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CREATIVE  
BUSINESS  
PARTNERSHIPS



Management School - University of Liege

## Knowledge Partners:



ASE Chair in  
Strategic Intelligence



Accenture Chair in  
Sustainable Strategy



Deloitte Chair in  
Portfolio Management & Performance



Cera Chair in  
Social Entrepreneurship



Ethias Chair in  
Asset & Risk Management



EUROPEAN  
PRIVATE BANKERS

KBL Chair in  
Fund Industry



SRIW-SOWECSOM Chair in  
Management in the Social Economy

## Project Partners:



ID-Campus



## Business Spirit Partners:



HEC Management School of the University of Liege is seeking recognition as an international Management School, but that's not all ...

HEC-ULg also aims to support, serve and gather a larger community based on interests, practices and a knowledge networks. Enterprises, both large and smaller, in a wide range of activity and sectors, and public and private non-profit organizations, are key stakeholders and members of our School. Our wish is to develop long-term, value-added relationships that could mutually benefit our partners and School staff, our 2300 students and 13000 alumni.

We are therefore proud to deliver this special issue as a testimony to the density and variety of our joint-activities, which are "win-win" achievements.

These collaborations and in particular those that are already delivering concrete results, are perfect illustrations of the creative ways we are envisaging possible links between "real life" and "real economy".

With them, HEC-ULg contributes to educating "passionate and rich human beings", not simply managerial professionals. These individuals will have a

positive impact on their own community and find the appropriate balance between creativity and performance, with a real sense of humanity.

We would like to thank all our Partners for their support and involvement with the School. We see this collaborative approach to integrating organizations into our academic activities as one of the distinctive aspects of our strategy for achieving European excellence. During the next three years of our current ARPEGE Strategic Plan 2010-2014, HEC-ULg will be pleased to welcome new partners as a part of our three types of collaboration: Knowledge, Project and Business Spirit Partners, and also add to the companies that joined the Group for HEC-ULg, which has decided to set up the HEC Management School foundation inside the University of Liege.

In strong connection with our partners, we recognize the energy and motivation of our alumni and the 400 graduates taking up their first professional positions each year to join HEC-ULg Alumni Network.



**Thomas Froehlicher**

DIRECTOR GENERAL  
AND DEAN



# s u m m a r y

June 2011 - n° 12

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**Special report: Macroeconomic policy in Belgium today**



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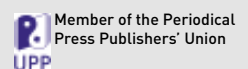
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# The special relations linking HEC-ULg to our partner companies



**Sandra DELFORGE**  
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For over 6 years, HEC-ULg has been developing forms of collaboration with the economic world in the interest of our students, our research centers and our partners.

Several Master's degree courses are taught by invited professors who teach their field of expert knowhow. Many of our own professors invite outside lecturers so that our students can benefit from their experience.

Our research centers also carry out a large number of projects within companies.

When HEC merged with ULg in 2005, the forces representing the two bodies were perfectly complementary. This merger made it possible for us to strengthen even further our links with companies and to grow in size: 2,300 students and over 180 professors and lecturers.

However, since teaching is financed with a limited budget in the French speaking community of Belgium, HEC-ULg attains its goals with 20% less funding than other management schools.

To partly compensate this negative effect and to fully develop the advantages of the merger, we have established new partnerships with companies and institutions: Ethias, Herstal Group and NMC directly agreed to support our new projects. They were joined by several companies from the Region, including CMI, Prayon, BDO, EVS, Sirius, Intégrale and Solidaris.

Thanks to these extra funds, we have been able to internationalize HEC-ULg further by offering grants to foreign students and recruiting new professors with international experience.

A further step forward was made when our professors joined our projects. In this way, we were able to establish Chairs, the first of which were created with Professor G. Hubner, holder of the **Deloitte Chair** in Portfolio Management & Performance and with the help of Professor J. Defourny, who is developing the **Cera Chair** in Social Entrepreneurship.

These Chairs allow our research centers to develop their expert knowhow for the benefit of our students (of whatever cycle) and also for the benefit of the Chair partners.

With the **KBL Chair**, our common objective was to make available on the job market, especially in Luxembourg, students who had already completed their initial training in the funds industry. The course was created in collaboration with experts from KBL, and this year 60 students have chosen to undertake this course, including 20 from the Law Faculty.

The **SRIW-Sowecsom Chair** has allowed us to develop a specialization in Management of Social Economy, which is followed by 15 students.

We also have the **ASE Chair** in Strategic Intelligence.

In all three of these cases, the specializations we are offering our students correspond to market needs.

## **Other forms of collaboration allow us to develop further our students' skills, particularly:**

- Strategic analysis and team work, under the **Accenture Chair** in Sustainable Strategy;
- Soft skills, via our Skills Portfolio involving the participation of a number of companies;
- Entrepreneurship, particularly via our HEC-ULg Entrepreneurs program in collaboration with **PWC** and the **Walloon Region**;

- Innovation and creativity, under the ID-Campus program supported by [BNP Paribas Fortis](#).

**Our partnerships also enable us to develop our teaching tools:**

[PWC Luxembourg](#) has equipped a whole computer room and financed our markets room, thus making available to our students, our professors and our researchers a permanent connection to national and international information and also enabling stock market simulations in real time.

More recently, the company [Etilux](#) gave us the benefit of their experience in installing multimedia rooms by fully equipped one of our rooms.

Other companies have also accorded us their confidence: [Mobistar](#), [CBC](#), [Manpower](#), [ING](#) and [Ernst & Young](#), and a [Diversity Management Chair](#) which is currently being finalized.

**We are very ambitious and we hope to achieve a funding of 2 million euros per year from partnerships in order to:**

- support research;
- develop innovative, multidisciplinary teaching projects;
- further internationalize the School, mainly via grants;
- modernize our campus;
- establish national and international reach.

**Thanks to the advice of the company [Iain More Associates](#), we have structured our offer better, offering companies 3 major categories of partnerships:**

- [Knowledge Partners](#), who fund an academic Chair for a minimum period of 4 years;
- [Project Partners](#): several companies fund an innovative training program linked to our peaks of excellence or to a transversal platform;
- the [Business Spirit Program](#) which matches companies with the resources of the Campus.

In all cases, our partners benefit from campaigns which bring them visibility, recruitment, contact with our students, and a unique point of entry into HEC-ULg, among other advantages. Where the Chairs are concerned, we also establish a special and lasting relationship, with the aim of finding solutions to issues and needs relating to very specific topics.

After over 5 years' experience, we are delighted to see that most of our partnerships have been renewed. This is certainly due to the quality of our students and of our professors, to the proactive approach we take with our partner companies and to the way we respond to their requests.

Lastly, we should also emphasize the important role played by companies in our administrative bodies, the [Group for HEC-ULg](#) and the [Governance Council](#), which allows us to regularly hear what companies have to say about the development of the School, of our programs and of our students.

# ACCENTURE CHAIR IN SUSTAINABLE STRATEGY

## A CASE STUDY ABOUT SUSTAINABILITY AT ARCELORMITTAL



**Nathalie CRUTZEN**  
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In January 2011, a three-week intensive seminar on “Strategy and Corporate Social Responsibility” was organized at HEC-ULg in the framework of the Accenture Chair in Sustainable Strategy. This seminar was held in English and the audience was all 2<sup>nd</sup> Master students.

### The originality of this seminar resided in two major characteristics.

On the one hand, numerous **high-level guest-speakers** had been invited to animate and to illustrate the sessions in order to make them as concrete as possible. At first, we had the pleasure to welcome several CEOs and high-level managers of famous companies such as Oliver Benzecry (Accenture), Bruno Berthon (Accenture), André Bouffieux (Siemens), Yves Caprara (Prayon), Pierre-Marie Dessart (Mobistar), Caroline Firstbrook (Accenture), Laurent Ledoux (BNP Paribas Fortis), Dominique Leroy (Unilever), Yves Noel (NMC), Gaëtan Smets (Ethias) and Jacques Spelkens (GDF-Suez). Furthermore, two heads of Belgian institutions participated as guest speakers to the seminar: Sabine Denis (Business and Society) and Rudi Thomaes (FEB). Finally, we had also the pleasure to receive several representatives from the academic world: Eric Cornuel (EFMD), Brigitte Hudlot (ICHEC), Prof. Pierre Ozer (ULg) and Joseph Smitz (HEC-ULg).

On the other hand, the students were asked to work, in teams of five students, on a concrete **case study about ArcelorMittal's Sustainable Strategy**. This last module of the seminar was divided into three steps. Firstly, the students had to propose a strategic diagnosis of the firm within a “24 hours” period (a big challenge!). After that, a two-day residential seminar was organized at the Cercle de Wallonie (Seraing). During this off-site activity, the teams of students worked, with the help of several coaches, on the development of an original and pertinent strategic proposal for one specific business unit of ArcelorMittal. Actually, each team had to choose one business unit of ArcelorMittal (in terms of product, geographical coverage and industry) and to dedicate their strategic proposal to this part of the company. This resulted in a diversified panel of strategic proposals which covered various parts of the world (Europe, Russia, US, China, Brazil, India, etc.). Six coaches were present during these two intensive days:







- Wim Decreane (Senior Manager in Strategy, Management Consulting, Accenture)
- Olivier Kupferman (Senior Manager in Strategy, Management Consulting, Accenture)
- Nicolas Neysen (Consultant in Strategy, Management Consulting, Accenture)
- Nathalie Crutzen (Assistant Professor, HEC-ULg)
- Marc Deschamps (Affiliate Professor, HEC-ULg)
- Thomas Froehlicher (General Director, Dean and Full Professor, HEC-ULg)



Finally, a closing ceremony was held on January 27, 2011 at the Palais des Beaux-Arts in Brussels. Melchior Wathelet Senior, the president of the Alumni Advisory Board (HEC-ULg), was the chairman of this ceremony.

During the first part of this event, the five best teams presented their project in front of a jury composed of executives and academics. Two teams

received an award. On the one hand, **Fernand Dimidschstein, Managing Director, Accenture Management Consulting, Benelux & France**, (see picture) offered *the prize of the jury* to Team 4. This team was made up of France Riguelle, Marie Moreau, Danièle Müllender, Jabo Mutsinzi and François Nadin.



On the other hand, Jacques Pélerin (General Director Country for the Walloon Region, ArcelorMittal) offered *the prize of the audience* to Team 3. Stéphanie Happart, Chiraz Hassen, Gilles Hardy, Chris Herman and Martin Hoffmann were the five members of this team.

The second part of this ceremony was dedicated to two conferences about Sustainable Strategies, given by Dirk Matten, Full Professor, Schulich Business School, University of York, Toronto, Canada, and Bruno Colmant, Deputy CEO, Ageas and Professor, Vlerick Management School and UCL.

**Below are some students' testimonials concerning this experience:**

*"The Strategy & CSR Seminar was a very valuable hands-on experience. After a theoretical introduction and a number of practical examples of the implementation of Sustainable Development & Corporate Social Responsibility within big companies, we were asked to work on a challenging case study about ArcelorMittal. This activity required extensive information search and analysis as well as team work and communication skills. The coaching by Accenture consultants was very helpful for us to do high quality work. All in all: a great and highly recommended experience, which enabled us to develop our skills in various fields and to establish some contacts with business professionals."*

Danièle Müellender

*"This case study was, for most of us, the first group experience of such intensity in terms of workload, stress and challenges but it gave us the opportunity to do our best and to make the most of our skills and competences within the team. It was also an astonishing diving into a real consulting project."*

Stéphanie Happart, Chiraz Hassen, Gilles Hardy, Chris Herman and Martin Hoffmann

thanks

HEC-ULg is eager to pursue the dynamic launched with the « 2010 - Spirit of Future » events. Several Alumni have shown how connected they wished to stay with our School in actively supporting the activities we organized these last few months.

We would like to thank all of them and, namely (alphabetical order) :

- M. Beaujean: Director - MCKINSEY & COMPANY
- D. Collet: Managing Partner - ODGERS BERNDTSON
- F. Dimidschstein: Managing Director - ACCENTURE Management Consulting, Benelux & France
- Y. Francis: Managing Partner - DELOITTE and L. Weerts: Partner-Responsible for Wallonia - DELOITTE
- M. Kempeneers: Business Development Manager Asia-Pacific Export & Investment AWEX
- A. Killesse: Partner-President - BDO
- D. Mouget: Managing Partner & Global Board - PWC and Ch Loly: Partner - PWC
- Ch. Navarre: Moët hennessy president at LVMH
- G. Quaden: Honorary Governor of the National Bank of Belgium

- F. Scheepers: Director UK & Ireland - BELGIAN TOURIST OFFICE BRUSSELS & WALLONIA and D. Denayer: Economic & Commercial Counsellor - The Walloon Region EMBASSY OF BELGIUM IN LONDON
- B.Thiry: CEO & President of the Executive Committee - ETHIAS
- M. Wathélet Sr: Minister of State, President of HEC-ULg Advisory Board

Participation to these events is also an excellent way to learn more about HEC-ULg Alumni profiles, and meet fellow graduates leading Belgian / international careers in extremely diversified sectors or having chosen a rather original path of career :

- O. Bertrand: Vice President - BANQUE PARIS BERTRAND STRUDZA SA (Geneva)
- E. Dethier: Marketing Manager - SOTHEBY'S LONDON
- P. Detry: Executive Vice President & General Manager - NESTLE France
- A. Dierckx: Executive Director - LES DEUX BELGES PRODUCTIONS (Paris)
- B. Olivier - Artists Agent - SECURENT FRANCE
- T. Leclercq: General Manager - Third Place Ltd. (Shanghai)
- J. Santino: Executive Director - INDUFIN
- S. Vandeloïse: VP & Senior Financial Adviser - GDF-SUEZ (Dubai)

We hope you will benefit from this network!



## INTERVIEW WITH Jacques PÉLERIN

### A PARTNER IN THE FIELD OF SUSTAINABLE BUSINESS EDUCATION AND, MORE GLOBALLY, A LONG-TERM PARTNER OF HEC-ULg

#### *What are your current professional activities?*

Actually, these are numerous... But they can be organized into two main categories.

On the one hand, I have many professional activities in the Steel Industry. I am the General Director Country for the Walloon Region of ArcelorMittal, I am the Managing Director of ARCEO (a subsidiary of ArcelorMittal in Liege) and I am the President of the Center of Metallurgical Research (CRM).

On the other hand, I have many professional activities related to the (economic) development of the Walloon Region. As an example, I am the President of UWEL, I am the President of the executive committee of the GRE and I am the Vice-President of the Chamber of Commerce of Liege, Verviers and Namur . In addition, I have also been a member of the Belgian Royal Academy since March 2010. Finally, I am a member of the Governance Council at HEC-ULg.

