

Loyola University is an Affirmative Action/Equal Opportunity Employer. Women and people from diverse racial, ethnic, cultural backgrounds are especially encouraged to apply.

Ball State University

Ball State University seeks a visionary leader for the position of Assistant Provost for International Education. The successful candidate will be a major force in leading Ball State toward its goal of becoming a national model for all who seek intellectual vitality in a learner-centered and socially responsible academic community. This person will foster and realize a more international and diverse curriculum, faculty, student body, and campus.

Position Description: The Assistant Provost for International Education serves as the institution's primary international education officer. Reporting to the Provost and Vice President for Academic Affairs, she or he provides leadership in all aspects of international education, including curriculum development, faculty development, recruitment, and retention of international programs. Reporting to the Assistant Provost for International Education is the Director of the Center for International Programs.

The Assistant Provost will expand opportunities for the development of new exchange programs and will work with the colleges and deans to develop new international curricula and academic programs. He or she will provide institutional leadership in the coordination of all international programs on campus (e.g., study abroad programs, exchange agreements, curriculum initiatives, and special projects directed toward internationalizing the institution), and in creation of faculty development opportunities and dissemination of faculty development resources for international development. The Assistant Provost will have a major role in seeking external funding, partnerships, and grants to provide support for international initiatives. Major responsibilities include: development of long-term and strategic plans for the growth of international programs and international students; creation of national visibility for the university in the international educational arena; provision of leadership in the development of recruitment plans and in the recruitment of international students. She or he will be responsible for overseeing admission of international students through the Center for International Programs.

Minimum Qualifications: A candidate must have an earned doctorate and experience in international education. Preferred qualifications include five or more years of experience in international administration, experience in international student recruitment and the development of recruitment programs. Salary is competitive and commensurate with experience and qualifications.

The Institution and Setting: Ball State University is a state-assisted institution of higher education located in Muncie, Indiana, a city of 70,000, approximately 50 miles northeast of Indianapolis. The university has an enrollment of 17,500 students and a full-time faculty of 850. Although its primary concern is for the citizens of Indiana, its programs appeal to regional, national, and international audiences. A Carnegie Doctoral Intensive institution, Ball State offers 155 undergraduate programs, 90 master's programs, and 14 doctoral programs through its 48 academic departments. The university values teaching and has a selective admissions policy. Primarily a residential academic community, it also supports programs that reach students well beyond the immediate campus. Ball State University's operating budget for 2001-2002 will exceed \$214 million and its endowment of \$115 million.

The university's Strategic Plan and the information about its nationally ranked programs are available on the university Web site: <http://www.bsue.edu>.

Application Process: Applicants and nominees should send a letter of application, including statement of vision for international education, and curriculum vitae along with names and contact information of five professional references to the address below. Review of application materials will begin **February 1, 2002**, and will continue until the position is filled. Appointment will begin **July 1, 2001**.

Ball State University is an equal opportunity, affirmative action employer and is strongly and actively committed to diversity within its community.

Professor Brian R. Sinclair
Chairperson, Assistant Provost for International Education Search Committee
Office of the Associate Provost
Ball State University
Muncie, IN 47306



AIB INSTITUTIONAL MEMBERSHIP APPLICATION

ACADEMY OF INTERNATIONAL BUSINESS

Terms of Membership: For an annual fee of US\$1,000, a school may designate two faculty members to receive AIB membership and two to receive registration at the AIB's Annual Meeting. A Ph.D. candidate may also be nominated to receive membership and meeting registration provided that he or she applies to attend the Doctoral Consortium. Each participating institution will be recognized once a year in both the AIB Newsletter and the Annual Meeting Program.

INSTITUTION'S CONTACT INFORMATION			
<i>Please type or print clearly and remit payment with form.</i>			
FIRST NAME	INITIAL	FAMILY NAME	
POSITION TITLE		ORGANIZATION	
STREET ADDRESS LINE 1			
STREET ADDRESS LINE 2			
CITY	STATE	COUNTRY	POSTAL CODE
TELEPHONE		FAX	
E-MAIL		PERSONAL WEB PAGE	

Make cheques payable to the Academy of International Business. Applicants outside the US must pay by credit card or remit funds by means of an international money order denominated in US dollars or by a check drawn upon a US bank. Foreign cheques must have micro-encoded banking information, including the ABA routing number at the bottom of the cheque, a US bank address and have the US dollar amount imprinted on them. The regular annual membership dues of \$85 and the Student and Low-income annual membership of \$45 in the Academy of International Business both include \$40 for a one-year subscription to the Journal of International Business Studies. (Federal Employer ID #23-7442958).

You must return this form (or a copy) with your payment to ensure proper recording. (Return by May 15 for the current meeting.)

