

FINANCIAL TIMES

Monday January 26 1987

Men and Matters

In practice

US professors do not often turn up in the back offices of the international securities markets. But Graciela Chichilnisky is one who has crossed the divide from the ivory tower.

Author of a recent book on international economics, Chichilnisky, 40, taught at the universities of California, Essex and Harvard, before becoming, in 1978, a professor of economics at Columbia University in New York.

But as well as studying the theory, Chichilnisky—who has directed projects for the UN and the World Bank — finds the realities of the financial markets exciting. On sabbatical from Columbia, she has become chief executive of Fitel, a new company which aims, in competition with some well-established organisations, to streamline the trading mechanisms of the increasingly global share and bond markets.

Fitel, she hopes, will be a money-making venture but it also underlines her belief in the practical application of academic work.

Four out of 10 international equity deals go wrong, Chichilnisky says, because of disagreements over exactly what has been sold by whom to whom. Fitel's system essentially replaces with computerised messages the many telephone and telex calls which follow a deal, and ensures that all the parties to it—as many as 10 in a single cross-border trade—agree on the details and on how the transaction should be settled.

Chichilnisky is a woman who likes to speak her mind: she unkindly compares the efforts of established stock exchanges at global clearing links to "a ring of dinosaurs joining hands and dancing together."