



HARVARDKennedy School

MOSSAVAR-RAHMANI CENTER for Business and Government

CREATING PUBLIC VALUE BY
ENGAGING BUSINESS AND
GOVERNMENT

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www.mrcbg.org

M-RCBG WELCOMES NEW SENIOR FELLOWS

Senior fellows at M-RCBG are distinguished professionals from government and business who want to address issues at the interface of the public and private sectors: regulation, corporate governance, and the role of government in the changing global economy. They undertake independent research projects that culminate in a journal article or book and also offer study groups for Harvard students. Their role strengthens the connection between theory and practice, offering both faculty and students insights to the nature of social problems and their most practical solutions. New fellows for this academic year include:



Ole Gunnar Austvik is professor of energy economics and management at BI Norwegian Business School, where he is Academic Dean for the international Executive Energy Programs. He has a doctoral degree in political science from the University of Oslo, and a masters in public administration (MPA-MC) from the Harvard Kennedy School. As a senior fellow, he will explore the fields of international political economy, energy economics, and European integration.



between government and business.

Lewis Kaden retired as Vice Chairman of Citigroup in 2013, where he was a member of the Executive Committee, Business Heads Committee, and Business Development Committee; and Chairman of the Business Practices Committee, Controls and Compliance Committee, the Public Sector Clients Group, and the Citi Foundation. As an M-RCBG senior fellow, Kaden will explore lessons learned from the financial crisis of 2007-2009 and ways to improve the engagement on policy and practice



private equity boards. As a senior fellow, Lux is focusing on the unanticipated consequences of the Dodd-Frank Reform and Consumer Protection Act.

Marshall Lux has served as a financial services consultant advising some of the world's most important bankers, financiers, and C-suite executives for nearly 30 years. Most recently, he has served as a senior partner and managing director at The Boston Consulting Group (BCG), and the head of its North American private equity practice, which he helped build. He has transitioned to be a Senior Advisor at BCG, where he will continue to remain active, to devote time to his role as senior fellow and to serve on corporate and

New senior fellows will join returning fellows: **Binta Niambi Brown, Eoin Gahan, Vikram Mansharamani, Karen Gordon Mills, James Segel, Doug Shulman, Paul Tucker, Neal Wolin, and Howard Wolk.** For additional information on them and the M-RCBG senior fellows program, visit www.mrcbg.org.

To access many of our seminars and events as podcasts via Soundcloud and iTunes, please visit:

www.mrcbg.org

Seminars & Events

M-RCBG has over 50 seminars and events scheduled each semester. Below are a few of the upcoming events. For a complete listing, visit www.mrcbg.org.

M-RCBG Open House; Bell, Sept. 11, 12-1:30.



Complexity and the Art of Public Policy; **Roland Kupers, Oxford University.** Bell, Sept. 16, 12-1.

Development of Regulation; **Michael Fitzpatrick, General Electric.** Bell, Sept. 18, 11:45-1.



Fall Student Reception; Nye BC, 3-4.



Servicing Debt, Pension and Retiree Healthcare Costs; **Michael Cembalest, JP Morgan.** Bell, Sept. 25, 11:45-1.

Henry Paulson, former U.S. Treasury Secretary. Forum, Oct. 1, 6-7pm.



Student Panel: Making Markets Work Better; Fainsod, Oct. 2, 11:45-1.



Other People's Houses; **Jennifer Taub, Vermont Law School.** Fainsod, Oct. 9, 11:45-1.



Search Groups:
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FACULTY AND PROGRAM UPDATES

Stavins responds to recent EPA proposal



The U.S. Environmental Protection Agency (EPA), at the direction of President Obama, released a landmark rule on June 2, that aims to reduce nationwide carbon emissions from the electric-power sector by 30 percent below 2005 levels by 2030. The "Clean Power Plan" will have the added benefit of reducing air pollution that is responsible for various health problems. Among other

approaches to reducing emissions, the rule will promote energy efficiency, in turn reducing electricity demand.

Robert Stavins, Albert Pratt Professor of Business and Government at the Harvard Kennedy School (HKS) and Director of HEEP and the Harvard Project on Climate Agreements, was interviewed by HKS about the new rule. For in-depth analysis, read Professor Stavins' blog post at www.robertstavinsblog.org.

Madrian named FINRA public governor



The Financial Industry Regulatory Authority (FINRA) has named **Brigitte Madrian** to its Board of Governors. Madrian, the Aetna Professor of Public Policy and Corporate Management at the Harvard Kennedy School, will join the Board in January 2014 for a three-year term. Her current research focuses on behavioral economics and household finance, with particular attention

to household saving and investment behavior. Her work in this area has impacted the design of employer-sponsored savings plans in the U.S. and has also influenced pension reform legislation both in the U.S. and abroad.