AMOUNT PAID: \$ _____ (Dues for _____ years)

METHOD OF PAYMENT:

- Cheque (No.: _____ Date: _____)
- Credit Card (Circle: MasterCard / VISA / AMEX / Diners / Discover)

Credit Card Number _____

Expiration Date: ____/____/____ (Month/Year)

Signature (if credit card payment) _____

MAIL TO: Academy of International Business
University of Hawai'i at Manoa - CBA
2404 Maile Way (C-306)
Honolulu, HI 96822-2223 USA

FAX TO: (808) 956-3261

NAMES OF NOMINEES		
- Please write the names of the individuals at your institution who will receive the benefits listed below.		
- Attach a copy of the "Individual Membership" form on the next page for each person nominated.		
- Check off the box for "Institutional Nominee" on the form.		
MEMBERSHIP #1		
FIRST NAME	INITIAL	FAMILY NAME
POSITION/TITLE		FAX NUMBER
E-MAIL		
MEMBERSHIP #2		
FIRST NAME	INITIAL	FAMILY NAME
POSITION/TITLE		FAX NUMBER
E-MAIL		
Our institution nominates the following two individuals to attend the AIB's Annual Meeting in San Juan, Puerto Rico on June 28 - July 1, 2002.		
REGISTRATION #1 (name only if same as #1 above)		
FIRST NAME	INITIAL	FAMILY NAME
POSITION/TITLE		FAX NUMBER
E-MAIL		
REGISTRATION #2 (name only if same as #2 above)		
FIRST NAME	INITIAL	FAMILY NAME
POSITION/TITLE		FAX NUMBER
E-MAIL		
Ph.D. Nominee (Membership and 2002 Registration Fee)		
FIRST NAME	INITIAL	FAMILY NAME
POSITION/TITLE		FAX NUMBER
E-MAIL		

Please fill in your discipline and research interests in the boxes to the right and on the reverse side. Refer to the list below to determine the appropriate codes.

Disciplines: / (also write codes on reverse side)

Research Interests: / / / /

DISCIPLINE & RESEARCH INTERESTCODES

A. ECONOMICS

- A1 INTERNATIONAL TRADE
- A2 THEORY OF FDI AND THE MNE
- A3 INDUSTRIAL ORGANIZATION
- A4 TRANSACTION COST ECONOMICS
- A5 ECONOMIC DEVELOPMENT
- A6 ECONOMIC INTEGRATION
- A7 ECONOMICS OF INNOVATION & TECHNOLOGICAL TRANSFER
- A8 OTHER

B. FINANCE

- B1 COST OF CAPITAL & FINANCIAL STRUCTURE
- B2 CAPITAL BUDGETING
- B3 INTERNATIONAL FINANCIAL MARKETS
- B4 FOREIGN EXCHANGE MANAGEMENT
- B5 INVESTMENT APPRAISAL
- B6 TRANSFER PRICING ISSUES
- B7 OTHER

C. ACCOUNTING & TAXATION

- C1 COMPARATIVE ACCOUNTING SYSTEMS & PRACTICES
- C2 INTERNATIONAL FINANCIAL REPORTING
- C3 MEASUREMENT ISSUES (E.G., CURRENCY TRANSLATION, INFLATION EFFECTS)
- C4 INTERNATIONAL MANAGEMENT ACCOUNTING
- C5 PERFORMANCE EVALUATION & CONTROL
- C6 AUDITING
- C7 INTERNATIONAL TAXATION
- C8 OTHER

D. ORGANIZATION

- D1 ORGANIZATIONAL STRUCTURE
- D2 THE SOCIOLOGY OF ORGANIZATIONS
- D3 DECISION-TAKING STRUCTURES, HQ-SUBSIDIARY RELATIONS
- D4 INTER-FIRM ORGANIZATIONS (JV, ALLIANCES, NETWORKING)
- D5 COMPARATIVE ORGANIZATIONAL STUDIES
- D6 OTHER

E. MANAGEMENT

- E1 COMPARATIVE MANAGEMENT
- E2 CROSS-CULTURAL MANAGEMENT
- E3 MANAGEMENT & INFORMATION SYSTEMS (PLANNING, STRATEGY, CONTROL, INFORMATION)
- E4 MANAGEMENT OF TECHNOLOGY
- E5 PRODUCTION/SOURCING OPERATIONS MANAGEMENT
- E6 MANAGEMENT OF RISK
- E7 ENTREPRENEURSHIP
- E8 OTHER

F. BUSINESS POLICY

- F1 BUSINESS STRATEGY
- F2 BUSINESS/GOVERNMENT INTERACTION
- F3 BUSINESS & THE ENVIRONMENT
- F4 BUSINESS POLICY & DEVELOPING COUNTRIES
- F5 GLOBAL COMPETITION & MARKETS
- F6 OTHER

G. MARKETING

- G1 COMPARATIVE MARKETING
- G2 INTERNATIONAL MARKETING MANAGEMENT & STRATEGY
- G3 CROSS-NATIONAL CONSUMER & INDUSTRIAL BEHAVIOR
- G4 INT'L PRODUCT/PROM/PRICING/DIST STRATEGY
- G5 EXPORT/IMPORT: FOREIGN MARKET ENTRY MODES
- G6 OTHER

