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Turkish Prime Minister Recep Tayyip Erdoğan discusses “Turkey in the 21st Century: Building Peace Through Diplomacy” on December 7.

Paulson’s Book Takes Readers Inside Financial Crisis

On February 1, SAIS scholar and former U.S. Treasury Secretary Henry M. Paulson Jr. published *On the Brink: Inside the Race to Stop the Collapse of the Global Financial System*. The book, released by Business Plus, is Paulson’s much-awaited account of how he confronted the worst financial crisis in the United States—and the world—in eight decades.

A little over a year ago, Paulson, who served as Treasury secretary from July 2006 to January 2009, came to SAIS as a distinguished visiting scholar and a fellow at the Bernard L. Schwartz Forum on Constructive Capitalism. While at the school, he has addressed students and faculty during lunch discussions, a SAIS Finance Club meeting and several classroom sessions. He also looked to SAIS to serve as an ideal “home base” for collecting his thoughts and performing the research needed to undertake his ambitious book project. Paulson is donating the proceeds from *On the Brink*

to the nonprofit Homeownership Preservation Foundation, which helps families avoid foreclosure.

SAIS Reports interviewed Paulson about his motivation for writing the book, reflections on the current state of the U.S. financial system and world economy, and perspective on a SAIS education.

Having already accomplished so much in your career, why did you feel compelled to write this book at this time?

The financial crisis in 2008 was the greatest economic challenge our nation has faced since the Great Depression. It is vital that we learn the lessons of that experience, and quickly, so we can fix our system and make sure the

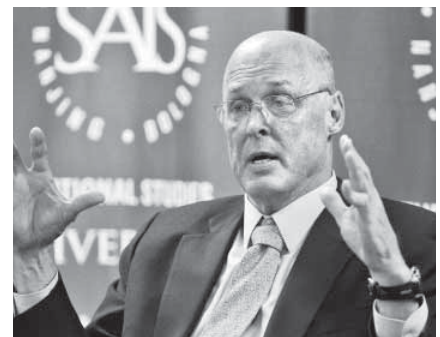
American people never suffer an event like that again. The extraordinary pace of events during the crisis didn’t leave the time or newspaper space to report it fully. I hope this book provides insights into the gaps in our regulatory system and the other factors that allowed this crisis to build up, and the lack of authorities the government had to deal with the crisis once it exploded. And since I didn’t take notes, I needed to write this book while my memory—and that of those who worked with me at Treasury and who helped me write this book—was still fresh.

Why did you choose SAIS as your “home base” for writing the book?

Dean Jessica Einhorn is a strong leader whom I very much admire, and I am grateful that she invited me to come to SAIS. The quality of faculty and students here is very special, not only in terms of their knowledge but also in their intellectual curiosity and their public policy interest. That makes SAIS an energizing place to work.

Now that you have had a year to reflect on your time at Treasury and your handling of the financial crisis, is there anything you would have done differently?

As I write in the book, I wish I had better communicated to the American



Henry Paulson addressing students during a SAIS Finance Club meeting in April 2009

people what devastation our economy and their individual financial security would have suffered if the financial system had collapsed. We never made clear enough that TARP [the Troubled Asset Relief Program] and the other things we did weren’t to save the banks, they were to save our economy from another Great Depression.

But looking back, I think all our major decisions were right. We acted quickly, we adapted our strategy as the crisis adapted, and we found innovative ways to combine the limited tools the Federal Reserve System, the Treasury and the FDIC [Federal Deposit Insurance Corporation] (continued on page 3)

SAIS Raises Funds for Haiti

In response to the devastating earthquake that struck Haiti in January, SAIS students at the Washington, D.C., and Bologna campuses have mobilized to raise money to support relief efforts on the island nation. During a happy hour on January 22, Washington students collected more than \$1,000 to be donated to Jhpiego, an affiliate of JHU already on the ground in Haiti that provides health services to women and children in the developing world. Across the Atlantic in Bologna that same day, students announced at their happy hour that 2,700 euros had been raised for Partners in Health and various other relief organizations. SAIS student leaders said that additional Haiti-related forums and fundraisers are planned in the near future. At press time, all SAIS alumni known to be working in Haiti have been reported to be safe.

Students Explore Culture, Politics and Institutions in India Trips

Two groups of SAIS students recently traveled to India to explore the world's largest democracy and one of the globe's fastest-growing economies.

Ruth Wedgwood, director of the International Law and Organizations (IL) Program, led 20 students to India during the Thanksgiving break in November. The trip was designed to expose students to Indian culture, politics and institutions while giving them the opportunity to learn about specific issues affecting the rising power.

A highlight of the trip was a private meeting with Shashi Tharoor, external minister for foreign affairs at the Ministry of External Affairs. Students coordinated visits to law firms, a trip to the High Court of Delhi, and meetings at the Prayas Institute of Juvenile Justice and Jamia Millia Islamia (National Islamic University).