Westheim awarded M-RCBG student fellowship



M-RCBG has awarded Jared Westheim (MPP 2016) a student fellowship, based on his outstanding professional and academic record and commitment to addressing problems at the intersection of business and government. Westheim graduated from Dartmouth College in 2008

and has since worked as a consultant developing hospitals and health system best practices. In 2011, he applied that experience to help health centers in Rwanda improve their management practices. He later joined the Clinton Health Access Initiative (CHAI) in Zimbabwe, and has since worked in Ethiopia, Malawi, and India to launch a new global nutrition program and a knowledge management system for CHAI.

Hogan offers course on electricity market design



William Hogan, Raymond Plank Professor of Global Energy Policy, is debuting the course "Electricity Market Design" (API-166) this fall. The course covers the foundations of coordination for competitive electricity markets, including infrastructure investment, resource adequacy, pricing models, cost allocation, energy trading, distribution regulation, and policy for clean energy innovation.

Bilmes helps organize World War I veterans event



Linda Bilmes, Daniel Patrick Moynihan Senior Lecturer in Public Policy, has been working with the Countess of Carnarvon to

bring U.S. veterans to an event at Highclere Castle in Newbury, England, also known as the real Downton Abbey, to commemorate the start of World War I, and draw links between today's veterans and those from previous wars. "Heroes at Highclere: Experience the Real Downton Abbey" was held on August 3 and both commemorated the First World War and also worked to help those in attendance understand how to help victims of war today. Bilmes arranged to bring a number of US veteran participants and their families to Highclere through the Transition Assistance Program and is working to raise money to benefit veterans charities, by auctioning a number of items. The money Christies raise will benefit Blue Star Families. For additional information, visit <http://bluestarfam.org/>. For more information on Heroes at Highclere, visit: www.highclerecastle.co.uk/heroes.html.

Nelson moderates OECD panel

Jane Nelson, director of the Corporate Social Responsibility Initiative (CSRI), moderated the opening panel at the OECD Global Forum for Responsible Business Conduct in Paris on June 26. Nelson, whose session focused on reinforcing the ecosystem of responsibility, also published an article, "Corporate Social Responsibility: Emerging good practice for a new era," in the *OECD Observer*. Visit www.hks.harvard.edu/m-rcbg/CSRI for additional information.

Bilmes guest teaches at Oxford



Linda Bilmes, Daniel Patrick Moynihan Senior Lecturer in Public Policy, was a guest professor this spring at Oxford University's Blavatnik School of Government, teaching a course on regional finance.

Above is a photo of Bilmes (front, right) with her students while on a field trip to the National Assembly of Wales in Cardiff, as part of the course.

Stavins and Pande co-host IDEASpHERE session



Robert Stavins, Albert Pratt Professor of Business and Government at the Harvard Kennedy School (HKS) and Director of HEEP and the Harvard Project on Climate Agreements, and **Rohini Pande**,

HEEP Faculty Fellow, co-hosted a session at IDEASpHERE, a two day event at Harvard Kennedy School attended by donors, alumni, faculty, and students. The session, "Harnessing Market Forces to Protect the Climate," discussed the role in using economics to address climate change. Approaches such as cap-and-trade and other market-based mechanisms have been used in Europe, India, and the United States to tackle environmental policy.

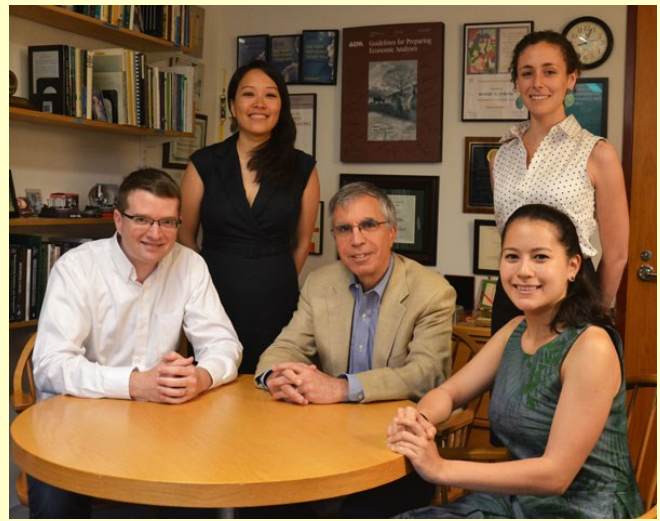
HKS alums help towns market their property



M-RCBG helped fund the PAE projects for two recent HKS graduates who have now created a start-up based on that research. Oppor-

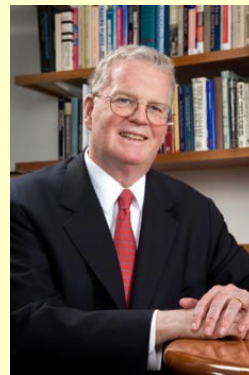
tunitySpace was developed by Cristina Garmendia and Alexander Kapur and helps municipalities manage and market their real estate portfolios by putting their publicly owned real estate holdings in a public online database. The database includes specifics like square footage, assessed value and delinquent taxes, and the parcels are mapped geographically. For more information, visit: www.opportunityspace.org.