#### *Why did you support the writing and the resolution of a pedagogical case study about the “Sustainable Strategy of ArcelorMittal” at HEC-ULg (Accenture Chair in Sustainable Strategy)?*

Because “sustainability” is a part of the core strategy and of the values of ArcelorMittal. Indeed, ArcelorMittal has developed a very complete sustainable strategy associated to a strong culture based on the principles of Sustainable Development. In addition, this was a unique opportunity to receive some feedback from the University and from 2<sup>nd</sup> Master students in this field.

I am convinced this was really a win-win operation: on the one hand, ArcelorMittal was an interesting REAL case study for the students and, on the other hand, the work of the students was an opportunity to refine and enrich our sustainable strategy. Indeed, I was impressed by the quality of the case study and of the proposals made by the students. These were really original (in terms of choice and suggestions), pertinent and strongly related to the macroeconomic challenges of Sustainable Development.

#### *Which other activities have you developed in partnership with HEC-ULg over the last academic years?*

There are many... Actually, I favor collaborations which can have a positive impact on the economic development of the Region.

Firstly, we have developed together some activities related to “Business Innovation”. A concrete example is our engagement in ID-Campus. ID-Campus is a multi-disciplinary platform which aims at stimulating innovation to melt people coming from various disciplines, from various worlds with their own cultures and languages. In the framework of this platform, we are currently working on an innovative project at “Biocoat” with various people from different horizons such as Joseph Martial (Professor, Faculty of Sciences, University of Liege),

Jacques Germay (Managing Director, MecaTech), Jean-François Leroy (Professor, Faculty of Psychology, University of Liege), Bernard Surlemont (Professor, HEC-Management School, University of Liege), Michel Beguin (Managing Director, ACCS Research Center), etc.

Secondly, we have developed a few activities that focus on the dissemination of a spirit of "Entrepreneurship" and, in particular, of "Intrapreneurship" amongst students thanks to the support of specific options. As an example, one student from the option "Intrapreneurship" spent nearly one academic year at Arceo to develop adequate scorecards in order to improve the management control of the firm.

*Why are these collaborations between enterprises and the University of Liege so important to you?*

Actually, there is a long tradition of partnership between ArcelorMittal and the University of Liege: collaborations have been made in various disciplines of the University of Liege (Sciences, Management, etc.). These collaborations are very important for ArcelorMittal because they facilitate contacts with students (which are potential future collaborators) and they are opportunities for the firm to benefit from the expertise of the University in terms of research and analytic competences.

*To conclude, could you give some words about the future projects you will collaborate on with HEC-ULg in the next years?*

Today, our main objective is to consolidate the current collaborations (in the fields of innovation and of intrapreneurship) by creating a real network of actors who could contribute to the economic development of the Walloon Region and of Liege in particular.

# ARSTYL® INSPIRATION

POUR LES PETITES CHOSES QUI EMBELLISSENT LA VIE



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## HEC-ULg Alumni has once again shown its dynamism through the events that took place during the first half of 2011 :

- A welcoming drink organized by the Luxemburg section for the 2010 promotion of HEC-ULg graduates
- The Participation to the tribute to Guy Quaden's career, with Mr Jean-Claude Trichet as guest speaker
- A friendly dinner in Paris
- A Roadshow in Luxembourg - "Design, Marketing & Innovation" – with the collaboration of PwC Luxembourg
- A ConHEction Dinner focused on the "Liege 2017" event – with the collaboration of McKinsey & Company and UWEL

## The second part of 2011 will be at least as interesting since the following activities are already scheduled :

- 10th of September : proclamation of the 2011 promotion of HEC-ULg graduates, in the presence of Mr Christophe Navarre, "Parrain" of this promotion
- 21st or 22nd of September : ConHEction Dinner on "Muslim Business Economy" (in Brussels)
- October : Conference with Jean-Pierre Hansen, Vice-Chairman of the Executive Committee and Senior Executive Vice-President of GDF-Suez (Bozar – Brussels)
- September / October : Roadshow in Paris – "Diversity" – with the collaboration of Paris-Dauphine University
- 23rd of November : Wine tasting
- November/December : Roadshow in London

*We wish to thank our Alumni for taking such an active part to all these events and are looking forward to meeting them again in September !*

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university of Liege

## An employment unit for (future) graduates

In addition to the employment & career services provided at HEC-ULg, the ULg Employment unit is a free institutional service proposed to final year students as well as ULg graduates. It offers a wide range of services to help them throw, revitalize or reorientate their professional career : seminars on employment, individual coaching (on appointment), advices and job offers via the pages of our website - 'Alumni' portal (login via [www.ulg.ac.be/alumni](http://www.ulg.ac.be/alumni)).

Besides, ULg Employment organizes every year a "Job Day" especially dedicated to (future) ULg graduates. This event represents a unique opportunity to dynamise their job search by meeting recruiters (from public, private and associative sectors), key actors in employment and training issues as well as organizations offering grants and internships in Belgium or abroad. The next Job Day will take place on **Saturday the 8th of October** (Lecture Hall « Europe », Sart Tilman).

Finally, ULg Employment helps young graduates to travel, thanks to the **Leonardo programme**. Leonardo scholarships (financed by the european Union) allow indeed ULg young graduates to achieve a first 3 to 6 months professional experience abroad.

**For further information : [www.ulg.ac.be/JJD](http://www.ulg.ac.be/JJD)**

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# CERA CHAIR IN SOCIAL ENTREPRENEURSHIP

*Faced with the growing situation of social inequality and the ecological crisis we are in, an increasing number of entrepreneurs are taking up the challenge of moving away from the traditional economic system and developing new economic models that focus more on a response to social needs than on the quest for maximum profitability. The Cera co-operative group is convinced that these models are essentially a source of well-being and prosperity. In 2000, they became associated with the Center for Social Economy (at HEC Management School of the University of Liege) as part of a long term partnership, leading to the creation in 2010 of a University Chair in Social Entrepreneurship.*



## INVESTING IN WELL-BEING AND PROSPERITY

*Each day, around half a million members of Cera work together on social projects and reinforce the stability of a strong financial group.*

Cera is a co-operative with around half a million members.

Together, they make financial as well as social investments.

By controlling around 30% of the capital of KBC Groupe, Cera guarantees the group's stability and continuing expansion, thereby offering direct and indirect job opportunities.

Cera also invests in society via social projects on the regional, national and international levels. The Cera Chair in Social Entrepreneurship is one of these projects, which reflect the values held by the co-operative: co-operation, solidarity and respect for the individual.

This Chair has the task of studying, supporting and promoting social entrepreneurship and of strengthening the expert knowledge of HEC-ULg in the management of social enterprises.

**Sybille Mertens, Associate Professor at HEC-ULg, member of the Center for Social Economy and holder of the Cera Chair,** explains: "When we speak of social entrepreneurship, we do not limit ourselves to the social aid sector, but we include a whole range of enterprises whose priority goal is of a social nature rather than seeking profit for shareholders." Thus a co-operative company producing renewable energy, an alternative bank, a mutual benefit society, a foundation, a work integration enterprise in the building sector, an NGO, and an association for the defense of artists' rights will all be recognized as social enterprises because they all defend social or environmental interests while also conducting activities of an economic nature.

Social entrepreneurship and the management of social enterprises raise very complex questions arising precisely from the combination of these different dimensions. These questions are at the heart of the three activities conducted by the Cera Chair to fulfill its task: research, education and the offer of community services.

After two years of research devoted to publishing a textbook related to the management of social enterprises, two main themes now guide the Cera Chair research projects: social entrepreneurship and the performance of social enterprises. As a result, this year Sybille Mertens is directing several advanced



research projects: defining key success factors for social enterprises; analyzing the financing methods of social enterprises; drawing up a repository of European training for social entrepreneurs; and creating tools to assess the performance of social enterprises. These projects are co-financed by Cera and other institutions (the European Commission's Leonardo Project, the Walloon Region's START Project, and doctoral grants from Liege University).



*The Management of Social Enterprises explains the nature of social enterprises and describes in greater detail the specific aspects of their management via an overview of the main areas of management (financing, marketing, governance and human resources management). This work is the result of team research at the Center for Social Economy. It presents a concise state-of-the-art, based on numerous theoretical references and illustrates them via ten or so case studies of Belgian social enterprises.*

The recent emergence of these research topics in the academic world has of course influenced the choice of training available. Thus, following the example of major European and American business schools, HEC-ULg

has decided to create a specialization called 'Management of Social Enterprises' as part of its Master's Degree in Management Sciences. The Cera Chair is closely associated with this recent development and is directly involved in two courses belonging to this specialization ("financing social enterprises" and "social entrepreneurship and sustainable development"). The Cera Chair is involved in the supervision of research projects, internships and doctoral theses in the field of social entrepreneurship.

# CERA CHAIR



The new specialization offered by HEC-ULg responds to a growing demand from a number of students, as witnessed by Maxime, age 23: **“When I was very young, I used to accompany my grandfather to livestock markets. That gave me a taste for bargaining and business. However, I was not satisfied with the traditional training offered by Business Schools because the idea of service to society is also very important to me. In my view, social enterprises are the perfect compromise between my passion for business and my desire for a job with meaning. For example, I am interested in micro credits, which facilitate entrepreneurship in developing countries by small loans that conventional banks consider too risky. This solution seems to me to be more effective than grants out of the blue, which often render these countries even more dependent.”**

Around fifteen other students like Maxime have been attracted by this innovative specialization, although it is only in its very first year. **“We didn’t expect it to be this popular”,** admits Sybille Mertens, and adds: **“To tell the truth, the reason we have reached this point is that the research and teaching we do corresponds to the values we hold, and because the direction of HEC-ULg encourages this coherence. But it is also thanks to the long term support we receive from the Cera group. The trust the co-operative has shown in us from the outset of our partnership gives us a major stimulus.”**

Lastly, the Cera Chair sees service to the community as a natural complement to research and teaching activities. The holder of the Cera Chair recalls: **“For many years now, social economy research conducted at ULg has always sought to provide rigorous responses to the questions raised by political decision makers, social economy stakeholders and citizens. This rigor gives meaning to our work. It also leads us to develop special relations with various partners who regularly call on us to speak at public conferences, to write articles for a broad readership, to give ad hoc training courses and consultancy. Conversely, we should recognize that these multiple contacts considerably enrich our knowledge of the field and are extremely stimulating for research. This is also a network of contacts that we can offer to our students.”**

Among all these service activities, one is particularly dear to the Cera group: that of support for social entrepreneurship. In order to stimulate vocations in social entrepreneurship, the Cera Chair has invested in two competitions for socially oriented projects. Sybille Mertens is co-chair of the jury for the Impulcera competition (see p.17) and she has obtained by negotiation with ESSEC-Paris, the role of Belgian partner for HEC-ULg in the Global Social Venture Competition for students of Social Business Plans, organized on a worldwide level by the University of Berkeley.

**Interview conducted by Nathalie HOSAY, Head of Communication and External Affairs Department, HEC-ULg**

**Picture:** Jacques Defourny, Professor, Director of the Center for Social Economy, HEC-ULg; Benjamin Huybrechts, Assistant Professor, Center for Social Economy; Linda Lavanche Serra; Sybille Mertens, Associate Professor, Center for Social Economy, Holder of the Cera Chair; Dennis R. Young, Professor, Andrew Young School of Policy Studies, Georgia State University



# IMPULCERA

## A CALL FOR START UP PROJECTS IN SOCIAL ENTREPRENEURSHIP

*Biomass, green building, collective housing, urban agriculture, early childhood, local wine-growing: these are a variety of possible branches for like-minded entrepreneurs. What do they have in common? They have all taken up the challenge of entrepreneurship in social economy, which is a new way of viewing economics. Thanks to the call for projects launched by ImpulCera, they have all received precious support to test their ideas.*

The ImpulCera call for projects is addressed to social entrepreneurs, who are offered an opportunity to receive a grant of 5,000 euros to establish a feasibility study for their project. If this study proves to be positive, candidates can request a second grant amounting to 10,000 euros to start up their activity. ImpulCera is supported by the Cera co-operative financial group; by Wallonia, via the ASE (Agence de Stimulation Économique – Economic Stimulation Agency), the Walloon umbrella organization for economic stimulation; and by the Brussels-Capital Region.

To date, around twenty successful candidatures have been selected by the jury, chaired by Sybille Mertens, holder of the Cera Chair in Social Entrepreneurship. Four of these successful projects have entered the stage of concretization. These are men and women who are convinced that it is possible to develop economic activities in a different way. One of the projects is taking on agro-forestry with a markedly environmental approach combined with a training program for job seekers. As a result, this company, Bois Vert (“Green Wood”) has made possible the creation of jobs in a promising sector with a focus on sustainable development. Another of the projects is daringly embarking on organic local wine-growing. This project also combines training, jobs and an environmental approach and has produced the Vins de Liège (“Wines of Liège”) co-operative. Then there is the Actéco co-operative, founded by young people who, in view of the difficulty in finding jobs after training in eco-construction, decided to create their own jobs with the support of their former trainer. The fourth project is the brainchild of sociologists and beauticians who are convinced that cosmetology can help to valorize or even to reconstruct a social identity.

They will shortly be opening a social cosmetology center called M'Toi (“←3-Yourself”), which will offer a range of services using organic, fair trading products. The target public will include socially fragile persons. All the organizers are banking on a winning formula that places the human and communitarian dimensions at the center of economic activity.

ImpulCera also sponsors annual workshops, organized in partnerships with universities and colleges in Wallonia and Brussels. These events provide opportunities for meetings intended to stimulate young graduates and to equip project leaders. The workshops are sub-divided according to themes, such as project financing, social enterprise marketing, legal criteria, the social business plan, etc., and provide unique opportunities to exchange ideas with experienced social entrepreneurs.

ImpulCera has been opened for a 6 year period, from 2008 to 2014, with two calls per year. The current call has been open since May 15th and submissions close on August 1st 2011. This is a unique opportunity to test ideas and, who knows, maybe to awaken the social entrepreneur you are!

Visit the site

[www.impulcera.be!](http://www.impulcera.be)

For further information:  
SAW-B - Tel.: 071/ 53 28 30  
[infos@saw-b.be](mailto:infos@saw-b.be)

# KBL CHAIR IN FUND INDUSTRY

A COMBINATION OF ACADEMIC AND PRACTICAL KNOWLEDGE IN ASSET MANAGEMENT



**The HEC-ULg KBL Chair in Fund Industry was created in 2008 in association with KBC Group (KBC, CBC, KBL).**

Luxembourg is by far the European leader (and second in the world behind the United States) in the mutual fund industry with more than 11 000 funds managing around 1 800 billion Euros. Financial services in Luxembourg represent more than 44 000 employees contributing to almost one third of Gross Domestic Product. The collaboration between the respective competence of HEC-ULg and KBL (a leader on the Luxembourg financial center) will be beneficial in many respects. The combination of academic and practical knowledge in asset management will enable the KBL Chair in Fund Industry to produce insightful research and to provide students with relevant modules of training.

