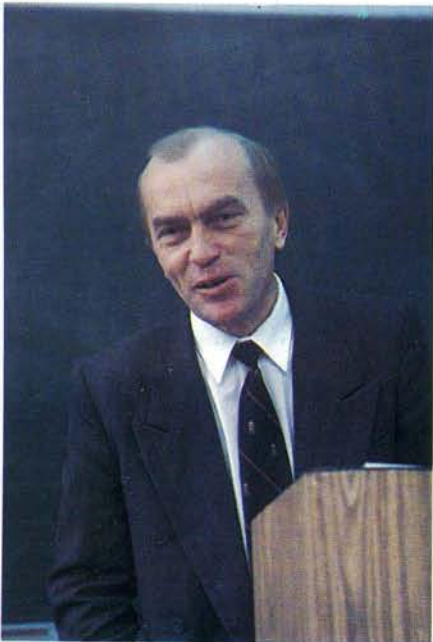


You are holding in your hands an issue of the magazine "The Master" which is published by the Baikal Educational Center of Irkutsk State University. This issue is addressed to students, businessmen and to those:

- who are interested in developing business education in modern Russia;
- who are preparing to be prosperous managers, bankers, and businessmen;
- who strive for improving their knowledge in the fields of international business and management.



When setting up the BEC in 1991 we predicted that the transformations which had begun in Russia demanded new experts who could meet world standards in the fields of business and management.

Five years of experience in dealing with hundreds of students and seminar participants have proved that one of the reasons for the difficulties which Russia faces today is that a majority of leaders have insufficient knowledge and experience, particularly in the fields of business and management. Often they do not understand or even do not want to understand this fact.

This is the first issue of this magazine in English. It is addressed not only to our students but also to foreign students, our colleagues from universities and business schools, and businessmen who are interested in developing business in Russia and who would like to understand this astonishing country better.

In this issue we tried to show different spheres of activities of the Baikal Educational Center. We look forward to gaining new partners from abroad after they have read this magazine.

With respect,

Vladimir Saunin

Director of the Baikal Educational Center



Irkutsk

State University

Irkutsk State University (ISU), the oldest institution of higher learning in East Siberia, was founded on 27 October, 1918. It is known as the father of higher education in the Irkutsk province.

The system of education used in the University has been developing for over 70 years. It involves fundamental scientific research and keeps abreast of modern theories in history, law, philology, social psychology, and management. The University offers 21 programs of study.

The University is known for its faculty. Out of 650 academics, there are 42 full professors, 385 associate professors, and 15 academician and corresponding members of the Russian Academy of Sciences. There are nine national prize winners and other distinguished scholars.

Irkutsk State University, one of the top ten universities and colleges in Russia, is the major scientific and educational center of Eastern Siberia, an area which is three times the size of Western Europe.

Irkutsk State University is affiliated with the International University Association. It has been actively involved in joint educational and scientific projects with many renowned educational institutions in the U.S.A., Germany, France, and China for example.

University of Maryland



The University of Maryland (UM) was founded in Baltimore in 1807 when three physicians set up the fifth school of Medicine in the U.S.A.

Today the UM system comprises 11 academic units including University College which is a partner in the joint project of the Siberian-American Department of Management.



Annually the University of Maryland enrolls 131,500 students in 700 academic programs conducted by more than 9,000 faculty members. Today, the UM is the twelfth largest university in the U.S.A. It educates overseas students and teachers in 26 foreign countries on six continents. It cooperates with almost 200 universities and research laboratories in more than 70 countries. The UM is a world leader in management, biotechnology, engineering, entrepreneurship, economics, ecology, and agriculture.

Educational Baikal Educational Center

The Baikal Educational Center (BEC) was founded in 1991 as an autonomous department of Irkutsk State University. The BEC programs are aimed at alternative education in business and management. The excellent academic curriculums of various duration provide higher education and retraining of specialists in business and management.

T

The BEC is comprised of:

- Siberian-American Department of Management
- International Business and Management Development Center
- Department of Cross-cultural Communication
- Operative Publishing House.

The priorities of the BEC policy are as follows: cooperation with foreign countries in the field of education, career development in business and management, research and consulting.

The Baikal Educational Center is a member of the Business School Association of Russia and the Association of Manufacturers and Entrepreneurs. It cooperates with many leading universities and business schools in Russia, maintains direct contacts with the European Foundation of Management Development, the International Academy of Business (Detroit, USA), the Economic Development Institute of the World Bank (Washington, USA and Vienna, Austria), the Institute of Organizational Development (Cleveland, USA), and is a member of renowned business schools of Europe and America in the fields of education, consultations, and expertise.



Siberian-American

Department of Management

The Siberian-American Department was established in 1991 by the collaborative efforts of two state universities, Irkutsk State University (ISU) and the University of Maryland University College (UMUC). The graduates get a Bachelor's degree from the UMUC and a diploma from ISU.

In the department, the students are educated to be capable of managing enterprises under the constantly changing conditions of Russian life and put to use the theory and practice of Western business and management.

The curriculum offers a multi-level education:

- The first stage of higher professional education (a basic professional education within the Russian system of education) (3 years);
- A Bachelor's degree (4 years);
- The second stage of higher professional education (a complete professional education within the Russian system of education) (5 years);

The curriculum includes:

- The university core subjects conducted in Russian by professors of Irkutsk State University (the first two years);
- The management related subjects conducted in English by professors of the University of Maryland University College (the third and fourth years);
- Adaptation and specialization (the fifth and the sixth years). These courses are designed to provide transformation of the students' knowledge to real situations in the Russian economy and the peculiarities of its integration into the world economy;
- Internships at business sites in the USA and Russia.