H. HUMAN RESOURCES & INDUSTRIAL RELATIONS

- H1 HUMAN RESOURCES (INCL PERSONNEL) MANAGEMENT
- H2 COMPARATIVE IR SYSTEMS
- H3 DISPUTE RESOLUTION
- H4 LABOR/MANAGEMENT ISSUES (INCL WAGE NEGOTIATIONS)
- H5 EMPLOYMENT EFFECTS OF FDI & MNE ACTIVITY
- H6 RECRUITING & TRAINING ISSUES
- H7 OTHER

DISCIPLINE & RESEARCH INTERESTCODES

I. LAW

- I1 LAW OF CONTRACT
- I2 INTERNATIONAL PROPERTY LAW
- I3 EXTRA-TERRITORIALITY
- I4 FOREIGN INVESTMENT LAWS
- I5 INVESTMENT GUARANTEES & DISPUTE SETTLEMENTS
- I6 NEGOTIATION & BARGAINING PROCEDURES
- I7 INT'L TRADE LAW & INT'L ORGANIZATIONS
- I8 CODES OF CONDUCT
- I9 OTHER

J. INTERNATIONAL RELATIONS AND POLITICAL SCIENCE

- J1 POLITICAL RISK ASSESSMENT & MANAGEMENT
- J2 INTER-GOVERNMENT RELATIONS
- J3 ISSUES OF SOVEREIGNTY, HEGEMONY & DEPENDENCE
- J4 POLITICAL ASPECTS OF MNE ACTIVITY, BUREAUCRACIES
- J5 MNEs & DISTRIBUTION POWER
- J6 PRESSURE GROUPS, PUBLIC AFFAIRS, PUBLIC OPINION
- J7 OTHER

K. SOCIAL ISSUES

- K1 ENVIRONMENT & POLLUTION
- K2 CONSUMER PROTECTION
- K3 INCOME DISTRIBUTION
- K4 SOUTH AFRICA
- K5 CULTURAL IMPACT OF MNEs
- K6 OTHER

L. ECONOMIC & BUSINESS HISTORY

- L1 ECONOMIC HISTORY
- L2 BUSINESS HISTORY (GENERAL)
- L3 BUSINESS HISTORY (COMPANY SPECIFIC)
- L4 HISTORY OF FDI & THE MNE
- L5 OTHER

M. COUNTRY OR AREA STUDY

- M1 NORTH AMERICA
- M2 LATIN AMERICA
- M3 EUROPE
- M4 JAPAN
- M5 OTHER ASIA & PACIFIC
- M6 AFRICA & MIDDLE EAST
- (IF INTEREST IN COMPARATIVE STUDIES, PLEASE INDICATE HERE BY INDICATING 2 OR MORE AREAS, E.G., NORTH AMER/JAPAN AS M1/4)
- M7 OTHER

N. INDUSTRY/SECTORIAL STUDY

- N1 PRIMARY
- N2 SECONDARY
- N3 SERVICE (IF INTERESTED IN PARTICULAR SECTORS, E.G., PHARMACEUTICAL, BANKING, PLEASE STATE)
- N4 ELECTRONIC COMMERCE

O. POLICY-ORIENTED STUDY

- O1 COST-BENEFIT ANALYSIS
- O2 FOREIGN DIRECT INVESTMENT POLICY
- O3 INVESTMENT INCENTIVES
- O4 PERFORMANCE REQUIREMENTS
- O5 NATIONALIZATION, EXPROPRIATION, ETC.
- O6 OTHER

P. EDUCATION & IB

- P1 PEDAGOGIC ISSUES
- P2 CURRICULA & SYLLABI
- P3 EDUCATION & IB
- P4 RESEARCH METHODOLOGY IN IB
- P5 CASE STUDIES
- P6 TEACHER TRAINING IN IB
- P7 OTHER

Q. RESEARCH AREAS NOT COVERED BY GROUPINGS

- Q1
- Q2



AIB MEMBERSHIP APPLICATION

ACADEMY OF INTERNATIONAL BUSINESS

Action(s): New Membership Renewal Address Correction

Type of Membership: Regular - \$85 Student - \$45 Low Income - \$45* Electronic - \$25** (Developing Countries - Web access to JIBS & Directory, etc. No print materials)

Current member sponsoring dues for new member

Your Name and ID Number (if sponsoring new member below)

Please print clearly or type and remit payment with form.

Family (or Last) Name	First Name	Middle Initial	<input type="checkbox"/> Add your name to the WAIB (Women in the AIB)	
Street Address				
City	State	Country	Postal Code	
Telephone		Fax		
E-mail		Personal Web Page		
Position/Title		Organization		
Highest Degree		Alma Mater		
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