In addition to academic research, the KBL Chair in Fund Industry proposes several courses related to the industry of mutual funds. These courses are intended to offer students from the University of Liege specialized programs of training which not only focus on the

theoretical aspects of asset management but also on their practical implementation thanks to the expertise of KBL staff and of invited speakers. In this context, the course entitled "Fund Industry" offers students in Business administration and in law (as well as anyone interested in making a career in the mutual fund industry) an overview of the investment fund industry regarding basic principles as well as the different types of jobs related to this industry especially in Luxembourg with practical application in view.

The course is articulated around 11 main parts. All these parts are presented by experts in mutual funds from the academic as well professional world. In particular, the different modules of the course addresses the different financial assets which can be found in the mutual fund industry (**Pr. Danielle Sougné, Holder of the KBL Chair in Fund Industry** - see picture), the legal forms of investment funds in Luxembourg (M. Stephane Ries, KBL), the creation and the legal life of a mutual fund (M. Rudy Hoylaerts, KBL), fund administration (M. Claude Hoffmann, EFA), the role of the depositary bank and management company (M. Serge D'Orazio, KBL), the supervision of mutual funds (M. Yves Francis, Deloitte), pension funds (M. André Rochez, HEC-ULg), principles of fiscal law for mutual funds in Luxembourg (M. Claude Kremer, Arendt & Medernach), admission to trading of UCIs (M. Michel Maquil, Banque de Luxembourg) and the distribution of investment funds (M. Jérôme Wigny, Elvinger Hoss & Prussen).

This course, which was offered for the first time during the academic year 2010-2011, has already attracted a large number of enthusiastic students and has also offered the opportunity the invited speakers from different financial institutions in Luxembourg to meet students from HEC-ULg with excellent skills in finance, many of whom will certainly join the Luxembourg job market in the coming years.



“ To me, the greatest strength of the fund industry course is that high-level professionals from the Fund Industry world teach the classes, and this makes all the difference with the classic university ones. In addition to allowing students to meet senior managers and directors, enrollment to this course is clearly an entry ticket to the closed world of finance and it definitely makes the difference with other candidates during job interview, as it did for me... ”



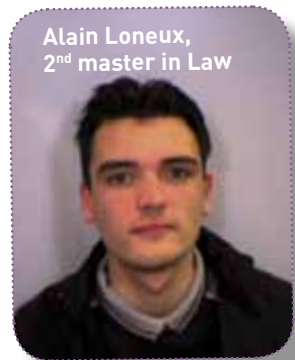
**François Guiot,**  
2<sup>nd</sup> Master  
in Business  
Engineering



**Benjamin  
Balbeur,**  
2<sup>nd</sup> master  
in Management  
Sciences

“ The Fund Industry course allowed me to meet professionals working in finance areas closely related to my master thesis topic. This was really helpful in the writing of my thesis as they provided me with suggestions of practical relevance. Attending the Fund Industry course was also an asset during job interviews and undoubtedly played a significant role in my hiring at a Luxembourg financial company. ”

“ As a student in Law, I know that the fund industry in Luxembourg offers many job opportunities. This course has allowed me to have a clearer overview of all the different aspects related to the investment industry. In addition, most lecturers are professionals of the mutual fund industry, which allows us to have a practical view of the potential jobs that are offered to lawyers in the Luxembourg fund industry. ”



**Alain Loneux,**  
2<sup>nd</sup> master in Law

# CREATIVE HEC-ULg

## ID-CAMPUS

### MARKS ITS FIRST SUCCESSES



*ID-Campus recently opened its doors. This was an opportunity for the platform to show off its premises and its new furnishings, and to put the spotlight on some of its current projects.*

In point of fact, the **furnishing of the premises** was itself one of these projects. *ID-Campus* commissioned the *Saint-Luc* design school to imagine possible furnishings for the students' work area. As part of this project, which began in September under the guidance of Professor Pierre Delvoie, interior architecture students and designers worked on the concept of modular furniture that would allow the different uses of the space: a loggia-sty-

le layout for team work, exhibitions, meetings, etc.

A few months later, and thanks to the contribution of a.s-e which built the prototypes, we finally received this furniture, which lives up to our expectations and gives the premises its creative look.

For the platform it was also an opportunity to test collaborations. It was a great success for *ID-Campus* and *Saint-Luc*!

Particular prominence was also given to another project, that of the **Saint-Gilles Quarter**. The first part of the project to rehabilitate this historic area of Liège started in February and has just been completed. The team of 4 students from different branches (work sciences, management sciences, social engineering and communications) worked hard to lay the bases for a real neighborhood dynamic. Their aim was to encourage local actors



# id CAMPUS



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to want to meet each other and work together on projects, thereby bringing some color back to this part of the town center.

The first of the projects selected was an **internet platform**, the pillar of this new dynamism. Its purpose is to allow the neighborhood users to register and keep abreast of local activities, and particularly to suggest projects, to vote, to volunteer, etc. It is a real innovation in terms of citizens' participation, comparable to music production sites like *mymajorcompany*.

After this, the **visual identity of the neighborhood also needs to be created**, particularly by using empty shop windows.

Alongside these projects, following the success of the round tables organized last month, we also hope to reconsider and create a **neighborhood committee** that would engage the interest of local residents, shopkeepers, student lodgers, business owners, etc. more directly.

*So, what's the next step? Putting these projects into action in September with a new team of students!*



# HEC-ULg, BNP PARIBAS FORTIS & ID-CAMPUS: COMMON VALUES



**Nathalie HOSAY**  
Head of Communication  
and Public Affairs  
Department, HEC-ULg  
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*The aim of the ID-Campus platform is to mobilize the creativity of young people, researchers and businesses in order to think of new usages, products, services or business models which can contribute to a sustainable society. BNP Paribas Fortis is a partner of ID-Campus. We asked Max JADOT, the CEO of BNP Paribas Fortis, why he decided to get involved in the project and what aims the bank was pursuing with this partnership.*

«BNP Paribas Fortis supports the ID-Campus project as part of its corporate engagement», Max Jadot explains. «There are several reasons why BNP Paribas Fortis places its engagement at the heart of its business culture. Firstly, it's an increasingly urgent demand from our clients. Then it's an element which increasingly matters to young people on the employment market. Finally, it has been shown that responsible businesses have better motivated staff.

The corporate engagement of BNP Paribas Fortis is based on three areas of action: ethical and sustainable governance; the environment; as well as social inclusion and development. Young people and education comprise a fundamental aspect of this last area.»

*In your opinion, why is it important to encourage management and economics students to develop their creativity and enterprising spirit?*

In a constantly evolving world, where increasingly sophisticated technology has become an integral part of all facets of our daily lives, training the new generation in light of these changes and new professions is a major challenge for the growth of our «mature» economies, and therefore for the future of our societies. That is why BNP Paribas Fortis has strengthened its partnership with several Belgian universities since 2010.

It is also why the bank supports ID-Campus, an innovative project of the Management School of the University of Liege. ID-Campus brings students from different disciplines together and gives them the opportunity to undertake projects which directly benefit businesses.

*Creativity, interdisciplinarity, being open to innovative solutions - are these qualities that the organizers of the ID-Campus project look for when recruiting?*

BNP Paribas Fortis is the collective project of a group of men and women, which exists to serve their clients. The «bank for a changing world» has four business values which sum up the essence of their operation very well: Reactivity, Creativity, Commitment and Ambition. These values are reflected in BNP Paribas's signature and logo: a flying curve of four stars transforming into birds, a symbol of energy, adaptability and progress. It is entirely logical that adhesion to these values is a factor in our recruitment process.

*How would you describe creativity within your business?*

«Creativity» at BNP Paribas Fortis optimizes our relationships with our clients. It is synonymous with a constructive and positive approach when confronted with restrictions and constraints in the wider framework of risk awareness.



*Max Jadot, Guest Speaker at HEC-ULg for Thomas Froehlichers's 'International Strategy' course, shares his experience with students*

All problems become opportunities and all restrictions are invitations to explore and to propose other applicable paths that can lead to a solution.

Creativity is involved in a whole series of competencies like for example being open to change, having an enterprising spirit and an aptitude for negotiating, having vision, organizational awareness, and a solutions-focused approach...

*In your opinion, if Walloon industry is to evolve, does it need a new generation of management and economics graduates educated in values and open to innovative solutions in a world of constant change?*

As in other similar projects supported by BNP Paribas Fortis, we want to put our energy towards ID-Campus and ensure its success. Furthermore we sincerely hope that the project will generate new ideas which will contribute to the development of the local economy and local industries.

*On 23rd June, you will be presiding over the final closing jury of HEC-ULg Entrepreneurs. Is supporting the business spirit also a priority for BNP Paribas Fortis?*

In addition to education, the real economy and the business spirit are also an integral part of the engagement of BNP Paribas Fortis. The bank has therefore joined with CreaPME and HEC Liege Executive School for the second time in the CRE'ACTION project, a specific program which accompanies the setting up of businesses. The first Cre'ation program in 2010 allowed the creators of 14 new projects to benefit from training and ad hoc accompaniment. As a result of the success of that program, the three partners decided to run it again.



# ASE CHAIR IN STRATEGIC INTELLIGENCE

The ASE Chair in Strategic Intelligence is the result of a partnership between HEC-ULg and ASE (Agence de Stimulation Economique – Economic Stimulation Agency). Its purpose is to develop resources and multidisciplinary competencies in order to spread knowledge and expert knowhow in Strategic Intelligence within the fabric of the Walloon economy, in support of approved operators.

Strategic Intelligence is a competitiveness tool that allows an enterprise to create a strong competitive advantage for itself. It favors innovation and creativity and is an integral part of the development of an enterprise, proposing a structured response with added value to all the new challenges facing enterprises.



*“After 3 years of operating the ASE Strategic Intelligence system, we have observed that more and more enterprises are becoming interested in the concept and that over 80% of managing directors informed and trained in these principles have made changes in their respective enterprises.”*

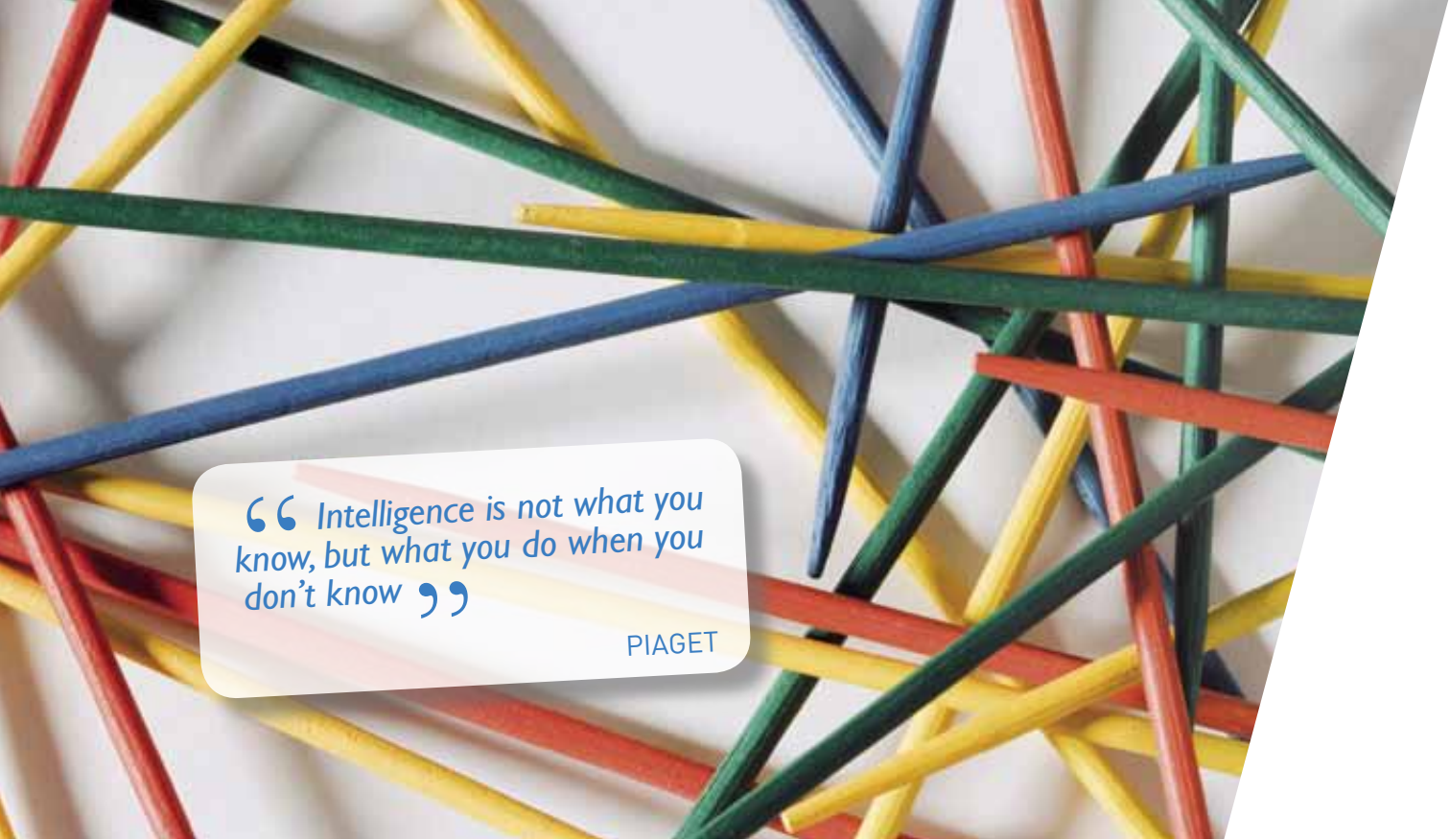
**VINCENT BOYY,  
DIRECTOR OF THE ECONOMIC  
STIMULATION AGENCY**



*“Strategic intelligence is a response to the major challenges facing companies, to the acceleration of growth in their activity, to greater international openness, to the identification of the great opportunities and threats that arise in a changing world. This specialization gives students an openness that is both transversal and multidisciplinary. It is also intended to encourage an ongoing entrepreneurial spirit, the capacity to transform all these technological, social, environmental and geopolitical developments into as many marketing opportunities. Together with the Walloon Region and the ASE (Agence de Stimulation Economique Economic Stimulation Agency), HEC-ULg is fully committed to this distinct and original branch.”*

**THOMAS FROEHLICHER, DIRECTOR  
GENERAL AND DEAN, HEC-ULg**





“ Intelligence is not what you know, but what you do when you don't know ”

PIAGET

**Within this framework, HEC-ULg has created a training course composed of five modules:**

#### UNDERSTANDING, DECIDING AND THINKING STRATEGICALLY

The first module defines the strategy and the context that influences it. For a Belgian entrepreneur, this means, international relations, the importance of the European Union and the development of instant communication. For a strategist, “intelligence” should be understood as protecting the enterprise from all ill-wishers and as the intention to maintain current, active knowledge of competition and of clients.