This program is unique. The department has set a high priority on achieving its objectives of meeting students' individual needs. This policy reflects the department's basic philosophy of encouraging highly motivated students to develop their individual abilities. Students are taught how to study and how to adapt their knowledge to the changing conditions or to particular business requirements.

Thus, the peculiarity of this educational project is an unparalleled opportunity to study world business and management. This study is provided by two universities - Irkutsk State University and the University of Maryland University College. The graduates of the department will receive a Bachelor's degree from UMUC, a diploma from ISU, and fascinating projects for their successful business careers.

The Department provides the highest quality education through the exclusive use of professionally trained instructors. Among them there are 20 Associate professors and Assistant professors in addition to 15 academicians and full professors. At the department, the faculty constantly evaluates and revises curricular objectives, designs new courses, writes tests and textbooks to assure that students' needs are being well met.



Training XXI-st Century Managers

**GENNADY N. KONSTANTINOV
(1991)**

Professor; Mathematics Systems
Thinking., Strategic Management,
Enterprises Re-construction

The Baikal Training Center was set up with the perspective of becoming a business school. Over the four years, there has been a lot of changes. All in all, the period has been hallmarked by quite remarkable dynamism. At the beginning we were happy to get a few Xerox machines from Japan and second-hand computers from Westinghouse Co. Now we have three computer labs with up-to-date equipment and a state-of-the-art publishing center.

Our library's first several books were presented to us by the faculty of the Asian Department of the University of Maryland University College. Today, the books on business and marketing alone form a 20,000-volume library. We have accomplished the remodelling of the school building and have commissioned a modern, in-style dormitory. We have successfully cooperated with the Institute of Economic Development of the World Bank to organize training sessions that have involved from a dozen to several hundred participants.

From what was a small group of enthusiasts at the start, we have grown into a strong, efficient team. Five years ago, we took the first step toward making a self-contained curriculum aimed at training management personnel for the rising market oriented enterprises. Emulating few educational predecessors, we started with short-term refresher courses. Fortunately, our ambitions did not fall prey to populist projects of switching Russia to a market economy within 100, 200 or 500 days. We decided to "go slowly" to achieve our goal of fundamental education in the field of business and management. We also need to give our American partners their due. Getting over their doubts and hesitations, the administration of the University of Maryland University College, took a daring first step towards the realization of the joint project.

All of those past years were marked by various questions about the Siberian-American department future — skepticism about the viability of the project, about the budget to finance the program, about the utility of Western knowledge and experience, about the feasibility of the two-year TOEFL program, and about the ways to continue the education within the American program with a visiting American Faculty reading lectures in English.

This article was written on the eve of the first Commencement ceremony at the Siberian-American department of management on September 16, 1995.

But in spite of all the doubts in Irkutsk and in College Park, the routine work went on; the often invisible work to integrate different educational systems, methods of teaching and the management of the educational process. Step by step, the concerns have been put aside. When students successfully passed the TOEFL for the first time, their teachers, perhaps, were the happiest of all. This was a real turning point. Everybody was excited about the arrival of the first American professors. We now know how quickly they can get used to the Irkutsk marketplace and the city buses.

Harvard Business school was recognized and became famous 10 years after its foundation. This is logical because students study for 5 years and they require 5 additional years to make their mark on professional activities and in their career development. This latter record can be viewed as a litmus test of the quality of an educational project. Thus we have 5-6 years more to work for this recognition. We wish success and good luck to our graduates. Indeed, their future success is a major accomplishment we can really be proud of.

Department Contemporaries

Any innovative project has its pioneers. They are the people who experience all the benefits and hardships of an undertaking, set the tone for their followers, generate and jealously maintain the spirit of the new course, and engender its traditions. From this point of view, the students of the Siberian-American Department of Management who were enrolled in 1991 experienced all these things as no one before. Let's recall those fall days of five years ago; the cold rooms with no central heating, the lack of facilities, the renovation of the building which seemed to have no end were all difficult aspects of the project. On the other hand there were the teachers who with great enthusiasm, set out to create "the wise, the kind, and the immortal" and the students who fully believed in an absolutely new department, the Siberian-American Department of Management, which had no model. Many of them thought of the word "management" as some vague term, yet it seemed very attractive. From the very first classes, the teachers and the students united into one team. The students thoroughly absorbed



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**FACULTY AND THEIR
PROFESSIONAL INTER-
ESTS**



**OLEG B. SHENDEROV
(1992)**

Assistant Professor, Project
Adviser. B.S., University of
Irkutsk, Russia

Waldorf pedagogy; non-pro-
fit organizations; study skills;
history of management; team
work