HEEP awards annual student paper prizes



The Harvard Environmental Economics Program has, for the fifth consecutive year, awarded three prizes to Harvard University students for the best research papers addressing a topic in environmental, energy, or resource economics – one prize each for an undergraduate paper or senior thesis, master's student paper, and doctoral student paper. Each prize was accompanied by a monetary award. Winners include (from left to right, with **Robert Stavins** seated in the center): Thomas Covert, "Experiential and social learning in firms: The case of hydraulic fracturing in the Bakken Shale;" Joyce Hahn and Hannah Pitt, "Preparing for liberalization of the retail gasoline sector in Mexico: A household-level welfare analysis;" Jun Shepard, "The business of energy policy: Analyzing the impacts of policies and businesses on solar electricity rates in Massachusetts;" and not pictured: Basil Williams, "Silent sound: Uncertainty and responsibility in the wake of the Exxon Valdez oil spill."

Senior fellow Tom Healey appointed to the New Jersey Pension and Health Benefits Commission



In August, New Jersey Governor Chris Christie named nine members, including M-RCBG's **Tom Healey**, to a non-partisan commission in an effort to respond to the state's entitlement crisis. The commission will evaluate how the state can create an affordable and sustainable retirement and health benefits system for New Jersey taxpayers, retirees and current and

future public employees. Healey, is a partner at Healey Development LLC, and former Asst. Sec. of the U.S. Treasury for Domestic Finances under President Reagan. Healey will coordinate the work of the Study Commission. To read the full press release, visit: www.state.nj.us/governor/news/news/552014/

Ruggie honored for his contribution to international law



On June 11, CSRI Faculty Director **John Ruggie**, former UN Special Representative for Business and Human Rights, received the annual Harry LeRoy Jones Award of the Washington Foreign Law Society, honoring “an individual who has made an outstanding contribution to the development and application of international law.” Previous

recipients have included Supreme Court Justices Sandra Day O'Connor, Ruth Bader Ginsburg and Stephen Breyer, Member of the International Court of Justice Thomas Buergenthal, Secretary of State James Baker, Senator George Mitchell, Ambassador Thomas Pickering, IMF Managing Director Christine Lagarde, and Transparency International founder Peter Eigen. Ruggie was introduced by Anne-Marie Slaughter, formerly Director of Policy Planning at the Department of State and Dean of Princeton University's Woodrow Wilson School of Public and International Affairs, and currently President and CEO of the New America Foundation.

Pande's recent op-ed in *The New York Times*



The following excerpt is from a recent *New York Times* op-ed, “The Youngest are Hungriest”, co-written by M-RCBG faculty affiliate **Rohini Pande**.

Why are Indian children so short? Over 40 percent of those 5 and under are stunted – meaning they are in the bottom 2 to 3 percent of the worldwide height distribution for

their age and sex – and this rate has improved only modestly since the 1990s. Childhood malnutrition, which causes stunting, blights lives; millions will be permanently affected by poor health and cognitive deficits.

You might assume that this is just about poverty, but here's where the story gets strange: The average baby born in India is more likely to be stunted than the average baby in sub-Saharan Africa – even though the baby's mother is more likely to survive the birth, and he or she will probably go on to live longer and be richer and more educated...

But this overlooks one key fact: firstborn Indian children are taller than firstborn African children. Last year, we conducted a study that used demographic and health surveys for India and 25 sub-Saharan African countries to compare heights by age in a sample of more than 174,000 children under 5. Like other researchers, we found an India-Africa height gap. Unlike other researchers, we examined how this varied by birth order within the family.

STUDENT INTERNSHIP SPOTLIGHT

Grégoire Jayot, MPA2, Summer Intern at the Global Relations Secretariat within the Secretariat General at the OECD



Why I wanted to work there: During the three years before my MPA at HKS I have worked for a global management consulting firm. In this context, I have served almost exclusively public entities in emerging countries and supported them in designing and implementing sector strategies and reforms. I wanted to take advantage of the summer to (a) continue reflecting on economic development best practices and (b) experience how an international organisation could also support states in reaching world-class prosperity standards. The OECD has a long-lasting expertise in analysis of economic development recipes; their Global Relations Secretariat is putting this expertise at the service of governments of non-member states through consulting-like long-term collaboration. It was the perfect place to reach the goals I had set myself for the summer.

What I did: For two months, I have been working on a research project aiming at redefining the concept of competitiveness and at formalizing best practices to enhance it across a series of policy areas (investment, skill and education, corruption, trade, etc). The purpose of this project, and of the subsequent publication by the Global Relations Secretariat, is to give political leaders from all around the globe a synthetic, up-to-date view on clear options to enhance the competitiveness of their countries.

What I learned: As you can imagine, there is a wide variety of levers that governments can activate to enhance the prosperity and the competitiveness of their countries. Identifying and formalizing key best practices in each domain was a very exciting and demanding endeavour. Over the past weeks, I could both bring my experience in domains of public policy that I already approached in the past, such as SME or education policies, but also discover a learn a lot about areas I had never worked in such as anti-corruption fight or foreign direct investment promotion.