#### BEING VIGILANT AND PROTECTING INFORMATION

The sector of activity in which the enterprise works is constantly changing, sometimes drastically. Every enterprise must be able to anticipate developments in its context, identify potential predators and secure its information system.

#### MANAGING AND SHARING KNOWLEDGE

The production of operational knowledge is indispensable for decision making and for the strategic steering of an enterprise. This knowledge helps to bring out new approaches; abundant information is available, and interaction is continuous. Collaborative management makes it possible to approach issues relating to information sharing management and knowledge management, with the aim of providing methods and tools that can be used in the enterprise.

#### COMMUNICATING AND INFLUENCING THE CONTEXT

Communication with political and economic authorities at every level (whether local, national or European, etc.) has become a key tool for all actors in today's social and economic world.

#### CHOOSING A STRATEGY AND IMPLEMENTING IT

Given the issues at stake, the strategic guidelines on which enterprises and organizations depend for their survival cannot be adopted, without reference to tested, pragmatic models of analysis and decision making.

#### WAR ROOM

#### CRISIS AND MANAGEMENT AND THE INFORMATION WAR – RESIDENTIAL SEMINAR

Beyond risk prevention, Strategic Intelligence helps to optimize crisis management. The “War Room”, to use a military expression, is now a feature of enterprises. It is based on gaming principles and involves designing an information war plan in order to overturn an adverse balance of power.

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SPECIAL REPORT

# MACROECONOMIC POLICY IN BELGIUM TODAY

*At a time when there is no resolution in sight for the Belgian political crisis, but the country's economic performance still compares favorably with other countries in the euro zone. HEC-ULg wanted to gather the opinions of a number of experts from the South and North of the country on topical economic questions, some of which are very delicate.*

*Professor Bernard Jurion, Chairman of the Economics Department at HEC-ULg questioned Professor Dr. Marc De Clercq, Dean of the Faculty of Economics and Business Administration and Honorary Vice-Rector of Ghent University; Jean-Claude Marcourt, Minister of the Economy in the Walloon Government; Didier Reynders, Deputy Prime Minister and Minister of Finance in the Federal Government; and Melchior Wathelet Senior, Minister of State and President of HEC-ULg Advisory Board. The questions concerned both the situation of public finance and the competitiveness of Belgium, the economic consequences of the political crisis and the effect of the institutional reforms on public governance, as well as the effectiveness of the economic policy.*

*Long-term concerns were also given attention, such as the ageing population and environmental protection, together with how to integrate these concerns into the macroeconomic policies of the coming years.*



*Recent macroeconomic data show that Belgium has, in relative terms, better withstood the crisis than most other euro zone countries. In your opinion, what are the reasons for this? Has the budgetary policy control of member states by the European Union stopped Belgium from committing the same mistakes which, in the past, had a «snowball» effect on public debt?*

**JEAN-CLAUDE MARCOURT:** In the euro zone, Belgium stood up to the economic crisis better than most. The country came out of recession in the third quarter of 2009 and reached a growth rate of 2% in 2010. This situation was due in part to the solid financial situation of Belgian households and companies and their low levels of debt, which meant that investment was less severely reduced<sup>1</sup>. Belgium came out of the recession due particularly to rigorous private consumption, supported by the economic stimulation plan and the very positive contribution of foreign trade. The latter is directly linked to the dynamism of Germany, the country's main trading partner.

**DIDIER REYNDERS:** The reason for our good macroeconomic performance is first of all linked to the strong economic growth in Germany, our main trading partner. Our law on safeguarding competitiveness, even if it isn't perfect, also meant we were able to avoid the huge salary escalation witnessed in other countries on the periphery of the euro zone. Finally, we didn't see

overheating of the property market to the same extent as in Ireland or Spain. Together, these factors mean we have done slightly better than the rest of Europe. But in absolute terms, European growth remains sluggish compared with other large economic areas. Because of the current political instability, we are also starting to fall behind in the setting up of more structured measures to deal with the challenge of an aging population in particular. Our capacity for innovation remains insufficient compared with our wage costs.

Belgium's exit strategy out of the crisis is targeted on progressively reducing the budgetary deficit to return to balance by 2015 at the latest. Thanks to active debt management and control of spending at the federal level, interest charges for the federal state will continue to fall in 2011. While these charges were still 4% of GDP in 2005, they are only 3.13% in 2011. In terms of the ratio of public debt to GDP, the gap between the euro zone average and Belgium is also continuing to decrease. While it was more than 40% in 1999, it accounts for 13% in 2011.

**MELCHIOR WATHELET Sr:** In terms of budgetary surplus, of primary balances, of debt evolution, of growth and employment, Belgium is doing much better than the European average. I think that Belgium took sensible measures during the crisis. It respected the 3Ts set by the EU (targeted, timely and on time) and this bore fruit: real support to the economy and employment in fair measure and without ill-considered debt. This is giving good results, or at least less negative results than our neighbours.

“ In term of budgetary surplus, of primary balances, of debt evolution, of growth and employment, Belgium is doing much better than the European average ”

MELCHIOR WATHELET Sr

The results speak for themselves: after having had funding balances of up to 13.5% of GDP in 1980, we are now at less than 4% but more importantly still, in 2010 we were at sixth place in the euro zone, at about the same level as Austria and after Luxembourg, Finland, Germany and Malta. The average within the euro zone is upwards of 6%.

*Amounting to a little less than 100% of Gross Domestic Product, Belgian public debt is much higher than the platform fixed by the «Stability and Growth Pact». This is primarily a consequence of budgetary policies of the 70s and 80s. How do you propose to manage Belgian public debt in the years to come?*

**MARC DE CLERCQ:** Everybody agrees that the Belgian public debt is too high and that we should aim to diminish the rate of increase as quickly as possible so as to stabilize the public debt level in 2015 so as to gradually reduce its size in proportion of the gross domestic product, ultimately to the 60 pct. as required by the EU. This huge public debt has been built over time with different coalitions of parties. So it is in a way a collective responsibility of the whole political system of Belgium. The inappropriate budgetary policies of the '70 and '80 indeed, but also the fact that under the Verhofstadt governments not enough was done to diminish the debt burden even when it was relatively easy at that time because our economy blossomed and interest rates were very low which made it possible to refinance the public

debt so as to diminish significantly the interest payments on it. Those Verhofstadt governments instead opted for a popular approach: the budgetary gains were used to reduce personal income taxes without an adjustment in spending. Furthermore, due to the inappropriate accounting principles of the public sector this lenient budgetary policy could be masked by all kind of tricks (e. g. the incorporation and the immediate spending of pensions funds, the selling (with spending of the money) and rehiring of public buildings) that will make the budgetary position more difficult in the future. As a result our public finances were formally in equilibrium; but the structural position of the government sector was weakened significantly. The Belgian Leterme government acted wisely in the recent world crisis. As other countries we followed a Keynesian policy that enabled us to avoid a drastic reduction in aggregate demand but in a more moderated way in view of the unfavorable state of our public finances. We injected also public funds in the financial system which was inevitable in order to save our banking system which would otherwise have collapsed. For none of this the government can be blamed, on the contrary. But of course such policies –even when applied with moderation– inevitably transform the economic problems of the private sector into a collective burden and transmit them to the future tax payer. Not so much because the EU demands so but in the first place because it is in our own interest the public deficit should be reduced and the public debt in percentage of the gross domestic product should be diminished. It will otherwise be impossible to finance the additional cost of the ageing of the population without a drastic increase in taxes or a drastic reduction in other forms of public spending at a time when the impact of the ageing of the

population will be felt at the maximum. In itself this budgetary effort will still be insufficient. So it must be part of a more global plan putting emphasis on more growth in labor productivity, more employability of the labor force, working longer ...

**JEAN-CLAUDE MARCOURT:** The crisis had an impact on Belgian public finance and produced a deficit of 6% in 2009, whereas the balance had been maintained practically throughout the period from 2000 to 2007. This deterioration was the result of the oscillation of the automatic stabilizers and the measures taken under the economic stimulation plan. However, the speedier return to growth meant that the budgetary situation could be reduced faster than had been foreseen, and the political crisis did not constitute a pretext for stopping the measures to redress the budget. The Belgian deficit was 4.1% in 2010, but this figure should be considerably reduced in 2011 and match Belgium's commitments under the Stability Program (3.5% of the GDP). This should make it possible to stabilize the debt.

While the consequences of the crisis are still there for all to see, particularly in terms of unemployment rates and the financial situation of companies, a dominant trend in Europe favors a rigorous approach, considering that the accumulation of public deficits and debts is pushing States to the brink of bankruptcy.

"Like a goldfish in its bowl which, lacking long term memory, fails to understand it is swimming round in circles, we have forgotten that the present situation of the budget is the deliberate choice made to save the world economy from plunging into chaos. Terrified by public debts, we seem to forget that they are simply private debts that could not be sustained as private debts, and that the sole solution was to nationalize them" (*The Goldfish Syndrome, OFCE Letter of Thursday April 14th, 2011*).

**DIDIER REYNDERS:** Above all we must stick to and even exceed our planned efforts to reduce deficit as set out in our stability programme. Thanks to dynamic management of our debt and the good performance of the 2010 budget, we are the country in the euro zone which has seen the lowest growth of debt this year (an increase of 1% of GDP). In 2011, we should stabilize this debt and it should start to reduce as of 2012. But in order to achieve this, it will be necessary to take certain

measures.

All public policy will need to be examined in detail in order to assess how useful and efficient it is for the population. Priority should be given to reducing public spending, before any tax increases are considered.

Increasing the true retirement age which is today considerably less than 65, improving the competitiveness of businesses and reducing operating budgets must be at the core of economic and budgetary policy in Belgium in the next few years.

Without ruling out any change in tax policy, green taxes in particular, it must be stated that the efforts of other European countries are mainly based on public spending control. Public spending accounts for more than 50% of GDP in our country. Everyone, or almost everyone, realises that we have reached a limit. For example, it must be clearly stated that an average growth rate of 4.5% in health care spending is unsustainable. I am not talking here about drastically reducing spending, but allowing it to increase at a more moderate rate, compatible with our level of economic growth. It is indefensible that, provision of care in old age comes almost exclusively from the federal state, while the regional governments, and in particular the local authorities, do not contribute their full share of the €15 billion which they still need to find before 2015.

**MELCHIOR WATHELET Sr:** The solution is simple: improve our public finances, both in terms of revenue and spending. This objective is even more important considering that spending on provision of care as the population ages will increase. However, budgetary measures cannot damage growth, which is why they must not affect employment and competitiveness.

Let us remember nonetheless that public debt was not only in absolute terms but also in comparison with our partners, which was Belgium's weak point when we entered the euro zone. Only Italy was worse than us and while the accumulated public spending debt could not be greater than 60% of GDP, we were considerably above 100%, even if our situation was improving.

Of course, we are still at 97% but Ireland and Greece have now joined Italy as the countries worse off than ourselves, and more importantly still, the countries which attained the magic number of 60% on entry into the euro zone, such as France, Portugal and even Germany, are today either at or even above the European average level which is considerably over 80%. Obviously we take no pleasure

in the misfortunes of others, but it demonstrates very clearly that for ten years, Belgium has done much better than its partners in terms of budget deficit and debt. For the first time in a long time, we are in fact the leading country in the euro zone in terms of the increase of debt level for 2009-2010 as a percentage of GDP. All this is in addition to lower levels of unemployment than the EU average and a return to growth after a deep recession.

*Belgium's implicit income tax rate (including social contributions) is among the highest in the EU. At the same time, it is often accused of «employment traps» encouraging some potential workers not to work. Doesn't this situation risk compromising the competitiveness of Belgian businesses?*

**DIDIER REYNDERS:** I would say that the risk lies more in the competitiveness of our social system. The burden of income tax and incidental taxation leads to the exclusion of many people from the labour market and also, it's quite clear, to the growth of cash-in-hand work, whether it is private tuition, cleaning or undeclared working hours. We are aware this affects a lot of people. And yet, for a social system to remain workable, it must have the largest possible base. The cost of running/the yield of the tax and social contributions framework is too high in our country. We are no longer focussing enough on wealth creation, but on ways of reducing charges as much as possible. It doesn't work. It is damaging the sustainability of the system. That is why 10 years ago I introduced the principle of tax credits, in order to increase workers' take-home pay without increasing costs for businesses. We must once again create a larger gap between state benefits and the income of low and medium wage earners, while continuing to uphold the policy of supporting people, of professional training and incentivising job seekers.

**MELCHIOR WATHELET Sr:** Yes, we must focus on the low salaries in order to increase the net differential between income from benefits and minimum wage. Measures such as the work bonus or other measures linked to taxation of unemployment benefit should, in my view, be reviewed with the aim of improving the appeal of the lowest earnings.

*Before the 2008 crisis, concerns about an aging population and the protection of the environment in the fight against greenhouse gas emissions were regularly headline news. We've heard a little less about them since the beginning of the crisis. To what extent will these long-term concerns have to be taken into account in the macroeconomic policy of the next few years?*

**DIDIER REYNDERS:** It's true that the crisis threw up new urgent problems; however the fundamental issues still remain. Moreover, the longer we wait, the harder these decisions will be to make. In the end, everything joins together. We must reduce deficits to re-establish market confidence by bringing in reforms in the areas of pensions and health care. Without increasing the global taxation burden, a swing from taxation of income towards green taxation would also contribute to improving our employment rate. We are looking at a ten year timeframe, to allow people to adapt.

Concerning the aging population, I support a three-fold strategic approach aimed at meeting this challenge over the long-term, that is: rapid reduction of the public debt, raising employment and productivity levels, and the reform of the retirement age and health-care provision in order to increase significantly the actual retirement age to bring in into line with the legal retirement age. This strategy will ensure long-term viability of our social model.

**MELCHIOR WATHELET Sr:** The first and best measure to take is to reduce our budget deficit. Any euro used to pay off the debt is a euro lost which cannot be invested in new policies. Then, obviously, the average retirement age must increase. Without reviewing the retirement age (65), the average pensionable age of 58 must increase.

And I do ask myself why we have to discard people who still want to work! (I have in mind certain university professors who are approaching the fateful age!).