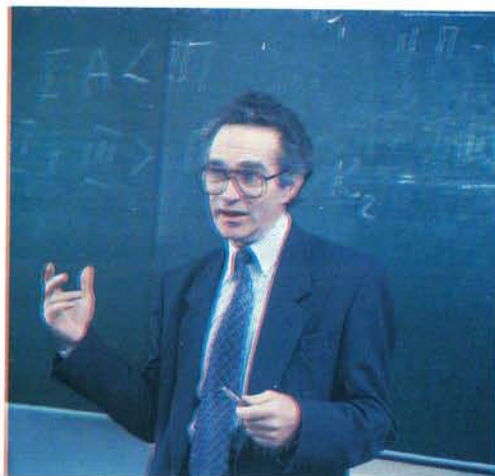
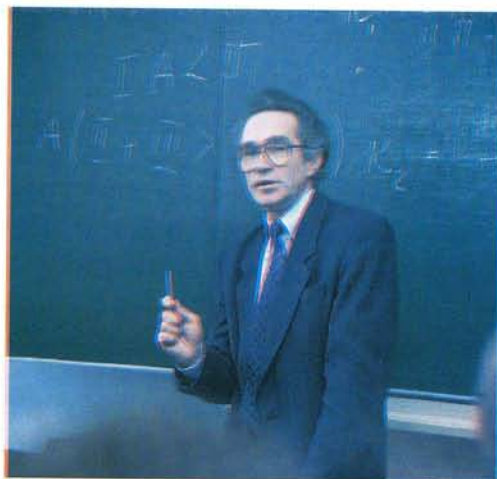
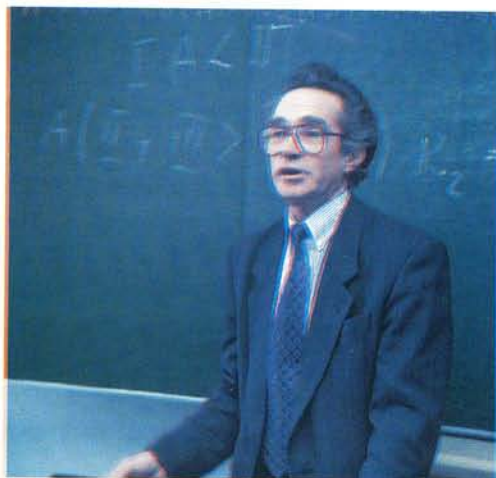
**ANTONINA L. SIDINKHE
(1991)**

Associate Professor, Linguis-
tics B.A., Ph.D., Institute of
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Russia

Linguistics; English: history of
English, grammar, vocabulary
and reading comprehension;
composition

the knowledge that the teachers were eager to share with them, and the teachers felt the sense of professional satisfaction with the work of their students. The spirit of aspiration in learning for the sake of knowledge was born, and this spirit has remained in the department throughout the following years. The most interesting aspect has been that the more difficulties the students have had to overcome, the more devoted to learning they have become. Learning is the main thing, and the students have no time to twiddle their thumbs.

The first two years flew past, and everyone was looking forward to working with the American professors. However, new trials were discovered once the American program began. The methods of instruction turned out to be totally different. Cheating and talking in class were absolutely unacceptable. The American professors didn't care about the students' excuses why the work hadn't been done on time, or why he or she hadn't read the 50-60 pages (all this in English) assigned for class. The tests followed one after another, and if one was failed, there was no opportunity to retake it. The final course grade was determined at the end of the term, and it could not be changed. Finally, no one was to speak Russian in class. At first it seemed unreal. There was no one to talk things over with.



Forty two out of fifty students have made successful presentations of their theses and have graduated from the department. The Siberian companies that sponsored the students are anxiously waiting for their specialists. What is in store for them? It depends on the alumni themselves. They have deep knowledge, diligence, ambition, and innovative open minds. They know **WHAT TO DO**, and we are all sure that soon they will be able to answer the question of **HOW TO DO** it.

The students of the first enrollment had to pass through everything. All of the following classes have walked along their blazed trail, which made their task somewhat easier. Let's always remember this.

Roll up Your Sleeves, Lads!

1995, September, 16
by Dina Madyarova

In this way the first graduates from the Siberian-American Department of Management of Irkutsk State University were bid farewell as they received two diplomas: Russian and American.

They were triumphantly throwing up their queer quadrangular hats and were disturbing the strictness of the ceremony. Henceforward, quadrangular hats and severe black robes on the graduates during the Commencement will be a tradition. To be more precise, this is just one of the traditions because the Siberian-American Department has many of them: the ceremonial "baptism" of the first-year students with student ID cards; the celebration in honor of the best students from the previous year, etc. In short, you can see that the new university department, which was

FACULTY AND THEIR PROFESSIONAL INTERESTS



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English: reading, writing, listening comprehension, grammar, oral skills; music and literature

FACULTY AND THEIR PROFESSIONAL INTERESTS



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LUDMILA I. CHEMYAKINA (1991)

Associate Professor; Linguistics B.A., Institute of Foreign Languages, Irkutsk, Russia; Ph.D., University of St. Petersburg, Russia; Summer Language School in Cambridge, U.K.; Maryland English Institute, U.S.A.

Linguistics; English Grammar; Interpretative Speech

founded only four years ago, settled down seriously among other universities for the long term. This department is growing into reality by the roots of its traditions.

The main tradition which has taken root at the Siberian-American Department is the cult of knowledge. For people who highly rate only a prestigious diploma and not knowledge, it does not make sense to enter the Siberian-American Department of Management because the



working atmosphere rejects this type during the first or second year after entering the university. On the other hand, it makes real sense to enter this department for people who need knowledge — the unique combination of knowledge of market economy, which the “parents” of the department, Irkutsk State University and the University of Maryland University College (USA), are ready to give to their students.

Most people consider that big things can be observed only from a far distance. Four years is a short distance, but it does not eliminate evaluating the significance of this daring educational experiment which began in 1991. The ceremony of investiture of the graduates with diplomas in 1995 was not an internal or “family” business of two universities. This ceremony hosted many influential guests and guests of a high rank. President of the University of Maryland University College Benjamin Massey, Minister Counselor of the US Embassy Paul Smith, Chairman of the Russian State Committee of Higher Education Vladimir Kinelev, Governor of the Irkutsk Region Jury Nozhikov, and Mayor of

Irkutsk Boris Govorin were among the honored guests. All of them greeted those present with kind salutatory words and agreed that the creation of the department was an important event not only in the sphere of education but also in the relations of our two countries. The higher schools of Russia and USA have met to collaborate with each other for the first time in Irkutsk. The first 31 graduates are living evidence of the success of the joint managerial training program.