Maria Luisa Olivieri, a second-year M.A. student in the IL Program, was impressed by a tour of the studio of fashion designer Anupama Dayal. "Dayal told us how she is fulfilling her dream with the label she has built," said Olivieri. "She uses traditional style and technique from various parts of India in her work. It was a lovely glimpse

into the story of a successful female entrepreneur—people like her are changing India."

A second group of 16 students, led by Walter Andersen, acting director of the South Asia Studies Program, traveled to India and also to Bangladesh over the January midyear break. The trip's theme was energy needs in the South Asia region, with students examining issues of climate change, energy security, trade and foreign policy. Participants met with representatives from a variety of sectors and industries.

In India, students met with Rick Bott, chief operating officer of Cairn India energy company, and made a site visit to rural India to learn about solar initiatives by the "Lighting a Billion Lives" campaign, organized and managed by The Energy and Resources Institute.

The energy focus continued in Dhaka, Bangladesh, expanding into U.S.-Bangladesh relations and development issues. Students were briefed at the U.S. Embassy and met with members of the Bangladesh Secretariat. Trip participants also met with Fazle Hasan Abed, founder of the Bangladesh Rural Advancement Committee, a non-governmental organization focusing on poverty alleviation, and had a private meeting with Nobel Prize-



Participants in the IL Program trip to India in front of the Ministry of External Affairs in New Delhi

winning economist and Grameen Bank founder Mohammed Yunus.

Interacting with SAIS alumni in the region was an important part of both trips' travel agendas. In Delhi, IL students met at the Italian Embassy with Ambassador Roberto Toscano B'67, '68. Raimund Magis B'96, '97 and Ph.D. candidate Anit Mukherjee '05 hosted a gathering of the students and local SAIS alumni at a café.

Jay Lurie B'06, '07 and Brad Roberts '01 hosted a question-and-answer session with the South Asia Studies Program students and other participants at the offices of the

International Finance Corporation. Students dined at the home of Zorawar Daulet Singh '06, a foreign policy expert at the Center for Policy Alternatives in Delhi. In Dhaka, Miran Ali JHU'97 hosted the students at his family estate. U.S. Ambassador James Moriarty held a reception at his residence for alumni and the students on their last evening in the city.

"The alumni events were undoubtedly the most memorable parts of the trip," said second-year South Asia Studies Program student Saurabh Shome. "I was struck by

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Plummer, McLaughlin Tapped for New Posts



Bologna Professor Michael Plummer Heads OECD Development Division

In January, Michael G. Plummer B'82, the ENI Professor of International Economics at the Bologna Center, became head of the Development Division in the

Trade and Agriculture Directorate of the Organisation for Economic Co-operation and Development (OECD) in Paris.

He is leading a team of researchers focusing on trade and development issues, mostly for non-member countries. Although officially on leave of absence from SAIS, Plummer will continue to teach his course on Asian economic development on a biweekly basis.

"While at the OECD, Professor Plummer will be playing a central role in the international efforts to bring the Doha Development Round of multilateral trade talks to a successful conclusion," said Kenneth H. Keller, director of the Bologna Center. "This is precisely the kind of practical blend of politics and economics that the center and a SAIS education are intended to foster."



SAIS Scholar John McLaughlin Leads Inquiry on Intelligence Failures

Director of National Intelligence Dennis C. Blair on January 8 appointed John E. McLaughlin B'66, '66, distinguished practitioner in residence at the Philip Merrill

Center for Strategic Studies at SAIS, to head the Obama administration's investigation of challenges facing the U.S. intelligence community. These include the December 25 bombing attempt of a Detroit-bound airliner and the November shootings at Fort Hood in Texas.

McLaughlin spent most of his career at the CIA, serving as the agency's acting director and deputy director.

"John McLaughlin is especially well qualified to lead an independent assessment in this area and provide candid, constructive guidance to improve our future performance," Blair said. "I am pleased that his more than three decades of experience and wide range of leadership responsibilities in intelligence will once again be put to use in service to our country."

Paulson

(continued from page 1)

Insurance Corp.] had to increase their impact. And it worked—we stopped the downward spiral of large financial institution failures and prevented a complete collapse of our financial system and great economic hardship for the American people.

What do you think are the top challenges related to the state of today's world economy and financial markets facing your successor at Treasury—and SAIS graduate—Timothy Geithner?

Some of the lessons from the crisis are clear and can be addressed: We need to overhaul our financial regulatory system to eliminate gaps, we need tough comprehensive regulation of the largest and most complex financial institutions, and we need a global accord to require banks to hold more capital and liquidity. We also need robust wind-down powers so a financial institution can be liquidated without damaging the U.S. economy—so no financial institution is too big to fail.

