



SPOTLIGHT

Business Schools & Doctoral Education

Featured School:

Goethe Universität Frankfurt, Johannes Gutenberg Universität Mainz, and
Technische Universität Darmstadt

Graduate School of Economics, Finance, and Management
Frankfurt, Germany
www.gsefm.eu

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Graduate School of Economics, Finance, and Management

The Graduate School of Economics, Finance, and Management (GSEFM) is a graduate school with an interdisciplinary focus offering doctoral and research-oriented master programs, created through a collaboration between Goethe Universität Frankfurt, Johannes Gutenberg Universität Mainz, and Technische Universität Darmstadt.¹ According to the GSEFM's Dean Michael Binder, it was established to create an *Anglo-Saxon* style of doctoral program delivery within Germany, something which he felt was sorely missing in the country.

"We had noticed that many aspiring doctoral students in Germany took a similar path - leaving for the United States and enrolling in one of the premier PhD programs there," says Dean Binder. "This brain drain, as well as the lack of recruitment of high-caliber international doctoral students, was a significant obstacle in moving our faculty forward."



To rectify this, in came the GSEFM. The GSEFM offers doctoral education in the fields of economics, law, and business administration, with research centered around institutions (their design, preferences, behavior, and interactions) and an interdisciplinary approach. The five PhD programs are complemented by five corresponding, research-oriented Master Programs in Quantitative Economics, Quantitative Finance, Quantitative Economics and Law, Quantitative Management as well as Quantitative Marketing, collectively called MSQ Programs.² The vision of the GSEFM is to establish the premier center in Europe for research-oriented doctoral education.

FORMATION

Dean Binder says Johannes Gutenberg Universität Mainz and Technische Universität Darmstadt are not just in close geographic proximity to Frankfurt, but bring specific areas of expertise to the collaboration with Goethe Universität Frankfurt. Darmstadt is particularly well known for its strength in engineering and the sciences at large, and it is one of the German institutions with the strongest focus on the pursuit of



technology,³ according to Dean Binder. Similarly, Mainz has a number of accomplishments, also related to the sciences, but also carries a strong focus on the humanities.⁴ For both Darmstadt and Mainz, however, their economics and business administration departments were not very large and had been unable to draw sufficient support to offer their own PhD programs. As both schools had an interest in developing a PhD in the area of economics, the

conversation began of a collaborative effort with Goethe Universität. Dean Binder explained that while Goethe Universität had been able to offer the PhD program in economics on its own since that program's launch in 2004, expanding to five separate doctoral programs with in-depth second-year coursework was facilitated by the assistance of Darmstadt and Mainz. The three universities agreed that the courses would all be held on Goethe Universität's campus in Frankfurt, to ensure that students did not lose time traveling between campuses, potentially disrupting the interactivity of the programs.⁵



Initial funding for the GSEFM came through the three faculties at the participating universities, with Goethe Universität additionally offering the facilities. For financing, the GSEFM currently utilizes a variety of sources. The states of Hessen and Rhineland-Palatinate provide funding for a significant fraction of the full-time faculty members, who in turn can typically support up to four doctoral students for both teaching and research. Other funding from the public sector is also available, for example through the German Research Foundation that provides funding to research schools in Germany, and through the LOEWE initiative of the state of Hessen supporting the development of scientific and economic excellence in Hessen.⁶ Finally, the GSEFM has received funding from the private sector through such organizations as CITI Foundation and various European banks and financial services companies, such as Axa Private Equity, ING-DiBa, and SEB Asset Management.

Beginning in Fall 2011, the GSEFM incorporated five PhD programs in economics, finance, law and economics, management, and marketing. The programs were designed to mirror the structure of the PhD program in economics that had previously been offered by Goethe Universität. The GSEFM offers a two-year cycle of courses for students arriving with a bachelor degree, with a fast-track option of only one year of course work for students arriving with a quantitative master's degree.⁷

Dean Binder considers the GSEFM doctoral programs similar in their design to top economics PhD programs in the United States. The GSEFM takes special care to create an easy transition from the course phase into the dissertation-writing phase. They do this through a focus on both research and presentation skills during the second-year coursework, as well as seminars designed to jumpstart dissertation research during the first year of the writing phase.

PROGRAM DETAILS

Admission into the program is determined based upon several factors. Students must demonstrate strong quantitative skills. This is shown through submission of a comprehensive application dossier, including transcripts, test score results, and letters of motivation. Students may apply from outside of the GSEFM disciplines, but must include a convincing reason for switching into the field. Additionally, students must supply letters of recommendation from previous faculty. They must at a minimum have

a bachelor's degree. Currently, the GSEFM has a wide mixture of applicants, some with a completed bachelor's, and some who have completed a master's degree. The current student intake is largely international, with approximately fifty percent of the student body being from outside of Germany. Dean Binder believes that having this international mixture creates a more stimulating learning and research environment. With such a high percentage of non-German students, the GSEFM takes special care to ease their transition into life in Frankfurt. The GSEFM assists with visa issues, provides guidance and advice for housing and health insurance issues, and offers an extensive orientation phase to help students acclimate to Frankfurt.⁸

Degrees are conferred from GSEFM jointly between the three partner universities. The three universities have a common set of rules and policies, allowing a student deemed worthy of the degree from the GSEFM to be granted it across the three partnering universities.