The leaders of both Russian and American companies and banks where our students had their summer internship appreciated the high level of the students' knowledge.

The ceremony of the first presentation of the US baccalaureate degrees was successful. It was festive and at the same time formal. The graduates simultaneously received two diplomas and Irkutsk State University obtained three more honorary professors: President of the University of Maryland University College Benjamin Massey, Governor Jury Nozhikov, and Mayor Boris Govorin (both of our leaders have greatly contributed to the creation and existence of the Siberian-American Department). Irkutsk, as it became clear during the ceremony, has gained its own business school. In the opinion of Vladimir Kinelev, this business school has very good prospects in Russia.

And how about the "heroes" of this celebration the new bachelors? At the same time, they were as untroubled as young people should be and as serious as adults should be. They were hugging professors and vowing gratitude to both their Russian and American universities. Finally, they sharply realized the seriousness of the responsibility which was expressed by all speakers in the following phrase: "Remember - you are the first..." Really, people expect them to be the embodiment of common hopes as was said by Paul Smith, a Minister-Counselor of the American Embassy in Moscow, "Russian economic problems cannot be solved by foreign investors. Only you, young managers, having grown up in the Russian culture and understanding Western business as well, will be able to solve these problems... Therefore, roll up your sleeves, dear bachelors!"

FACULTY AND THEIR PROFESSIONAL INTERESTS



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(1991)**

Associate Professor; Linguistics B.A., Institute of Foreign Languages, Irkutsk, Russia; Ph.D., Pedagogical Institute of Moscow; Fulbright Scholarship program, University of California, U.S.A.; Language School in Cambridge, U.K.; AFS program, U.S.A.

Linguistics; English: listening comprehension, oral skills; composition; Cross-cultural studies; Nonverbal communication; International service organizations (Rotary, Lions, Kiwanis); Citizen diplomacy.



**MAGGIE SMITH
(1994)**

American Program Coordinator BBA, MBA (U.S.A.) Marketing; management, IFSM, International Marketing

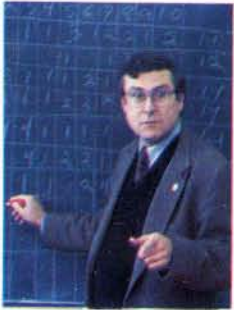
**FACULTY AND THEIR
PROFESSIONAL INTER-
ESTS**



**MARC HIRSCH
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Associate Professor; Economics BBA., M.A., Ph.D., University of South Carolina, U.S.A.

Economics; International Business; Statistics



**MICHAEL KLIMESH
(1995)**

Associate Professor; Accounting BsBA, LLB, CPA, MBA, CCS, Michigan Technological University.

Strategic leadership; total quality management; managerial and cost-accounting and systems; effective (creative) decision-making and problem-solving.

Days

Thirty Days on the Other Side of the Ocean

It was ten o'clock in the evening on July 9, 1995. After a thirteen-hour flight from Moscow, our plane arrived at the Dulles International Airport near Washington D. C.. Twenty of us, the students of the Siberian-American Department of Management, left the plane and were brought to the airport building by a pipe-shaped bus. After picking up our baggage and going through Customs, we moved to the exit. Mark, Jim, and Christie — the coordinators of our summer internship program "Managing in the Market Economy" met us there. We got into a UMUC shuttle bus, and it brought us to College Park, where we were going to stay for the coming four weeks.

The next day we started our introduction to the United States. We were lucky that two weeks before our arrival, our freshmen came to College Park to study English. They helped us a lot to adapt to a new situation quickly. Since our program implied that each of us would have an internship in a company, Americans arranged a two-day orientation to acquaint us with the most current workplace practices and intricacies. During our orientation we also visited NASDAQ, the second largest stock exchange in the USA.

Finally, July 12 came, the day when we were sent to our new workplaces. Among the companies participating in the program were: AT&T, NASDAQ, IBM, CLB Publishers & Lithographers, Inc., Lore & Sandy Gravel, Fleetwood's (one of the leading restaurants in Washington D.C.), DMC (an engineering firm), and many others. Some of the students were assigned to non-profit organizations: such as the American Civil Liberty Union and the American Association of Community Colleges.

Here is a story by Zena Blinnikova about her experiences at CLB Publishers & Lithographers.

"It is a small-to-medium size company that prints brochures, booklets, and small books in Maryland and Washington D. C.. Its owner - Paul Fiqua is also its president. When we reached the company building, the general manager, Paul Junghans, met us.

After our introduction, Paul asked us about our business interests and suggested a tentative plan for our internship. According to the plan, each

of us was to spend several days in different departments of the company (there were four of them), and then we would have time to work in our particular area of interest. We decided that this plan was quite acceptable to us.

In the Imageworks Department, where materials are prepared for printing, we studied the latest computer software that printing companies use for designing their products. Then, sales agents took us to their meetings with customers. The other thing we did was to study the company's documents such as marketing plans, financial statements, etc.

Although all of this was interesting, the company's employees, except our coordinator Paul, did not perceive us as being capable of doing a good job. So, we had to remind them constantly of what we were able to do. We were looking forward to a real project that would allow us to learn more about the company as well as to do something useful for it. Finally, after two weeks of our internship Julia and I got a small project to do.

Time was flying, and our stay in the United States was getting closer and closer to its end. Four weeks was not enough for us to get into details and our companies just started to trust us and give us real work. On August 3 we had a final group discussion where we summed up what we knew and saw. The main topic of the discussion was the differences between American and Russian business practices.