Other issues are more difficult to tackle—for example, we know imbalances in the global economy created pools of liquidity and fed the excesses in the financial system. Addressing global imbalances means confronting our own fiscal problems so that we as a nation save more and borrow less, and then working with China to persuade them it is in their interest to boost domestic consumption and reduce excessive saving.

While at Treasury, you were a major proponent of overhauling the U.S. financial regulatory system. How would you assess the regulatory reform efforts now under way?

On the one hand, I'm disappointed that a full year after the height of the crisis, we still haven't fixed any of the regulatory gaps in our system. On the other hand, I'm realistic. I know it is hard, and that it is important to take the time to do it right. I believe we need a system that regulates by objective, not by business form. Today, for example, we have different regulatory bodies for thrifts and for national banks, even when they offer the same product or service. That leads to duplication and regulatory arbitrage. Instead, we need to make a single regulator accountable for a single regulatory objective—one to monitor systemic risk, one to monitor the safety and soundness of FDIC-insured institutions, and one to protect investors and consumers. That simplicity will bring accountability, and it will encompass all forms of financial service providers so that innovations in business models are not a means to avoid regulation.

Based on your observations, how do you think the SAIS degree prepares graduates to take on the types of critical issues you faced while in leadership positions on Wall Street and in government?

Learning how to think on your feet, how to express yourself orally and in writing, and how to work and interact with others is the best preparation for a career in business or in

government service. And I have witnessed firsthand the special chemistry in a SAIS classroom that helps train the thinkers and leaders our world needs.

While an undergraduate English major at Dartmouth College, did you ever imagine being the author of a potential best-seller? Was this background helpful when writing your book?

Actually, writing this book was humbling. I had always prided myself on being a good writer. I found out how hard it is to write a book. I have newfound respect for journalists and authors who have the dedication and the ability to condense a broad range of facts and experiences into a narrative that is both engaging and educational.

What is next for you?

My wife, Wendy, and I have always been involved in conservation efforts; throughout my life, I have been a fan of wild, beautiful places. Before I was Treasury secretary, I was chairman of The Nature Conservancy and The Peregrine Foundation, and I found that work incredibly rewarding. Now that this book is complete, we will take some time to figure out how we can best use our time and efforts to advance conservation. ●

On February 16, SAIS is hosting the Washington launch event for On the Brink. A Webcast of Paulson's book discussion will be available at www.sais-jhu.edu.

Hank Paulson's Advice for New Grads

- There's no perfect job, so just get started. Often, learning what you don't like doing is an important step toward finding out what you do enjoy.
- The most important thing in any job is the opportunity to learn and grow.
- Work with people you like spending time with; almost as important as what you do is whom you do it with.
- Avoid a short-term mindset; anything worthwhile in life must be achieved by striving for it over time.
- Have a global mindset—what happens in the world affects us all.
- Value your integrity. No matter the situation, it is not enough to ask, "Is this legal?" Always ask, "Is this right?"
- Maintain a positive attitude; constructive engagement in the face of adversity is more likely to lead to success.
- Balance your personal life and your job. Devoting some part of your life to service—making a real difference for a cause that is important to you—has the power to greatly enrich your life.

DEVELOPMENT AND ALUMNI RELATIONS NEWS

Keep the Connection

Stay involved with fellow graduates through SAIS regional and international alumni groups. Visit the SAIS alumni Web site for a list of points of contact worldwide at www.sais-jhu.edu/alumni/clubs. Want to represent your region? If so, let us know and we will help make it happen. Contact us at saisalum@jhu.edu.

Help Leaders for the Future Meet Its Goal

SAIS's two-year Leaders for the Future initiative has raised \$7 million of its \$7.5 million goal to triple financial aid funds for students. With a June 30 deadline rapidly approaching, we need your support. Outright gifts of stock and multiyear donations will be gratefully accepted (planned gifts such as bequests can also count toward

the goal). Students come to the school because they want to make a difference in the world. With a SAIS education—and your assistance—they will. To help ensure a SAIS degree is within reach of promising students, go to www.sais-jhu.edu/giving or contact Michael Roberts at mroberts@jhu.edu or 202.663.5630.

Austrian Marshall Plan Foundation Funds New Initiative

The Austrian Marshall Plan Foundation will fund a new initiative at SAIS to support research and related activities focused on Central Europe. Dan Hamilton, SAIS professor and founding director of the Center for Transatlantic Relations, will lead the endeavor. Beginning in 2010, two outstanding scholars will be selected to conduct research on issues

related to the region. "This grant honors the tremendous legacy of the Marshall Plan and the deep ties that have evolved between the United States, Austria and the people of Central Europe," said Ferdinand Lacina, foundation president.