**MARC DE CLERCQ:** The ageing of the population and the fight against climate change are undoubtedly two main policy themes that will be high on the political agenda for the years to come. We can only be

“ Without increasing the global taxation burden, a swing from taxation of income towards green taxation would also contribute to improving our employment rate ”

**DIDIER REYNERS**

successful if we can transform our economy into a highly competitive, innovation driven, low carbon economy that combines a high growth level with excellent performances in job creation. For this we need not so much macro policies but interventions at the meso and micro level. A transformation of our education policies to diminish drastically drop out in schools and to redirect the school population towards the jobs needed by the economy, more technical and professional schooling for instance in secondary schools, more students in science, management, engineering in higher education. Also another mentality is needed both for employers and employees in order to keep people longer employed during their life span. The first must create appropriate jobs for people above 50; the second must revise their aspirations for early retirement and must realize that working longer is absolutely needed. The automatic increase of salaries with the ageing of the employees must be stopped at a certain age because it gives an economic incentive to fire expensive older employees in order to replace them by cheaper, often more flexible younger ones. We also need a drastic review of our immigration policies that must emphasize much more the employability and the cultural adaptation of the incoming newcomers that we did so in the past. Our firms must invest much more in green innovation and in the internationalization of their sales and marketing policies, especially in order to export to the more booming Asian and South-American markets.

*Belgium is one of the only countries to have an automatic index-linked pay mechanism. This mechanism is regularly called into question, not only by employers, but also by several international economic organisations. However, the subject seems to remain «taboo» on the political scene. In your opinion, is it necessary to reconsider this mechanism or, at the very least, adapt it according to pay levels?*

**MARC DE CLERCQ:** I have always been a defender of the automatic indexation system in Belgium although with nuances and I remain on that position. The Belgian indexation mechanism allows to make the discussion between employers and trade unions about how to cope with future price increases more objective and more reliable. The costs of braking with this tradition in terms of destruction of social confidence between employers and employees would be too high. Let's not forget that also in other countries social negotiations have to deal with this issue. To think that employees and trade unions would not see the difference between real and nominal increases in their income and would consider all nominal salary increases as real gains is to underestimate their intelligence! But I make three very important nuances. The index used for the adaptation of the salaries should be cleaned for the adverse effect of an increase in import prices (e.g. of petrol) because they represent a real impoverishment of the national economy which everybody should bear and which should not by the indexation mechanism be shifted to our enterprises

“ In the very competitive globalised economy of today, governments are put in a process of institutional competition whereby they must compete to attract and maintain the businesses needed to safeguard their income levels ”

MARC DE CLERCQ

because this ultimately comes to the detriment of the competitiveness of our firms. This is also the case with an increase in indirect taxes. They should be left out of the indexation mechanism: again people should bear the fiscal burden not firms. That would open the path towards a much needed rethinking of our fiscal system: diminishing taxes on labor by increasing indirect taxes, for instance on CO2 intensive production. That would help to reduce our labor costs and thus stimulate employment. Thirdly, when prices in certain sectors (e.g. energy) in Belgium are too high in comparison to other countries due to insufficient competition, appropriate structural policies must be put in place to remedy this situation.

**JEAN-CLAUDE MARCOURT:** All present economic indicators seem to show that Belgian growth should remain solid in 2011 and 2012, particularly thanks to the recovery of domestic demand, linked to the increased income of households and companies. This is probably a direct result of the indexation of salaries and social allowances, which protects workers' buying power. In terms of employment, Belgium withstood the crisis particularly well. Employment rates in companies began to grow once again in 2010 (+27,000 jobs), compensating for the losses sustained in 2009. Provisions for 2011 seem to confirm the positive trend on the labor market. Economic policy measures taken by the Belgian authorities to support work and jobs have thus been shown to have been especially effective, particularly by avoiding too great an increase in unemployment, as well as early retirement (*"Federal Budget Office, A Scenario*

*of Sustained Growth in Economic Activity and especially of Employment in Belgium. Press Release of May 12th, 2011"*).

**DIDIER REYNDERS:** I am not obsessed with it. The important thing is that our wage structure system avoids wage drifts and allows sufficient flexibility between sectors, regions and businesses. At the moment, we could do better in all three of these areas. If we can do this without touching the principle of indexation but accepting peripheral adjustments, so much the better. This much is clear, the state no longer has the means to pay the bill by offering reductions to charges to compensate for a certain lack of flexibility.

**MELCHIOR WATHELET Sr:** We must not forget that the virtue of this mechanism is that it supports consumption, which is positive for our economic growth. The whole issue is tied up with the following question: how do we reduce our budgetary deficit without damaging either growth or competitiveness? It should be added that salary norms mean that globally our Belgian salaries develop along with our neighbouring countries, and this is obviously the main thing, as surely no-one is suggesting that we compete with Chinese or Indian wages.

Taking a global view, I would add – and this is a humorous reaction – that I would find it difficult to suggest abolishing indexation to someone earning €1,200 a month in the name of the market economy when Goldman Sachs is handing out the same bonuses as they were before the



financial crisis! Within our small European countries, we should not be spending a lot of time and energy negotiating between employers' organisations and trade unions, under the aegis of the government a possible limitation on salary growth at a percentage lower than inflation. Instead, we should be promoting decisions globally and across Europe to limit the harmful consequences of the «financialisation» of the global economy, which has allowed obscene salaries, with no bearing on production or innovation or service, via tax havens which the great powers seem unable to abolish... or perhaps they are just unwilling.

*Now that the crisis is coming to an end, should we again pose the question of the optimum level of inflation and maybe re-examine the European Central Bank's policy of strong price stability?*

**DIDIER REYNDERS:** This is a complex and rather technical argument. A rise in inflation beyond the 2% goal of the ECB, which operates independently of all political influence, could in theory offer two kinds of advantages. Firstly, it would give more flexibility to the countries of southern Europe in their wage setting in relation to Germany. These countries have become less competitive and the introduction of the euro means they can no longer easily overcome this by devaluation. But, in order for them to re-establish their relative position, it is clear that the rise in inflation must first reach Germany rather than the peripheral countries, and this is certainly not the case.

The other potential advantage of increasing inflation is that it would reduce the actual debt of heavily indebted banks and states, to the detriment of creditors. In reality this is a form of rescheduling that covers all existing fixed-rate debts indiscriminately, without the debtor being legally at fault. However, to ensure a rise in inflation is manageable, it must eventually be offset by a more restrictive monetary policy, which penalises new borrowing and growth (as happened following the oil crises). It is thus far from being an ideal or cost-free solution. I am thinking in particular of future pensioners who have saved, either directly or indirectly, in fixed-return asset funds and who will see the fruit of their savings melting away like snow in the sun. Furthermore, an inflation rise in Belgium would have an immediate negative impact on business competitiveness via the

automatic indexation of salaries.

The decision made by the Governing Council of the ECB on 10<sup>th</sup> May 2010 in particular to buy some of the sovereign debt of euro zone countries in the secondary market demonstrates the pragmatism of the current Governor, Jean-Claude Trichet. However, the monetary policy of the ECB, which is still a "young central bank", is centered on the mid-term, and must have a high degree of credibility in order to have a positive influence on the expectations of economic agents in the long-term.

*The current institutional negotiations seem likely to lead to a new type of organisation in Belgium, where the scope of responsibility of the regions will extend to new areas and where the regions will have more extensive fiscal powers than in the past. To what extent will these new measures contribute to improving governance and to ensuring a more efficient economic policy in Belgium?*

**MARC DE CLERCQ:** I share the Flemish position that a drastic reform of the state is needed transferring more decision power to the regions for four main reasons. First, majority ideas about many issues (immigration, tax policy, unemployment policies, fiscal policy ...) are structurally different between the centre-right majority in Flanders and the left majority in Wallonia. The result is that on all those issues no clear policy choices can be taken and we all too often have to be satisfied with the status-quo. It is impossible to continue in this way because in the very competitive globalised economy of today governments are put in a process of institutional competition whereby they must compete with their policies in order to attract and maintain the businesses needed to safeguard their income levels. Secondly, in many policy areas competences are allocated in a too complicated and thus inefficient way over different policy levels. This is but one of the reasons why our political and bureaucratic system is too complicated and too costly. We spoil money that could be far better used to strengthen our economy and to care for the needed in society.

Thirdly, a sustainable budgetary framework for our public sector demands that solidarity (interpersonal and interregional; as most of the Flemish I am still in

favor of it !) go hand in hand with responsibility and that regions fully take up their responsibility in this respect. Otherwise the collective burden becomes too high.

Fourthly, regions must take fully part in the budgetary restraint. If not, the burden falls completely on the federal government which will lack the financial resources to pay for the future pensions. A drastic increase in federal taxes is no real option in this respect because the fiscal burden is already too high in our country. Some gains however are possible by making the tax system less complex and by fighting tax evasion and tax fraud. The fiscal administration can perform far better in this respect!

**JEAN-CLAUDE MARCOURT:** As regards the present institutional negotiations, new transfers of competencies should help to improve the effectiveness of the policies implemented on the Regional level. More particularly in terms of employment, the transfer of competencies as regards activating or reducing social security contributions for target groups will help the Regions to differentiate their employment policies more precisely on the basis of the real situation of their labor markets. In addition, if the transfer of competencies (health, employment, justice, etc.) were to result in the center of gravity in federal Belgium moving towards the members of the federation in terms of decision making, a new financial equilibrium would have to be found between the federal State and the Regions. This new equilibrium must allow the federal State to respond to issues linked to the ageing population and repayment of the public debt, while ensuring the members of the federation have sufficient means to conduct effectively the policies transferred to them. This new financial model of federal Belgium must also contain a certain fiscal autonomy that will allow the Regions to adapt the fiscal policies to their economic policies, while preserving the role of tax redistribution and the mechanisms of progressiveness that are part of our social model.

**DIDIER REYNDERS:** Given the discussions taking place, the worry is that things will become even more complicated or that there will be an increasing balkanisation of authority. This is why I think we can no longer avoid a thorough debate about the role of each level of the power structure – about what we still want to do together, on a Belgian level. Burying our heads in the sand achieves nothing, and certainly does not

make things more straightforward or efficient. I believe that in the future French-speaking Belgians will be increasingly faced with their own economic choices. We have to be ready. Not just to see the risks, but also the opportunities that will open up to us. Let us be clear. Flemish-speaking Belgians are plainly no longer prepared to pay to maintain a system with which they no longer identify. That said, between the current situation in Belgium and plan B which is the end of the country envisaged by certain French-speakers, I believe there is still some common ground. But we have to convince the Flemish that we are ready to carry out at a federal level those reforms which have remained stalled in recent years, because of a lack of consensus.

*For a year now, the outgoing resigning government has been handling day to day business. The financial markets are concerned about this situation, which, if we are not careful, runs the risk of increasing interest charges of the Belgian public debt. In your view, what would be the main consequences of a prolongation of this crisis for the Belgian economy?*

**JEAN-CLAUDE MARCOURT:** We cannot ignore the political impasse in Belgium today, which could provide a basis for speculation by the financial markets to increase interest rates on the public debt. Furthermore, the absence of a government is slowing the establishment of structural political measures to ensure that public finances are sustainable and that the Belgian economy remains competitive.

**DIDIER REYNDERS:** We must do everything in our power to prevent this happening. That is the reason I suggested giving limited powers to the government so that it could prepare a budget for 2011. The King asked the government to do this in routine proceedings. In 2011 we must reduce our deficit to under 4% in order to stabilise our debt and do better than our Stability Programme. The paradox of this is that the federal level has already fallen below the target fixed for 2011 while the deficit is growing at the regional and local level, and they have fully functioning governments. I admit that it's difficult to explain to my ECOFIN colleagues. It's quite ironic, a truly Belgian tale.

“ All public policy will need to be examined in detail in order to assess how useful and efficient it is for the population. Priority should be given to reducing public spending, before any tax increases are considered ”

DIDIER REYNDERS

“ We cannot ignore the political impasse in Belgium today, which could provide a basis for speculation by the financial markets to increase interest rates on the public debt ”

JEAN-CLAUDE MARCOURT

**MELCHIOR WATHELET Sr:** The consequences would be bad in terms of interest charges. This is even more frustrating given that, in real terms, the Belgian economy is doing rather well. Compared to the euro zone, Belgium is behaving better in terms of growth, employment, funding balances, primary balances and debt evolution, but these parameters run the risk of being reduced to nothing because of the prolonged absence of government. In a very paradoxical way, the figures relating to growth, employment, annual budget deficit, evolution of global stock of the public debt and the primary balances are excellent and much better than many other European countries which have a fully-functioning government! I wouldn't go as far as to say that the best-governed countries are those ... which don't have a government for even if a resigning government can limit spending, it obviously does not have the power to decide on necessary new measures. When you say that the financial markets are concerned about the absence of government, I am not so sure. Only one British newspaper made a fuss about it, in a country which has more than 11% net surplus to finance 2010! I think things might have been very different if we had

not had the euro, and I wonder sometimes if the markets were a little more aggressive, that might convince certain politicians to sit down and truly negotiate! For I do not believe that even the most die-hard dreamers of regional independence would agree to sacrifice their wallets...

# ETHIAS CHAIR

## IN ASSET & RISK MANAGEMENT

*"We are confronted in our day-to-day business with a permanent changing situation and volatility of the financial markets. Ethias remains convinced the Ethias Chair is the ideal way to link theory with the practice. Therefore, Ethias is proud to cooperate and sustain the impressive development of the research during these last years at the Finance Department of the HEC Management School - University of Liege.*

*The diversity of the researchers confirms the expression 'the world is a village' and is an opportunity as well as a challenge to integrate individual perception in the dynamics generated by the interrelations between individual behaviors."*

BENOIT VERWILGHEN,  
CFO & MEMBER OF THE  
MANAGEMENT COMMITTEE  
ETHIAS SA



*"During the first years of its existence the Ethias Chair in Asset and Risk Management has grown to a team of women and men who are working in a strongly research-oriented environment. In line with HEC-ULg's internationalization goals we are very proud to confirm that not less than eight different nationalities are represented in our group. Our people don't only come from different countries and cultures but also from a large range of scientific backgrounds. While some of us have a Management Science curriculum, the team includes as well as economists, mathematicians and engineers.*

*All I can say from a personal perspective is that it is – every day – extremely enriching and rewarding to work within such an exceptional and stimulating group and I really would like to take this opportunity to warmly thank each of my team members for his/her active and ambitious contribution to our collective project. "*

ALINE MULLER, PROFESSOR OF FINANCE  
HEC-ULg, HOLDER OF THE ETHIAS CHAIR  
IN ASSET & RISK MANAGEMENT

## THE TEAM OF THE ETHIAS CHAIR



**XAVIER MOUCHETTE** graduated from HEC-ULg in Business Engineering (with a major in Finance-Accounting) in 2007. He joined HEC-ULg as a research and teaching assistant, working with Pr. Pierre-Armand MICHEL and Pr. Aline MULLER. Since October 2009 he has been a fellow of the ICM (Intercollegiate Center for Management Science).