First, as noticed by Michael Shalangov, a NASDAQ intern, American managers control their subordinates much less than their Russian colleagues. In an American company, all employees know their jobs and



FACULTY AND THEIR PROFESSIONAL INTERESTS



**MICHAEL C. MILAM
(1995)**

Associate Professor, English Ph.D.(Comparative Literature), Indiana University (U.S.A.); Fulbright scholar

Literature; Philosophy; Art history; Communications; English composition; Russian culture (literature, music and history)



**NELLIE V. ILLINA
(1995)**

English language program coordinator; B.A., Institute of Foreign Languages, Irkutsk, Russia; Ph.D., Pedagogical Institute of Moscow, Russia; Language Training University at Leeds, U.K.

Linguistics; English: communicative grammar, Business English; vocabulary and reading comprehension; cross-cultural business communication; Russian-English/English-Russian translation

FACULTY AND THEIR PROFESSIONAL INTERESTS



**VALENTINA V.
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**SVELLANA V.
MATVEYEVA (1991)**

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Applied Linguistics; TOEFL; English: phonetics, vocabulary and reading comprehension, composition



responsibilities, understand their role in the company and realize that their work contributes to the well-being of their company, hence to their own well-being. In Russia, managers spend too much time on the everyday control of their employees and do not have enough time for planning. This results in disorder and a chronic time deficiency problems for many Russian organizations.

Our second observation concerned the attitude of Americans to their work. Work is the main part of their life, especially for the unmarried ones. They usually come to work earlier than they are required, and most of them continue to work even during lunch time. Since they spend much of their life at work, they try to make their workplace more comfortable: a radio playing music quietly is not unusual for Americans to have on their desk. American businesses tend to be less formal. For instance, NASDAQ has a dress-down day on Friday. On this day employees are allowed to come to work in casual clothes. However, Americans always care about the image of their companies, especially when the company's employees work closely with customers. Vadim Zolotorevich, a Fleetwood's intern, noticed that the managers there looked carefully after their subordinates' hairstyle and make-up.

The last point most often mentioned in the discussion was the high level of technology used in American businesses. Companies constantly keep up with new developments in computer software and means of communication. Keeping up with technological progress is a matter of survival for them.

The day of our departure came. Four weeks flew with the speed of light. I think we would need to write a whole book to tell about all the impressions we were returning with. Studying American business was only a part of what we saw and experienced. The visit to Adventure World, trips to Ocean City and New York, and the American people made our stay in the US colorful and unforgettable. I am sure that everyone of us will always remember his or her first trip to America."

The following is the opinion of another intern, Maxim Bezryadin.

"I was luckier than other students since my internship boss, Jim Beavers, was my old friend and one of the coordinators of the whole UMUC internship program. Jim works full time as a sales engineer for Emerson Electric Co. producing various electronic components for industrial equipment. Jim acquainted me with the job of a sales man - generating sales leads, advertising, promoting and making sure the customer is satisfied and keeps your name on his or her business record. I had a chance to see almost half of the Atlantic coast of the US traveling with Jim on our business.

During the last week, I received an invitation from an IBM executive to spend several days at this famous company. IBM considers Russia as one of the key development markets in the world and tries to use every opportunity to promote itself and its products in Russia. This invitation was not only the chance for me to see one of the leading manufacturers of information systems, but also the chance for IBM to receive first-hand knowledge of the business climate and opportunities of Eastern Siberia. At IBM I met several executives responsible for new products and markets and visited the IBM International Marketing Center in Maryland and their main production facilities in New York.

My general opinion about the American way of doing business is that it is relatively easy to work there. Americans have developed an excellent system of business and social infrastructure, and once a person gets into this system and uses it creatively and efficiently, he or she can do a good job. This is not the case with Russia, where nearly everything depends upon the "qualified opinion" of several key persons, but not the system.

I was surprised that most Americans are quite ignorant about Russia. Almost every student saw big surprise in the eyes of their American partners when they displayed their very professional and unexpected skills. When the first surprises passed, some Americans used the chance to employ a professional unpaid workforce, and some of the students had the hard work of dealing with the backlogs of correspondence for their bosses.

Since four weeks is not quite enough to get a real sense of American

FACULTY AND THEIR PROFESSIONAL INTERESTS



NICKOLAY S. KONOPLEV (1993)

Professor, Philosophy Head of the department "Philosophy and Science of Culture" of ISU

Philosophy, Philosophical Issues of Humanitarian Knowledge



GALINA S. KURGANSKAYA (1991)

Associate Professor; Mathematics and Physics; A senior lecturer Computer Sc., Management Information Systems., New Information Technologies., Artificial Intellect Systems., Mathematical Logic

FACULTY AND THEIR PROFESSIONAL INTERESTS



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Associate Professor, Law.
Senior lecturer The Theory
of the State and Law



**ALEXANDER D. AGEEV
(1994)**
Associate Professor; History.
Senior lecturer Political sci-
ences. Science of Culture.,
Western Civilization of the
XX-th century. The Com-
parative Analysis., The
Opening up of the Ameri-
can West and Siberia.



**VLADIMIR G. ASEEV
(1991)**
Professor, Psychology A cor-
responding member of The
Higher School International
Academy of Science Psy-
chology. The problems of
Psychology of Higher
School and Adaptation of
Youth to Academic and
Labour Activities.

business, I see the most valuable result of my internship as the establishing of a number of good business contacts with American businesspeople. I hope these contacts will be very helpful in my career.”

Not all Irkutsk students had their internships in Maryland. Eight students were hosted by Lake Erie College in Cleveland, Ohio. Here is the story of Eugene Nefedov, one of these eight students.