The GSEFM does not offer a part-time option for coursework. The belief held by the faculty of the GSEFM is that it is important to catch up with the research frontier with limited interruption. By offering the program in a full-time format, students must dedicate themselves wholly to their coursework, which, in the opinion of Dean Binder, creates a better learning environment. However, students are on occasion permitted to take brief breaks from the program, to take part in professional internships related to their areas of research.

"We have a number of students who take two to three months leave to do internships at policy institutions or banks. One of our strategic advantages is that Frankfurt is home to two central banks (the European Central Bank and the Deutsche Bundesbank), so our students get more opportunities for internships than in many other locations. We advise students to stay within the program during the dissertation stage but if someone would like to combine thesis work with a part-time and/or research-oriented professional position, that can work out as well if it is after completion of the coursework," Dean Binder says of GSEFM students.

INTERDISCIPLINARY

The GSEFM focuses on creating an interdisciplinary research environment. "A graduate school's interdisciplinary nature depends upon the level of interaction between the programs," says Dean Binder. All students, across all five programs, take part in the mathematics, econometrics and microeconomics courses of the first year in the program. Students there will gain a thorough understanding of the behavioral foundation of decision making by households, firms, and policy institutions. They also acquire the requisite skills to handle data and analyze it thoroughly. The GSEFM aims to ensure that all students have a common, research-level understanding of these topics.

Yet, beyond this first year coursework, the GSEFM boasts interaction between law and economics, as well as law and business administration. The GSEFM goes outside of the traditional standards and merges the more qualitative aspects of law with the

intensive, quantitative aspects of business administration and economics. This is notable via faculty collaborations, merged curricular offerings, and projects involving both law and business students.

Additionally, the GSEFM has a host of individual faculty members who branch out beyond traditional boundaries and work with faculty in fields such as history, geography and computer science. And, while there is no formal joint degree program where a student might substitute, say, a geography course for a business course, there is a very present level of interactivity between these areas within the partnership.



The GSEFM's primary facility.

One notable means for promoting interdisciplinary research and collaboration at the GSEFM is through the required dissertation. The GSEFM dissertation takes the form of a collection of multiple papers, as opposed to one, large single document (which used to be the standard in Germany). Students are asked to think early about placing these papers into journals. While having the papers published is not a requirement, the GSEFM finds that getting their student's work published earlier helps the students to produce research suitable for presentations at international conferences and to attract attention on the academic job market. Students are encouraged to collaborate with co-authors from different disciplines, including both other students and faculty members. A student could produce one paper in finance on their own, while co-authoring a paper in economics and law, working collaboratively with a law student.

PLACEMENT

Dean Binder notes that the single most important factor for the GSEFM is the placement record of its graduates. "Placement is also a good measure of how strong the research is, and the papers being produced. We aspire to be amongst the top institutions in Europe in terms of placement," he says. About fifty percent of the GSEFM's graduates go into academia. GSEFM, despite being a young school, has had graduates hired for junior faculty positions at Oxford, Cambridge, Columbia, INSEAD, Oxford, Xiamen, and other top universities around the world. About thirty percent of graduates have gone on to jobs in research-focused policy institutions, including the European Central Bank, Federal Reserve, and IMF. And finally, about twenty percent of graduates go on to careers in the private sector, typically within the financial industry, into roles such as analysts, consultants, and other positions.

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End Notes

¹Graduate School of Economics Finance and Management (2013). Founding Universities webpage, <http://gsefm.eu/gsefm-an-introduction/founding-universities.html>, accessed on May 8, 2013

²Graduate School of Economics Finance and Management (2013). GSEFM Degree Programs webpage, <http://gsefm.eu/gsefm-degree-programs.html>, accessed on May 9, 2013

³Graduate School of Economics Finance and Management (2013). Founding Universities webpage, <http://gsefm.eu/gsefm-an-introduction/founding-universities/technische-universitaet-darmstadt.html>, accessed on May 8, 2013

⁴Graduate School of Economics Finance and Management (2013). Founding Universities webpage, <http://gsefm.eu/gsefm-an-introduction/founding-universities/johannes-gutenberg-university-mainz.html>, accessed on May 13, 2013

⁵Graduate School of Economics Finance and Management (2013). Founding Universities webpage, <http://gsefm.eu/>, accessed on May 13, 2013

⁶Graduate School of Economics Finance and Management (2013). Founding Universities webpage, <http://www.excellence-initiative.com/>, accessed on May 8, 2013

⁷Graduate School of Economics Finance and Management (2013). Founding Universities webpage, <http://gsefm.eu/gsefm-degree-programs.html>, accessed on May 9, 2013

⁸Graduate School of Economics Finance and Management (2013). Founding Universities webpage, <http://gsefm.eu/gsefm-an-introduction/key-features-of-gsefm.html>, accessed on May 8, 2013