As a PhD candidate since 2008, Xavier's research focuses on the corporate decision to cross-list, more specifically on the understanding of its effects and its underlying rationales. His current investigations focus on the respective roles of segmentation and improvement of investor awareness in explaining cross-listing return patterns. He works under the joint supervision of Pr. A. Muller (HEC-ULg) and Pr. F. Carrieri (McGill University).

**JULIEN PONCELET** completed his MA in Management with a major in Finance at Solvay Brussels School - Economics and Management in 2006, and went on to the doctoral school in Economics in 2007. He also was an exchange student at Cass Business School (London). After working for two and half years at Deloitte Belgium, he joined HEC-ULg.

His research area focuses on the exposure of multinationals to country risk, and more specifically, whether measures of unexpected risk carry more explanatory power. He is also interested in Agent-Based Models, and is involved with the Experimental Finance laboratory.



# EIHIAS



**STÉPHANIE HECK** graduated from HEC-ULg in 2010 in Business Engineering with a major in Finance and Accounting. After working for a few months in the tax consulting department at Ernst & Young, she joined HEC-ULg two months ago. Her main research is

focused on the central banks' communication policy and on their interventions in the exchange rate markets. Knowing that central banking has evolved over time, from frequent to infrequent interventions, from large to small intervention amounts and from secrecy to transparency, she assesses the evolution of a central bank's reaction function over time. She also considers how the intervention policy may affect expectations of the future path of exchange rates and to what extent it causes a dispersion of beliefs among market participants.



**MATHIEU HUGUES TEUWA NKEUWO** comes from Cameroon (Central Africa), where he obtained his Bachelor in Business Management in 1997 and Master's in Finance (with Thesis) in 2003 at the University of Dschang. He holds an Advanced Master's degree in Financial Risk Management from HEC-ULg.

As a PhD candidate in Finance at HEC-ULg since 2009, Hugues' research topic is: Risk, performance and cost management in the African securities settlement and depositories industry. He focuses on the securities market, particularly in post-trade. More specifically, he is concerned with understanding the efficiency of post-trade institutions in Africa and the development of securities markets in Africa. He works under the joint supervision of Pr. A. Muller (HEC-ULg) and Pr. R. Wanda (University of Yaoundé II-Cameroon).

**KADER SOMA** comes from Burkina Faso. He has a degree in Macroeconomics and Development Management (MDM) from the Training and Research Unit

(TRU) of the University of Ouagadougou-II. He also has a Master's degree in Macroeconomics through an African program of excellence in Economics. Since November 2009, he has been a Doctorate candidate and member of the Political Economic and Analysis Laboratory (PEAL) of the University of Ouagadougou-II. For his work, he received financial support from a research project on economic integration and governance of the Belgian CUD.

Presently, he is working under the supervision of Professor Aline Muller on his thesis topic "Community bias versus export bias in WAEMU". Their objective is to estimate the gap of both theoretical trade and actual trade between WAEMU (Western African Economic and Monetary Union) and its two main trade partners, which are the European Union (27) and the other seven ECOWAS countries.



**HAMID BABAEI** received his BSc in Applied Mathematics from Sharif University of Technology (Iran) in 2006. He was then admitted to pursue an MSc in Industrial and Systems Engineering at Iran University of Science and Technology and received his MSc in 2008. Immediately after his MSc he worked for one year on strategic planning projects at the Engineering Research Institute.

Hamid started his PhD in Finance at HEC-ULg in 2010. His focus is on both empirical and experimental finance. In the empirical finance field, he studies the evolution of interdependence between international stock markets as well as between foreign exchange rate markets throughout the twentieth century. Then Hamid focuses the second part of his thesis on experimental finance to study financial market dynamics. The objective of this project is to investigate the influence of individual risk perceptions on agents' behavior as well as on the dynamics generated by the interrelations between individual behaviors.



# CHAIR



**LIS BIELL** started her undergraduate studies at the University of Luxembourg and continued in Belgium at the University of Louvain, in mathematics. She also graduated from the London School of Economics (LSE) in 2007.

Currently she works at the State Savings Bank in Luxembourg and she is studying towards a PhD at HEC-ULg. The first field of research that she has tackled is reputational risk, where the aim is to build on the existing literature by further developing the methodology and by focusing more particularly on the timing of market reactions to operational loss events. In the near future, they will present their work at a Risk Management conference in Saint Petersburg, in order to have feedback and to rework this paper.



**FIAMMETTA ROSSETTI** has a PhD in Banking and Finance from the University of Rome Tor Vergata, and has a Post Doctoral Fellowship in the Finance Department of the HEC - ULg. Before this, she worked for national and international institutions (the Italian Treasury Ministry and the European Central Bank) and, more recently as a social economist at the National Oceanography Centre – University of Southampton.

Fiammetta works on empirical issues (panel data analysis) related to the economics of wellbeing, the innovative financing of small firms and the effects of banking crises on national banking systems all over the world. Her current research project focuses on the driving forces of behaviour heterogeneity and the underlying mechanisms of coordination movements. The objective is to understand how they help to explain empirical market dynamics.



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# SRIW-SOWECSOM CHAIR IN MANAGEMENT IN THE SOCIAL ECONOMY



**Benjamin  
HUYBRECHTS**

Assistant Professor  
Member of the Center for  
Social Economy  
HEC-ULg  
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In the context of the peak of excellence « Social Enterprises and the Social Economy » and the new master's specialization in the Management of Social Enterprises, HEC Management School has developed a strategic partnership with SRIW-Sowecsom. SRIW is the public investment agency of the Walloon Region and has numerous subsidiaries. One of them, Sowecsom ("Société wallonne d'économie sociale marchande" – [www.sowecsom.be](http://www.sowecsom.be)), is devoted to the financial support of social enterprises. This partnership has concretely translated into the creation of the SRIW-Sowecsom Chair in "Management in the Social Economy". Benjamin Huybrechts, Assistant Professor at HEC-ULg, has recently been appointed to hold this new chair.

Sowecsom's support can take the form of loans or participations in the capital of social enterprises. A broad range of sectors are targeted: agriculture, health, housing, recycling, work integration, fair trade, etc. The Walloon government also gave the mission to Sowecsom to specifically support work integration social enterprises (ETA, EFT, OISP, etc.) through loans. Thanks to Sowecsom's support, social enterprises can invest in their development and professionalize their activities. In 2009, 156 social enterprises received such support, for a total amount of 35 million euros (loans and shareholding).

**The SRIW-Sowecsom Chair « Management in the Social Economy » develops activities around the three traditional areas of academia: teaching, research, and services to the community.**

In terms of teaching, the Chair actively participates in the organization of the new specialization program in the Management of Social Enterprises. Two courses are directly linked to the Chair's activities: « Social innovation and organizational diversity » and « Governance in social enterprises ». A doctoral seminar will also soon be proposed, in partnership with the Cera Chair in Social Entrepreneurship, to the increasing number of PhD students involved in the study of social enterprises and the social economy at HEC Management School and beyond. The Chair also supervises several students for their internships and master's theses, most of which relate to social enterprises in the areas of health, work integration and fair trade. Finally, the Chair should be instrumental in the extension of the specialization in at least two directions: its internationalization, through the creation of a European Master in Social Enterprise; and practitioner-oriented teaching, through the development of executive education in this area.



## Chair Management in the Social Economy

SO W E C S O M  
G R O U P E S R W

In terms of research, several projects are currently coordinated by Benjamin Huybrechts, often in collaboration with other scholars and PhD students from the Center for Social Economy and Ciriec (International Center of Research and Information on the Public, Social and Cooperative Economy). These projects deal with management issues facing social enterprises, such as:

- the different organizational/business models for social enterprises – in this context, the Chair recently organized a conference by Dennis R. Young, Georgia State University and Doctor Honoris Causa of the University of Liege, on “The stability of alternative forms of social enterprises”.
- the role of social enterprises in fostering social innovation through the creation of new markets and organizational models (eg. fair trade, renewable energy sources, local supply chains, etc.)
- the governance of social enterprises (professionalization of Boards, stakeholder dialogue, networks, etc.)
- the management of partnerships with public administrations (funding, regulation, etc.)
- the management of corporate partnerships (alliances, joint ventures, etc.)
- the management of performance and legitimacy in social enterprises. This was the topic of an international seminar organized early February 2011 at HEC Management School and gathering Belgian and British scholars, among which Alex Nicholls (University of Oxford) who gave a lecture on “The legitimacy of blended value accounting”.

Finally, the Chair aims to offer services to the community, through public lectures, press articles and consultancy for social enterprises and sectoral federations (eg. Belgian Fair Trade Federation, European Federation of Renewable Energy Source Cooperatives, etc.). This should enable to ground research and teaching within the realities of the sector, and to translate research findings into concrete outputs and recommendations meant to be useful to the sector.



SANDRA DELFORGE, HEAD OF CORPORATE RELATIONS DEPARTMENT, TALKED TO JEAN-PASCAL LABILLE, CHAIRMAN OF THE BOARD OF DIRECTORS OF THE SRIW (SOCIÉTÉ RÉGIONALE D'INVESTISSEMENT DE WALLONIE – WALLONIA REGIONAL INVESTMENT COMPANY) ABOUT THE RELEVANCE OF THE SRIW-SOWECSOM CHAIR IN MANAGEMENT IN SOCIAL ECONOMY.

# SRIW SOWECSOM

*Mr Labille, you graduated from the Management School in 1985. Since 2009 you have been in charge of the National Union of Socialist Insurers (Union Nationale des Mutualités Socialistes - UNMS). You are also the Chairman of the Board of Directors of the SRIW. What are the links between these two roles?*

These two structures and roles are quite distinct.

They have an element of social service in common (the members for the UNMS and the companies for the SRIW) as well as the requirement to have strict management standards that take into account the clients and look to the future.

*The SRIW (with 100% public shareholders) is often compared to Gimv (which has shareholders from both the public and private sectors and is listed on the stock exchange). What is the difference between them?*

The SRIW is a financial tool owned almost 100% by the Walloon Region (the other shareholder is Dexia) and is at the service of the Region, which appoints the managers and can entrust the SRIW with particular tasks.

*What is the added value you bring to companies as a public shareholder?*

Trust and stability, but we also bring them expert knowhow by our presence on boards of directors. We also give priority to jobs and social relations.

*Is it your mission to achieve major added value on your participations?*

Certainly, although this is not our prime task. The results are part of the operational process of SRIW, which must be financially self-sufficient.

*One of the peaks of excellence of the HEC Management School is social economy. This year, we have established a specialization in this domain for Master's degree students and we have created a SRIW-SOWECSOM Chair in Management in Social Economy. This professorship will allow the Social Economics Center and the CIRIEC (International Center of Research and Information on the Public, Social and Cooperative Economy), two internationally renowned centers, to develop their teaching and research. After the first year of this collaboration, which has been highly successful with the students, what are your impressions?*

I am delighted, because the social economy is an important development vector for a region. This collaboration via the new professorship offers extremely interesting prospects in this field, as can be seen from the students' interest.

*Both in Solidaris and in the SRIW, you have with you numerous alumni of HEC-ULg. Pierre Annet (1987), Secretary General of Solidaris, comes to mind in particular, as does Sébastien Durieux (1994), Vice-Chairman of the SRIW. What is more, for several years you have been teaching a final-year course at the Management School of the University of Liege. How do you see the evolution of our students' training?*

It is adapting to international developments and is undoubtedly on a high level. I support the view that it must retain a practical aspect. One of the strengths of the Management School has always been the fact that many of its professors are also managing directors, lawyers, auditors, and so on.

The training must also contribute an extra "human dimension", which will make students into competent Individuals, not simply experts in EBITDA or cash flow.

Teaching has many challenges: a positive, critical approach, and a long term vision integrating the notion of sustainability, to name but a few!

# CSOM

## QUESTIONS WE TRADITIONALLY ASK OUR ALUMNI

*Which professor made a particular impression on you?*

Mr José MINSART. He gave me a taste for book-keeping and finance. I also took over his teaching post. He was a remarkable man in every way, and an outstanding human being.

*Have you any stories to tell from your time at the Management School?*

There are so many: The beer evenings at the Pierre Levée, the international football matches at Paris, the outings, and others that the statute of limitations prevents me from mentioning!!!!

*Each year, the SRIW invites prestigious lecturers. This year: Muhammad Yunus at Mons and Elie Cohen at the Management School of the University of Liège. Could you reveal the names of future guest lecturers?*

These high level lecturers (STIGLITZ, KRUGMAN, YUNUS: all Nobel Prize winners) visit as part of the program of lectures organized in memory of the former chairman of the SRIW, Jean-Claude DEHOVRE, who died tragically early. One of the aims of these lectures is to attract high profile personalities to Wallonia to give their views on topical questions.

The next lecture will be held on 10 October at Liege and the speaker will be none other than Mikhail GORBATCHEV.



# DELOITTE CHAIR IN PORTFOLIO MANAGEMENT AND PERFORMANCE



Nowadays, in all areas of management including finance, it is generally considered natural to draw a clear line between making investment decisions and monitoring their effectiveness.

In recent years, not without some suffering, financial institutions have applied this principle to the area of risk management, which has become a discipline in its own right, particularly since the harsh lessons learnt following the 2008 banking and financial crisis.

However, in one area of finance the golden rule of a clear line between management and surveillance is not so well defined: that of performance, adjusted to risk, in the context of financial portfolio management. At the present time, when the European Union is frenetically passing new legislation to clarify the management criteria for UCITS and hedge funds, and when mechanisms to protect consumers of financial services are being strengthened, the establishment of performance criteria for a portfolio and the communication of these to investors is still too frequently an arbitrary matter.

The reasons for this delay may be, on the one hand, the complexity of portfolio management methods and the systems for measuring risk that must be associated with it and, on the other hand, insufficient training on the importance of independent surveillance and clear

communication of the way a portfolio has been managed. This insufficiency can be perceived in investors, as is only natural, but also in management professionals, who often feel neither the desire nor the need to consider establishing appropriate measurements to gauge performance.

Deloitte Belgium and Deloitte Luxembourg share this perception with the researchers of the Peak of Excellence in Asset & Risk Management at HEC-ULg. One of the issues in the development of portfolio management is clearly linked to the quality, not just of the management of the financial assets, but also of the way they are assessed and the results communicated. It is indispensable to get in early before this development and to try, as far as possible, to avoid the accidents and wrong directions which would be sure to appear in the future if this problem were not treated seriously and rigorously.