“Unlike the students in Maryland, we didn’t have our internships at one or two companies all of the time. Every day we visited at least three different companies beginning with small businesses, such as family laundries, to national banks and multinational corporations. We saw many organizations including hospitals, state government agencies and the space-shuttle manufacturer. I think we received a good overall view of American business, but maybe one or two weeks in one company would help us to get deeper into the business culture.

In my opinion, the most interesting company we visited was Lincoln Electric. During the 30 years of its existence, this company has never terminated or laid-off any employee. This is very unusual for the US with its economic crises. Lincoln Electric also has a very stable performance. The executives say that such an organizational culture emerged because of the attitude of company management towards its employees. The company states that the employees are the most valuable assets and thus doesn’t lay-off the workers in hard times, but shares each available job among three or four persons. This policy produces good job discipline and loyalty from the employees. Thus, the company has accumulated the best professionals in all fields.

I was pleased by the warm attitude toward Russians in America. People everywhere greeted us like old friends and asked lots of questions about Siberia. The businesspeople were eager for new business contacts in Russia.”

A As you see, the students enjoyed staying in the US and found quite a number of useful things to do there. Moreover, all the Americans who worked or socialized with Russian students said that their guests were very nice people and good professionals in their field. Everybody is looking forward to future internships and business contacts. Hopefully, this internship program will continue successfully.

Capitalist

a Capitalist Camp in Siberia

"Given the international diversification of this company, its enviable record of increasing earnings and the quality of its products, we feel a premium multiple to that of the market makes some sense. But at a 22 multiple of current earnings and projected E.P.S. for 1995 of \$2.25 a share, the current \$53 price of International Flavors and Fragrances fully reflects its growth potential for the next few years. We recommend investors defer purchase at this time".

An analyst's presentation to a group of mutual fund managers? A research report culled from the pages of the Value Line Investment Survey? No, this is an evaluation by Max Bezryadin, a senior business major at Irkutsk State University in Irkutsk, Siberia, on his final examination in the finance course I taught there last spring. Savvy investors, of course, are no strangers to the concept of international diversification and the triumph of free-market ideology that has been sweeping the globe. Still, the idea of undergraduate students in Russia issuing investment advice—well, even I was taken aback by the sophistication they had acquired so quickly. During the academic years 1993-1994 and 1994-1995, I was a professor of



economics and statistics at Irkutsk State University, near the world's deepest freshwater lake - Lake Baikal. The trappings of financial civilization seemed worlds away; the nearest stock exchange is in Vladivostok, - 2,000 miles east.

But as is the case with much of Russia these days, there is more here than meets the casual eye. In the building housing the joint Siberian-American management program, nearly 200 Russian students - most of them conversant in English, many also

FACULTY AND THEIR PROFESSIONAL INTERESTS



LEV M. DAMESHEK (1995)

Professor, History.

History of Russia, The Problems of the Home, Policy and the Reform.



VLADIMIR P. GUKOV (1994)

Associate Professor; Economics, Corresponding member of the International Academy of Science and Practice of Production Management.

Regional Economy, Location of Production Forces of Siberia and Irkutsk Oblast.

1995

The End of May. The representative commission of the State Committee of Higher Education, Russia, conducted the certification of the educational programs of the Siberian-American Department. The commission noted the high educational standards and the excellent training facilities of the Department.

May 30-th. The Siberian-American Department held a meeting of the Presidium of the Association of Manufacturers and Entrepreneurs. The conditions and the problems of business education in the region were discussed there. The Presidium noted the Baikol Center's work and expressed its readiness to render assistance.

June 4-th — July 14-th. The Baikol Educational Center received a Lake Erie College delegation of students and professors. The discussion resulted in an agreement on cooperation signed by the Lake Erie College president and the rector of Irkutsk State University, F.K.Schmidt.

June 21-st. Jin Kaunikhan, a representative of the Governor of Maryland, visited the Siberian-American Department of Management. The visit was organized within the framework of the agreement upon cooperation between the Irkutsk region and the State of Maryland. The agreement was signed in April in Annapolis this year.

July 28-th. Negotiations with the representative of the International

knowledgeable in German or French — study accounting, international business, finance, literature and American history. And in the computer center, they pour over Lotus spreadsheets, play computer games, send E-mail or surf the Internet-wired to the world, even in Siberia.



The arrangement is the brainchild of Alexander Diagenov, an energetic professor of mathematics who is now dean of the program. Several years ago he struck a deal between Irkutsk State University and the University of Maryland under which students would mix study of Russian courses, English as a second language and business. They would be rewarded after five years with an undergraduate degree from both universities. Bilingual, educated and with marketable business skills, the students have bright futures in Russia's emerging economy.

"There is no program like it anywhere else in Russia," Mr.Diagenov said. Ah, but there is the rub. Will the Russian economy emerge? While there are some substantial obstacles that must be overcome, the students express a cautious optimism and want to be ready. "Since there will be shares in Russian companies that we might want to buy in the near future, can you show us how investment decisions are made in the West?" Larissa Motsenko, a Fourth-year student, asked one day last winter.

What followed was a three-week crash course in growth-stock investing that included a real-time investing decision on International Flavors and Fragrances, the New York-based manufacturer. The students were provided with a 15-year chart of price and financial data on the company that came from the Value Line Investment Survey. I provided them with economic data upon which to frame

their forecasts. Then they were given an earnings estimate for 1995 and asked to calculate a price-to-earnings ratio they saw as appropriate and to come up with a proper price for the company's shares. From this, they could determine whether it was a suitable investment.