How to Contribute to the Fund for Public Service

Thanks to contributions from alumni and friends, 20 SAIS students received summer 2009 stipends for unpaid government internships from the Fund for Public Service. The fund was created by a SAIS alumnus to provide financial assistance to students pursuing careers in the U.S. government. For summer 2010, \$7,205 is needed to award 20 student stipends. To contribute to the fund, contact Spencer Abruzzese at spencera@jhu.edu or call 202.663.5646.

India Trips

(continued from page 2)

the deep sense of belonging and felt proud and fortunate to be a part of the SAIS and JHU community."

The trips were made possible in part through a generous grant from the Starr Foundation. The Protection Project at SAIS provided funding for two students on the IL trip who conducted research on human trafficking.

Both trips underscore the importance of the foreign travel component to the SAIS education. "We learned about India's challenges and the people working on the ground to face them. From corporate social responsibility to justice for children to environmental issues, the Indian people are mobilizing themselves and seeking to improve their country and society," said Olivieri. ●

WHAT'S HAPPENING

FEBRUARY

17 African Studies Program, "Law and Democracy in Government: The Kenyan Experience," Migai Akech, National Endowment for Democracy. 12:30-2 p.m., Bernstein-Offit 500, 202.663.5676.

17 Latin American Studies Program, "Latin America's Economic Outlook in 2010-11," Nicolás Eyzaguirre, International Monetary Fund. 12:45-1:45 p.m., Nitze 517, 202.663.5734.

17 SAIS Cultural Conversations, "When Things Get Dark: A Mongolian Winter's Tale," Matthew Davis '10, author; Leila Austin, Cultural Conversations. 7-8:30 p.m., Herter Room, 202.663.5636.

18 Office of Development and Alumni Relations, "M.I.P.P. Alumni Gathering," Jessica P. Einhorn, dean of SAIS; Eliot Cohen, SAIS. 6-8 p.m., Herter Room, 202.663.5636.

19 Office of Career Services, "Spring 2010 Career Fair," employers from various sectors. Open to SAIS alumni. 1:30-4:30 p.m., Kenney Auditorium, 202.663.5710.

22 International Law and Organizations Program, "Current Trends in International Development Law," Rumu Sarkar, Georgetown University. 12:30-2 p.m., Rome 806, 202.663.5982.

24 Latin American Studies Program, "Current Policy Challenges in U.S.-Latin American Relations," Fulton Armstrong, U.S. Senate Committee on Foreign Relations. 12:45-1:45 p.m., Nitze 517, 202.663.5734.

MARCH

3 Latin American Studies Program, "Public Security and Human Rights in Latin America," José Miguel Vivanco, Human Rights

SAIS SUMMER PROGRAMS 2010

Experience international affairs through SAIS Summer Programs. SAIS offers courses in international relations, economics, policy studies, development, conflict management, regional studies, foreign languages and more in a condensed eight-week term. Courses are held during convenient evening hours. For more information: 202.663.5671 or www.sais-jhu.edu/summer.

Watch. 12:45-1:45 p.m., Nitze 517, 202.663.5734.

3 JHU Office of the President, "Meet the President," Ronald J. Daniels, Johns Hopkins University president. 6-8 p.m., Kenney Auditorium, 410.516.0363.

10 China Studies Program, "Outlook for U.S.-China Economic and Financial Relations," David Loevinger, U.S. Department of the Treasury. 5-7 p.m., Kenney Auditorium, 202.663.5816.

16 Bologna Center Alumni Relations, "Bologna Center Reception," Kenneth H. Keller, Bologna Center director. 6:30-8:30 p.m., Kenney Auditorium, 202.663.5636.

18 Bologna Center, "Defining Islamic Politics in France," Jonathan Laurence, Boston College. 6:30-8 p.m., Penthouse, Via Belmeloro 11, Bologna, Italy, 39.051.2917.811.

24 African Studies Program, "Does Democracy Have a Future in the Democratic Republic of the Congo?" Mvemba Dizolele, Stanford University. 12:30-2 p.m., Bernstein-Offit 500, 202.663.5676.

31 Latin American Studies Program, "After Doha: Crisis, Protectionism and the Prospects of World Trade Organization Reform," Uri Dadush, Carnegie Endowment for International Peace. 12:45-1:45 p.m., Nitze 517, 202.663.5734.

31 Rostov Lecture on International Affairs, "Year of Religion at SAIS," Stephen Breyer, U.S. Supreme Court justice. 5:30-6:30 p.m., Kenney Auditorium, 202.663.5636.

Please note that this schedule is subject to change. For the most up-to-date calendar of events, refer to the SAIS Web site at www.sais-jhu.edu.

CONNECT WITH SAIS

SAIS is now part of your favorite online social networks. With an active presence on Twitter, Facebook and LinkedIn, SAIS helps you keep up with the latest news from the school as well as connect with students, faculty, alumni and staff. For more information, visit www.sais-jhu.edu/connect.



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