Thus, after having established a relationship of lasting trust via 10 years of collaboration with the financial management service, in 2011 HEC-ULg, Deloitte Belgium and Deloitte Luxembourg created the Deloitte Chair in Portfolio Management and Performance. This Chair, under the guidance of **Professor Georges Hübner** (see picture), takes advantage of tested research and teaching materials. As a result, various innovative performance measurements (the generalized Treynor ratio, the standardized information ratio, the corrected alpha for market timing, etc.) that have been developed and diffused in the framework of the Chair have now become part of practice. The Chair also produces important teaching materials in the form of books such



Yves FRANCIS, *Managing Partner, Deloitte Luxembourg* ; Laurent WEERTS, *Partner, Deloitte Belgium* ; Raymond KRAWCZYKOWSKI, *Partner Tax Deloitte Luxembourg* with Thomas FROEHLICHER, *Director General & Dean, HEC-ULg*, during the conference «What capitalism for tomorrow? Innovation and Finance» organized by HEC-ULg in Brussels.

as *Portfolio Management* to be published in 2011 by De Boeck and *Portfolio Performance* published in 2010 by Pearson, and of executive training programs in Luxembourg, London, Singapore, etc.).

This intense collaboration between the partner institutions is crystallized via a form that has been already tried with success in the past. For example, David Berners, a doctoral research student, began his doctoral studies at HEC-ULg while at the same time acquiring precious practical experience within Deloitte consultancy teams. This system, which of course will result in a very applied research program, will guarantee constant concern for the pertinence of company actions, while maintaining the research team's complete freedom of action. Thus the first research subject defined in this framework is linked to an essential problem: the impact of classing and pricing by the managers of UCITS on the behavior of managers and investors. The objective here is to distinguish between behavioral tendencies and the intrinsic qualities of fund managers by establishing criteria that are adapted to the risks that are actually taken following the publication of these classifications.

**As a basic objective, the progress the Chair seeks to make in the field of portfolio management should be useful to the community.**

Through the work they do and the visibility they will achieve, the partners intend to become opinion leaders in a field which we can be sure will remain worthy of discussion in the years to come. In view of its role in society, HEC-ULg must anticipate the development of portfolio management in tomorrow's finance, but also change its direction. Research projects in the field of finance are not exempt from this principle and in this way we hope to make at least a small contribution to reconciling our fellow citizens with the world of finance that has been so vilified over the last few years, both rightly and wrongly.



## Events & News

### Kuala Lumpur March 1st, 2011

Thanks to AWEX, signing of a partnership agreement with Net Academy, continuous training provider, concerning a training program called Postgraduate Degree in Advanced Management



**Jean-Claude Marcourt**, Minister of the Economy in the Walloon Government; **Mr Chong**, CEO of Net Academy; **Philippe Delcourt**, Trade Commissioner for Malaysia, the Philippines and Brunei, Invest in Wallonia Representative for Singapore and Indonesia, Liaison Officer Asian Development Bank; Alumni HEC-ULg



**Maurice Olivier**, President of the Board of Governance of HEC-ULg and **Mr Chong**, CEO of Net Academy

## Accenture Chair in Sustainable Strategy - First annual conference January 27, 2011 - BOZAR, Brussels

The evening was presented by **Nathalie Marly**, Marly Productions

General view of the guests at the reception



**Press conference organized by HEC-ULg  
February 22nd, 2011**

**Guy Quaden**, Governor of the National Bank of Belgium and guest Professor at the University of Liege, speaks to the press with **Bernard Rentier**, Rector of the University of Liege, and **Thomas Froehlicher**, Director General and Dean of HEC-ULg



**Lecture by Guy Quaden, Governor of the National Bank of Belgium, and by Jean-Claude Trichet, Chairman of the European Central Bank:  
«Prospects and challenges for the Belgian and European economies»**

Organized by the NBB to coincide with the presentation of the Annual Report, and by HEC-ULg in honor of Professor Guy Quaden's academic career

February 23rd, 2011, Liege Convention Center



**Bernard Rentier**, Rector of the University of Liege;  
**Guy Quaden**, Governor of the National Bank of Belgium;  
**Didier Matray**, Regent at the National Bank of Belgium, Barrister at Liege, Cologne and Paris

**Melchior Wathelet Sr**, Minister of State, President of HEC-ULg Advisory Board, introducing the lecturers to an audience of 1,500 ...

...in cheerful spirits

## At the launching of the SRIW-Sowecsom Chair in Management in the Social Economy

Lecture by Professor Dennis R. YOUNG, Andrew Young School of Policy Studies, Georgia State University, Doctorate Honoris Causa in 2010 from the University of Liège: “The Stability of Alternative Forms of Social Enterprises”

April 28th, HEC-ULg - CIRIEC



Professor **Jacques Defourny**, Director of the Center for Social Economy, HEC-ULg; **Benjamin Huybrechts**, Assistant Professor, Center for Social Economy; **Linda Lavanche Serra**, **Sybille Mertens**, Associate Professor, Center for Social Economy, Cera Professorship in Social Entrepreneurship; **Dennis R. Young**, Andrew Young School of Policy Studies, Georgia State University.



**Dennis Young** and **Albert Corhay**, First Vice Rector of the University of Liege

## HEC-ULg Entrepreneurs Jury of the “Growth Strategy” Program

March 3rd, 2011 - Colonster Castle



From left to right: **André Leclercq**, ArcelorMittal; **Philippe Felten**, CEO, BEA sa, Chairman of the Jury; **Stéphanie Bovy**, Starters Director, BECI



**Olivia Santus**, Strategic Intelligence Coach, ASE; **Sophie Vossaert**, Program Manager; **Loïc Pequignot**, Chairman, Windeo, Chairman of the Jury; **Maurice Olivier**, Chairman of the Group for HEC-ULg, Scientific Director of the Program; **Philippe Felten**, CEO, BEA sa, Chairman of the Jury; **Stéphanie Bovy**, Starters Director, BECI – in front of the logo of PwC, partner of HEC-ULg Entrepreneurs



Lecture by  
**Christophe NAVARRE**,  
 President and CEO of  
 Moët Hennessy - LVMH,  
 Patron of Graduation  
 Year 2010-2011,  
 Alumni HEC-ULg:  
 “How to Succeed in Creating a  
 Worldwide Brand”

Distribution of Prizes and Grants

April 1st, 2011 - HEC-ULg



From left to right: **Charles de Ponteves**, General Manager of Moët Hennessy-LVMH Benelux; **Christophe Navarre**, President and CEO of Moët Hennessy-LVMH; **Denis Claikens**, Human Resources Development Manager, CBC; **Jacques Spelkens**, CSR Manager for Belgium, GDF Suez; **Bernard Rentier**, Rector of the University of Liege; **Thomas Froehlicher**, Director General and Dean, HEC-ULg



**Jean-Pascal Labille**, Secretary General of the UNMS and **Winnie Zhang Wei**, student, beneficiary of the Solidaritis Grant



**Michel Henrotin**, Vice Chairman of the Prayon Commercial Network, congratulating student **Anas Houzali** on receiving a Prayon Grant



**Laurent Bodson**, Assistant Professor of Finance, HEC-ULg; **Benjamin Huybrechts**: Assistant Professor, HEC-ULg, both CBC Prize winners, and **Denis Claikens**, Responsable du Département Crédits, CBC

# GAMBIT- HEC-ULg

## THE WIN-WIN OF A PARTNERSHIP



**Geoffroy de SCHREVEL**  
CEO of Gambit  
Financial Solutions  
[www.gambit-finance.com](http://www.gambit-finance.com)

**GAMBIT FINANCIAL SOLUTIONS  
HAS BEEN CREATED IN 2007 AS A  
SPIN-OFF OF HEC MANAGEMENT  
SCHOOL - UNIVERSITY OF LIEGE.**

We supply to the financial industry software solutions that help provide a better service to people willing to invest their savings in other instruments than poorly rewarding savings accounts. During our first years of operation, we have developed an investor risk profiling tool and a portfolio optimisation system. Both are based on published research and algorithmic optimisation developments by academics and researchers from HEC and University of Liege.

Today the company markets an investor profiling software (WealthExpert), a portfolio optimisation solution (FolioMaster) and a performance and risk analysis tool (FolioReporter). These solutions and tools are accessible as software. Some of the functionalities are also available as a service.

### GAMBIT IS UNIQUE IN SEVERAL WAYS

We adopt an innovative approach to financial risk. We offer the capacity to extend to every consumer the benefits of advanced and efficient tools normally confined to professional investors. We provide a measurement of risk that goes beyond what is traditionally offered by mainstream banks and that takes into account what is usually chastely ignored: a crisis is always around the corner. We use the same principles to identify an investor risk profile and to optimise a portfolio; we create an organic link between an investor profile and the

investment advice that is provided. At Gambit we advocate a new approach where investment is managed to fit the desired way of living of investors. We help optimise risk in function of investors' life-style. Returns are optimised after this best fit has been reached. We believe that many investors want their investment to match the way they live rather than to see their way of life completely shaken by the behavior of their investments.

This can substantially improve the well-being of every investor, small and large, traditional and more sophisticated; it also gives better tools to institutions focused on socially responsible investments, such as micro-credit institutions, to better manage their allocations of loans and therefore extending to more people their lending capacities. But it is clear that this affects a few habits and is disturbing a few comfort zones of the financial industry. Therefore the robustness of the scientific foundation of our software solutions is critical. It must be proven and persistent over time.

“ *This is why we are absolutely convinced and committed to our partnership with HEC-ULg. The on-going ties with prominent academics and researchers are key to constantly ensure our solutions are rock-solid.* ”

GAMBIT-HEC



Let's face it, we live in a very competitive environment and Gambit needs to constantly innovate to remain ahead of competition. Our innovation stream comes from two sources: new requirements from our clients and development in finance theory. We constantly combine, and sometimes confront, these two sources in order to come up with innovations that are robust and pragmatic. Our proximity with HEC-ULg offers a win-win opportunity.

**“ We provide to students, researchers and even professors (!) an environment where they can directly test the theory they are working on with the ferocious reality of the business. ”**

But isn't the "B" of business in the "C" of HEC? And we, at Gambit, we benefit from the "HE" of HEC as a source of excellence, inspiration and competitive differentiation.

Indeed we have made the strategic choice of focusing our development on solutions that ultimately deliver strong added-value to the clients of financial institutions, whether they are retail or professional investors. And this is much more difficult to execute than to write. Particularly when it comes to exporting these solutions across Europe (as a start). We are already active in four countries - Luxembourg, France and Switzerland beyond our home market. In each of these markets

we are building our brand by positioning Gambit as a company that brings software and also expertise to the community. Here again, words are insufficient. Therefore we are paying particular attention to the quality and the knowledge of our collaborators in all our departments, whether marketing, sales or IT. We are also keen to explain that, although we have passed the level of a pure spin-off, our partnership with HEC-ULg is a guarantee of a continuous feed of quality innovation.

## ENTREPRENEURIAL SPIRIT

As important as our commercial developments, our success is clearly linked to the entrepreneurial spirit that motivates everyone working at Gambit. In the recent past, we have offered to a number of high-quality HEC-ULg students the possibility to experiment first-hand the excitement and the challenges of developing a young company for a market that goes well beyond the regional boundaries naturally associated with HEC-ULg. We are very pleased that several of them have embraced this entrepreneurial spirit, and have chosen to start their professional live with us. This is clearly a win for Gambit but also, I believe, a subject of pride for HEC as it demonstrates that the school, indeed, transfer and improve knowledge, but also that it moulds entrepreneurial attitude.

**A win-win again !**



# A JOINT CHAIR IN DIVERSITY MANAGEMENT

A DYNAMIC AND CONSTRUCTIVE PARTNERSHIP BETWEEN THE ACADEMIC WORLD AND EMPLOYERS IN THE COMMERCIAL AND NON-COMMERCIAL SECTORS

*HEC-ULg has founded a joint Chair in Diversity Management, with the University of Hasselt. This Chair is held by Professor Annie Cornet, EGID (Studies on Gender and Diversity in Management), HEC-ULg and by Patrizia Zanoni, Director of the SEIN Centre (Identity, Diversity & Inequality Research), at the University of Hasselt.*

*This joint Chair is embedded in a larger network of diversity scholars: EGID collaborates with the AFMD, the French Association of Diversity Managers, and Prof. Annie Cornet is on the Steering Committee of the “Diversity and Interculturalism” Chair of Paris Dauphine, where she offers courses and training programs for diversity managers. Both EGID and SEIN are two of the founding partners of EqualDivNet, a regional research network on diversity including the Catholic University of Leuven, Lessius Hogeschool and Tilburg University (the Netherlands).*

In the last decade, diversity management has become increasingly common in our country. Companies have been more consciously dealing with the challenges of an ever more heterogeneous workforce and consumer markets. On the one hand, they need to create new visions, culture and practices that are able to attract, motivate and keep personnel with increasingly heterogeneous backgrounds, needs and expectations. On the other, they need to find ways to valorize a wider range of competencies and knowledge necessary to develop goods and services that meet the increasingly diverse needs of a heterogeneous consumer market.

Diversity policies and programs aim at creating organi-

zational environments in which employees can perform to their potential independent of their gender, ethnicity, language, religion, ability, age and sexual orientation.

**Diversity management is today not only seen as ‘the right thing to do’ from an ethical perspective, but also from a business one, as difference-friendly organizations are expected to perform better by capitalizing on all their employees.**

Despite this growing interest, there is a dearth of literature on diversity management practices suitable to Belgian companies. The current diversity management literature is largely based on North American compa-

A JOINT CHAIR



© Nathalie Hosay

nies' experience with diversity management. Such experience reflects the specific U.S. historical and institutional context and is not easily transposed elsewhere. For instance, classical diversity management practices assume that people can be legally easily classified into 'races' or ethnic groups, yet this is not the case in Belgium. They are further highly 'formal' and 'visible', as they might be used to prove that a company is an equal opportunities employer in law suits, yet our country lacks a legal case culture comparable with the U.S. one. Finally, they target individuals, neglecting the role of trade unions, which in the Belgian context are often important stakeholders.

In the frame of the joint Chair, priority areas are identified in consultation between the academic and partners companies. One of the aims of this Chair is to carry out scientific research to meet the needs and answer the questions of businesses, and to put in place management tools which can be used by actors in business.

#### THE CHAIR ALSO ADDRESSES:

- Gender: men as well as women are victims of stereotypes, sexualized representations which structure and justify segmentation, hierarchization and exclusion
- the situation faced by people of foreign origins, sometimes called visible minorities, with regards to employment but also as consumers, and users who can make organizations, products and services evolve
- the professional integration of disabled people
- the prospects for workplace integration for different age categories (young people, forty-somethings, and seniors).

The Chair also addresses actions undertaken around the theme of **social responsibility**, defined as the voluntary integration by employers of social concerns within their commercial activities and their relations with their stakeholders, which includes diversity management policies.