As might be expected, the debate focused on whether the price-to-earnings ratio, then at a lofty 22, was justified in light of the company's earnings stability and product mix. Most students, like Max above, believed that it was not. Pavel Davydenkov agreed: "I think the P-E ratio is too high. It's not as if this company writes software or is a computer firm" he said' showing that Russians are as enamored of technology as Americans are. "And the P-E traditionally has been in the high teens, not the low 20's", said Zena Blinninkova, pointing to the historical data below the price chart, "I would say a P-E of 19 at most" ,would make it fully valued. At that level, the price of international Flavors and Fragrances would be about \$45 a share, considerably lower than its price of \$53 on the day the exam was given. Not a bad call, given that the stock languished for most of last year while the rest of the market advanced more than 30 percent: the shares remain mired around \$50. Like students elsewhere, the Russians in the program worry about their futures in the job market. Most are sponsored in the program by private businesses, who chip in \$5,000 a year-not chicken feed in a country where a family's wage may be a few hundred dollars a month. In exchange, the students agree to work for their sponsor for three years upon graduation.

Perhaps the greatest enemy to Russia and these students' futures is crime. In all Russian cities, Irkutsk included, criminal gangs brazenly and openly shake down businesses and private organizations. As an assignment, one of my faculty colleagues asked her students to submit proposals for businesses they would like to operate in the

Law Institute (Washington), Mr. Mickle Kline took place. The negotiations resulted in an agreement upon joint cooperation of educational and consulting services.

July 22-nd. Mr. Thomas Pickering, the United States Ambassador, visited the Baikal Educational Center and volunteered to take part in the commencement ceremony in September of 1995.



July. The Baikal Educational Center organized an International Students Forum "The Sustainable Development of Regions" on Lake Baikal in Irkutsk. Among the 100 participants were students from Irkutsk, Voronezh, Barnaul, Novosibirsk, Ekaterinburg and also students from USA and Sri Lanka.



October. N.Mikhalkovskaya, Ph. of Science, presented a paper at the International Conference in Moscow "Russia and the West: Dialogue of Cultures".

V.Saunin and A.Burenin participated in a seminar on the development of partnership contacts between Russian partners and the Institute of Economic Development of the World Bank organized by the International Bank office in Moscow.

Irkutsk region. Students responded with a variety of ideas, from travel agencies to hair salons, from butcher shops to bakeries. In the business plan though, along with the "cost of goods sold," and "labor costs," and "advertising expenses," nearly all the students had a simple line for "Russian Mafia." One hears all kinds of estimates of the burden that crime places on business, although one of my best third-year students, who carried a loaded pistol in his backpack, was quite knowledgeable and honest about the cost "Fifty percent of all the profits below one million rubles, and 30 percent of all profits beyond that," he said, as cool and calm as an I.R.S. agent at an audit. In a country still in the throes of a cash economy (every month I received my 750,000 ruble stipend in cash, a pile that required its own drawer in my desk), such extortion is easy to hide.

For all that, most Russians are calmly optimistic that their country will plod through its current difficulties and become, in a few years, another example of a rapidly growing emerging market. It is this challenging, if dangerous, future that the students must soon face head on. Fortunately, if their investment acumen is any guide, they will be well prepared to meet it.

Gary J.Jakacky now teaches economics and statistic to United States military personnel in Iwakuni, Japan, through the Asian division of the University of Maryland University College.

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Baikal Educational Center

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Siberian-American
Department of Management



To Find the **Way to Success**

The Private Sector Development Network will Help You

Last year V.Kinelyov, the Chairman of the State Committee of Higher Education, presently the Vice-Premier of Russia visited the first commencement of Bachelors of the Siberian-American department of management. He praised the work of the Baikal Educational Center of Irkutsk State University and called it one of the best business schools in the country. The following is an interview conducted by a local Irkutsk newspaper with G.Konstantinov, a professor of the Siberian-American department of management, and director of the International Business and Management Development Center.

T**Konstantinov:** To understand better what the talk is about, let's, go a few years back to 1991. A few of our officials participated in the first seminar of the Economic Development Institute on Policies for Enterprise Restructuring and Privatization. After that time close cooperation between the Baikal Education Center and EDI had begun. Since 1991, EDI has directly trained 6000 people in the FSU (the former Soviet Union). And a kind of coalition of people with common knowledge in the field of Market Economy has been formed. That's why, at the Forum in Vladimir, we decided to unite our efforts and establish a network of educational institutions, consulting firms and individual consultants.

At the seminar, 35 government officials, banking and enterprise executives, trainers, consultants, nongovernment officials, and journalists — all key stakeholders in the transition process in Russia, Kazakhstan, Belarus and the Ukraine — sat with World Bank President James Wolfensohn and told him what they thought the Bank should do to avoid past mistakes, to be more responsive to local needs, to become more client oriented, to boost performance and, in essence, to improve its work in the FSU. Mr.Petkoski, who chaired the seminar, said in conclusion that the Vladimir seminar drove home three basic points. First, "that loans and foreign consultants are not enough for success of a project." Since 1991, Russia has privatized over 10,000 enterprises but, as many at the seminar pointed out, "the Bank cannot do this alone — only with locals can this happen". Second, projects must be sustainable through the long-term: "Consultants leave, but people in the country need continuing support during the transition," says Petkoski. Third, the capacity to implement projects in transitional economies already exists, but it needs to be strengthened and updated.

The Private Sector Development Network (PSD-Network) has now been formed. Its structure is shown in the matrix table. The Baikal Educational Center together with only a few other business-schools is included in the group of Core Partner Institutions. **21**

Introducing the seminar on financial management and international accounting standards followed very intensive and thorough preparation. A group preceded of four professors and three support staff spent four months before and three months during the course of the seminar identifying the needs of the potential audience, compiling and translating the materials and organising all other aspects of the program. The result of their efforts was a totally new seminar with a unique set of materials covering all major topics of financial management and international accounting standards.