# CHAIR

# EgiD

EgiD is a research centre of HEC-ULg. It was created in 2000 by Prof. Annie Cornet within the Management and HRM Department. This research centre carries out research, training and consultancy work relating to diversity management, both for the public and the private sector. It is the only research centre working on this subject in a school of management in the French-speaking part of the country.

Since 2005, EgiD has been a partner of the Diversity Consortium in Wallonia. The consortium has organized numerous colloquia and other events relating to diversity management, including the Diversity Award of the Walloon Region. To date, this collaboration has produced two handbooks devoted to good practices and several other publications, some of them academic and others still aimed at professionals.

Annie Cornet teaches a course on diversity management in the Master's program at HEC-ULg. This course is also taught in Neufchatel (Switzerland) and in Amiens.

Several activities have been carried out in collaboration with numerous Belgian companies, associations involved in equal opportunities for men and women and/or the integration of foreign and disabled people, federal and regional public services, provinces through the equal opportunities services, the City and the Province

of Liege, the federal Institute for Equality between Men and Women and the federal Centre for Equal Opportunities and Action against Racism.

EgiD is one of the consultants registered with the Walloon Region for granting subsidies for diversity. As a registered consultant, it is involved in the Diversity and Equality Federal Label, awarded by the Ministry of Employment and Labor.

EgiD is a partner of the Gender and Diversity Group of the AGRH, the international French-speaking association of academics in human resources. This group gathers regularly in Paris to exchange views on practices and research. It collaborates with the AFMD, the French Association of Diversity Managers, and is on the Steering Committee of the "Diversity and Interculturalism" Chair of Paris Dauphine, where it offers courses and training programs for diversity managers run by Professor Jean-François Chanlat (see below).

EgiD is also one of the founding partners of EqualDivNet, a regional research network on diversity including SEIN and other partners at the Catholic University of Leuven, Lessius Hogeschool and Tilburg University (the Netherlands).



# SEIN

IDENTITY, DIVERSITY & INEQUALITY  
RESEARCH, HASSELT UNIVERSITY



SEIN is one of the nine research institutes of Hasselt University. It is embedded in the Faculty of Business Economics offering bachelor's and master's programs in applied economic sciences, business engineering, and business engineering in management information systems. Founded in the mid-1990s as the institute for behavioral sciences to carry out a broad range of socio-economic research, today SEIN focuses its activities on the themes

of identity, diversity and inequality. At present, it counts fourteen members including twelve researchers and two administrative staff. Since the beginning of 2009, SEIN has been led by Prof. Dr Patrizia Zanoni, whose research on diversity has been published in various reputed international academic journals and awarded two prizes at the Academy of Management, the world's largest academic association for management studies, in 2007 and 2009. Its fundamental and policy-oriented research

is organized around three thematic clusters: Work and organizations - Education - Belgian society.

In recent years, SEIN has conducted policy-oriented research projects in collaboration with Toyota Belgium, Borealis, Janssen Pharmaceutica, Umicore, PriceWaterhouse Coopers, federal public agencies (e.g. the Belgian Ministry of Employment), the Ministry of the Flemish Community, the Province of Limburg, the City of Hasselt, the French-speaking Community, the Institute for the Equality of Women and Men, and other Belgian universities and colleges.

SEIN is member of the consortium of the University of Antwerp and Hasselt University in the Flemish Center for Policy on Equal Opportunities. The institute is one of the founding members of EqualDivNet, a regional research network on diversity including the University of Liege, the Catholic University of Leuven, Lessius Hogeschool and Tilburg University (the Netherlands). SEIN also coordinates SOFIA, a network and training program for female entrepreneurs.

# OINT CHA

**Jean-François CHANLAT**, Professor of Organizational Sciences at the University Paris-Dauphine, Jean-François Chanlat is an international specialist in intercultural management. Author of numerous articles about diversity, he is notably the author of «Management in an Intercultural Context» (with Eduardo Davel and Jean-Pierre Dupuis). He directs the Executive MBA at Dauphine and is co-responsible for the Masters in Intercultural Management. He has developed an anthropological vision of organizations.



He was at HEC-ULg last May for a conference on the intercultural in business and for a research seminar on critical management studies with Matt Alvesson, Professor of Organizational Studies at the University of Lund in Sweden.

Jean-François Chanlat co-wrote the textbook «Gestion en contexte interculturel» with Eduardo Davel, and Jean-Pierre Dupuis, (Eds), published by the Laval University Press, which was awarded the 2009 Special Prize for business publications (in the teaching publications category), Quebec, Canada.. François-Albert Angers Prize, HEC-Montreal, 2009.

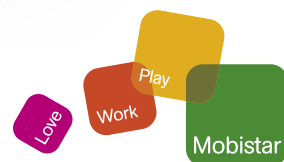
## MOBISTAR RECRUTE

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votre métier ”

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### New quality recognition for HEC-ULg

After having received last February EPAS accreditation for two of its programmes (the doctoral programme and the *Masters in Management Sciences*), HEC-ULg is now a member of the 'Conférence des Grandes Ecoles' (CGE). Subjected to a rigorous auditing process, we fully satisfied the membership criteria. The 'Conférence des Grandes Ecoles' in particular brings together the major French Business Schools which have for several years been ranked in the top places of the league tables of Masters in Management on a world scale

### Meeting with Elmar Mock, Director of Creaholic and co-creator of the Swatch (1)

Just recently, the ID-Campus team invited a number of partners (*IGRE, SPI+, Dialectiq, Consulteam, HEC, and Saint-Luc*) to join them in visiting Creaholic (Switzerland), an innovation company situated in an open, calm and well lit former soap factory, full of "play rooms" in which unusual projects are conducted by a whole range of diverse teams. This was an opportunity to meet **Elmar Mock**, one of the **creators of the Swatch**, a man with a permanent revolution going on inside him (photograph).

The participants were able to discover an operating system and a **single governance** method based on the sharing of risks and profits, responsibilities and shareholding, and on transparency. "An organized chaos in which responsibility is given to people and not to the structure"! Creaholic is perpetually in movement and its **capacity for change is amazing**. No one knows what the next day holds in store, yet everyone stays on!

*It goes without saying that ID-campus came out of Creaholic with their heads bursting with ideas!*

1



### Francqui Chair 2010-2011 (2)

In March-April 2011, the Francqui Foundation invited **Pierre A. Michel**, an emeritus Professor of the Management School of the University of Liège (1), to take up a Francqui Chair granted to the University of Mons, and to organize a series of lectures in his specialist field: Accounting and Finance.

He asserted that the fundamentals of a company constitute the keystone of financial analysis and showed that the introduction of IAS-IFRS standards makes processing of accounting information more complex. The repercussions of these standards are so great, Prof. Michel says, that they amount to a "culture shock" for analysts. He examined the issues involved and the reasons behind the emergence of the concept of "fair value" as the central convention of the IAS-IFRS model.

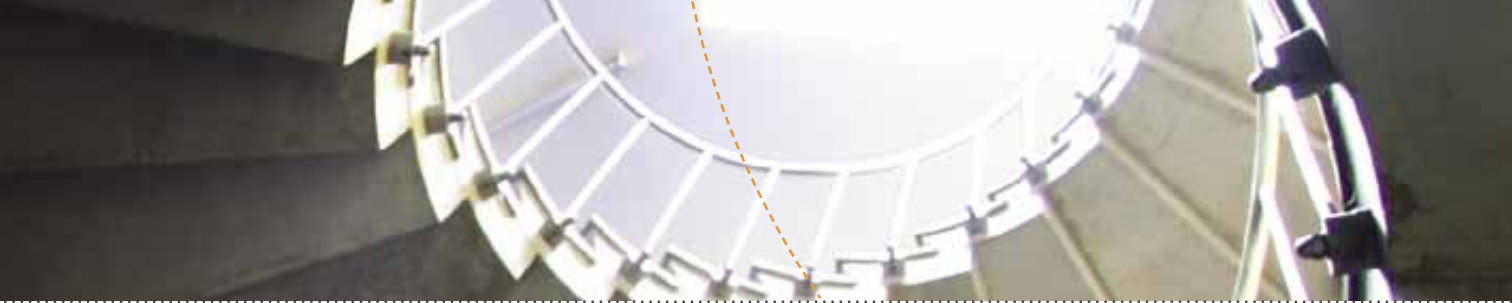
In the second part of his teaching, Pierre A. Michel argued that business valuation must take financial theory into account. Thus he holds that two conceptions of financial analysis with regard to valuation now co-exist: a "modest" conception based on actuarial models (without optimization); and an "ambitious" conception, mainly based on capital asset pricing and factor models. This approach led him to reexamine the theory of investments and, in particular, the question of the equity premium puzzle, and to devote a major part of his talk to value creation or destruction.

(1) Pierre A. Michel is at present Professor of Financial Accounting (ULB) and Member of the High Council for the Economic Professions

2







### When one alumni invites another (3)

**Jean-Pascal Labille**, Secretary General of the Union Nationale des Mutualités Socialistes, Chairman of the Board of Directors of SRIW (*Société Régionale d'Investissement de Wallonie – "Wallonia Regional Investment Company"*), welcomed **Gaëtan Servais**, Director General of Meusinvest, former student of HEC-ULg, as part of his course entitled "Detailed Accountancy and Practical Dossiers".

Gaëtan Servais spoke on the vision of a financial institution such as Meusinvest for the Walloon economy and the development of Wallonia in general.

### The film director Patricio GUZMÁN at HEC-ULg (4)

On March 1st, **Patricio Guzmán**, the Chilean and Spanish film director who filmed *Pinochet's coup d'état* live in September 1973, was at HEC-ULg for the showing of ***Nostalgia de la luz***, the Official Choice of Cannes 2010, which received the Prize for the Best European Documentary awarded by the European Film Academy 2010.

The showing of the documentary filmed in the Atacama Desert in the north of Chile attracted 400 people and was followed by a bilingual debate during which the spectators had the opportunity to dialog with the film director. Ever since he went into exile, Guzmán has been constantly confronting his country with its past. In *Nostalgia de la Luz*, a true panegyric of memory, he revisits the ghosts of the dictatorship.

After the session, the students of **OIC** (*Organisme d'Intérêt Collectif – "Body of Common Interest"*)

**Horizons** of HEC-ULg offered light refreshments with profits going to their development projects.

### New Doctors

HEC-ULg has four new Doctors:

**Christina Constantinidis:** *"The diversified realities of female entrepreneurs explored through a gender perspective: women and business creation, succession, financing and networking"*.

**Yan Alperovych:** *"Essays on the efficiency and performance of venture capital and private equity"*.

**Isabelle Corbisier:** *"Autonomy and organization – essay on the bases of comparative commercial private law"*.

**Mélanie Antoine:** *"Managing network ambidextrousness. The case of innovation partnerships between companies and universities co-financed by the regional public authorities"*.

### HEC-ULg on the international stage

HEC-ULg was appointed to represent the University of Liege (Wallonia-Europe Academy) at the APAIE Conference in Taipei (Taiwan) on March 8<sup>th</sup>. This international meeting in Asia was a unique opportunity to strengthen our relationships with and in Asia.

HEC-ULg was present at the Poznań International Fair in Poland from March 4<sup>th</sup> to 6<sup>th</sup> to promote their master's degree courses.

The School also participated in the International Education Fair *Education Beyond Borders*, which took place in the National Palace of Culture in Sofia (Bulgaria). This Fair is the biggest educational event in Bulgaria, with the aim of bringing together representatives of education from all around the world. Around 8,000 people attended this event.

Represented by our international relations coordinator Gunther Vranken, HEC-ULg caught the attention of the Bulgarian television TV *Evropa* (link to the interview at [http://education-world.eu/video\\_03\\_2011.php](http://education-world.eu/video_03_2011.php)).

3



4



Thomas Froehlicher, Director General and Dean, HEC-ULg  
 Patricio Guzmán, Director of *Nostalgia de la Luz*  
 Nicole Grutman, Professor, Organizer of the evening

## Tax Institute (5)

On the 19th and 20th May 2011, a taxation congress was held at the Palais des Académies in Brussels, for the third consecutive year. This time, the theme was "Beyond Discrimination: The role of the ECJ case-law in the international division of taxing powers in the area of direct taxation". This year, the cooperation between the Law Faculty of the UCL (Prof. E. Traversa) and the Tax Institute of the University of Liege (Prof. I. Richelle) extended to the Max Planck Institute for Tax Law and Public Finance (Prof. W. Schön, Germany).

About one hundred participants, originating from four continents, met around an international panel of speakers. They discussed a new trend of the European Court of Justice, which seems to be adopting a slower pace in comparison to its previous discrimination approach (as applied in the direct tax field) by increasingly allowing differences in tax treatment between domestic and cross-border situations to be justified by the "balanced allocation of taxing powers between Member States", often combined with the need to prevent tax fraud and tax abuse.

The Court seems indeed reluctant to push its new approach further, i.e. to recognize the existence of general criteria for allocation of taxing powers between EU Member States. Recent cases show that the consequence of this on the protection of EU taxpayers' rights is that national tax measures restricting economic freedoms seem to be more easily accepted by the ECJ. In the long run, this could jeopardize even what is now still considered as an integral part of the *acquis communautaire*.

This theme was explored in detail through a number of different presentations devoted to specific issues: "Source, Residence and Citizenship in the ECJ case-law", "The Role for the Avoidance of Double

Taxation in EU Tax Law", "International Profit Allocation in the Domestic Market", "Cross-border Loss Compensation", "Group taxation in the EU: unitary vs per-country approach", "Territoriality of Tax Incentives", "Fiscal Recognition of Foreign Entities and Foreign Legal Systems".

The Congress was followed by an afternoon focussing on the recent developments in the implementation of European tax law in Belgium.

## Publications (6)

Annie Cornet (EGiD - Studies on gender and diversity in management, HEC-ULg) and Philippe Warland (CRIPEL - Liege Center for the Integration of Foreign Persons or Persons of Foreign Origin) have just published the second edition of the practical guide to diversity management in human resources (published by Editions ULg), presented during a conference - debate on the theme of "Social consultation, a tool for the management of diversity?", moderated by Annie Cornet, Ordinary Professor at HEC-ULg. Other participants were Thierry Bodson, Secretary General of the Walloon FGTB Trade Union; Marc Becker, National Secretary of the CSC (Confédération des syndicats chrétiens - Confederation of Christian Trade Unions); Charles Istasse, Secretary General of the Entente Wallonne and Political Advisor at the FNUCM (Fédération nationale de l'Union des Classes Moyennes - National Federation of the Union of the Middle Classes), and Jacques Pèlerin, General Director Country for the Walloon Region of ArcelorMittal, President of the executive committee of the GRE.

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