The Russian side was represented by the deputy director of the Center and a leading specialist of one of the major regional audit companies. The American professors were full-time faculty members of the Siberian-American department of management who were teaching finance, accounting and economics and who not long ago were holding middle and top level managerial positions in Fortune 500 companies.

A carefully planned and organised advertising campaign was a substantial part of the overall success and attracted the required number of participants quickly. The audience was rather homogeneous and mainly represented heads of financial departments and chief accountants of regional companies and the local administration. The majority of people had an economic education and had worked in their respective fields for a long time. In spite of their experience, immediately after the first sessions it became evident that the audience lacked a strong academic background in finance and were almost unaware of the international accounting standards. At the same time, the necessity of having the expertise in these two directions was strongly felt even in those companies which were not directly involved in international transactions. Thus the seminar appeared to be highly relevant for the current needs of the targeted audience. Feedback from the participants has clearly determined that those needs were satisfied.

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In spite of the obvious success of the seminar, its program still needs some adaptation to the specific requirements of the regional market. There is some space for improvement, and the first steps in this direction have already been made. However, in the long run, the Center does not intend to limit itself only to this already developed and improved program. There are other seminars coming which will deal with some specific financial and accounting issues in depth. The strong need for such types of programs was clearly expressed by the audience.



Besides receiving requests for new programs, the most straightforward indicator of the success of the seminar was the requests for consulting services. Feeling the need to enhance their financial systems, the former participants are actively seeking opportunities for further collaboration. The Center intends to provide some of them with the required support.

In the near future, the International Business and Management Development Center plans to expand its presence in the market for financial and accounting programs. To achieve this goal, the Center is introducing a wide range of different seminars covering all major aspects of finance and accounting in greater detail. The Center also intends to put more efforts in cultivating the market for financial and management consulting services. Even though at the current stage of its development, this market is not large enough, it has great potential, and the first entrants will definitely benefit when the market experiences substantial growth in the future.



International
Business and Management
Development Center

Irkutsk State University

Baikal Educational Center

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**NATALIA V. MIKHALKOVSKAYA
(1993)**

Associate Professor; Sociology, Irkutsk State University; Ph.D., Sociological Research Institute of Academy of Sciences, Moscow, Russia. Sociology; Social psychology; Organizational behavior; Cross-cultural of management.

Department of Cross-cultural Communication

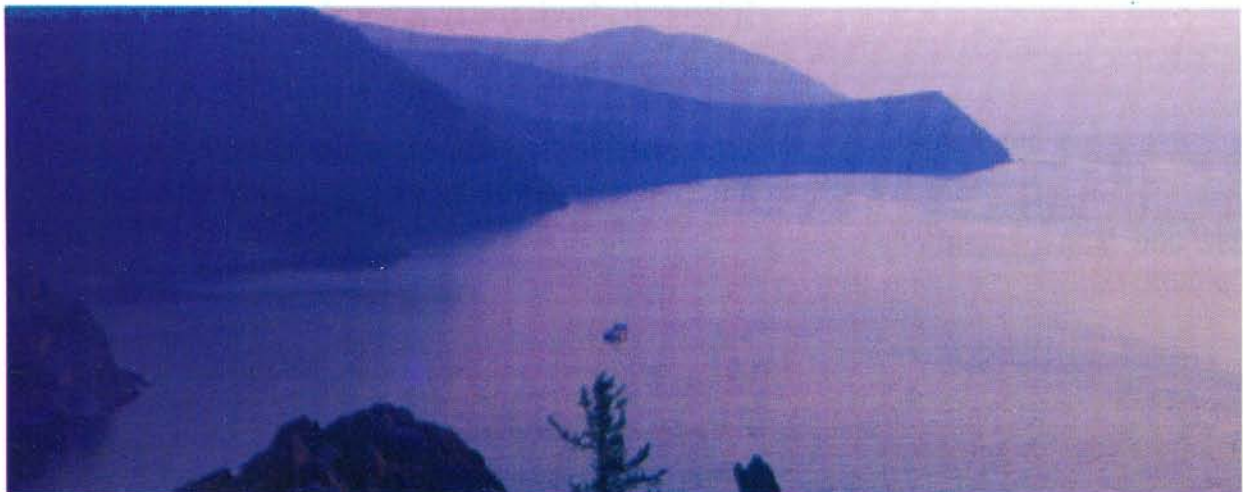
Intensifying business globalization, international competition, and cooperation trends require all of us to be aware of different cultures; sources of their national uniqueness in the areas of management, the decision-making process, problem-solving methods, and specific leadership and coordination activities, etc.

American, Japanese, and Eastern European business cultures have been explored for some time. Meanwhile, Russia and other CIS countries still need to be studied in these different areas within a global context. The significance of these issues has led to the establishment of The Department of Cross-Cultural Communications at the Baikal Educational Center.

Objectives of the Department

The primary objectives of the department are to identify barriers and cultural assimilators which impede the harmonization of different cultures and to investigate of the processes of intercultural communication, socialization, leadership, and multicultural management. Additionally, there are a variety of other research projects the department is currently supporting. Among them is the investigation of the decision-making process and conflict-resolution situations within an intercultural environment. The department is also studying role models and changes in the system of motivating and informing personnel, which are necessary for supporting cultural values, norms, and the role of traditional power entities.

Research on the adaptation of Russian students to the American system of education and its relationship to the realities of Russian life is a current project, as is the development of



cross-cultural training workshops for the students, teachers, and businessmen who study and work at the joint program.

Why the Development and Practice of Intercultural Training Programs Are the Core Activity of the Department

There has been much talk about the differences between American and Russian students. Generally, the argument breaks down to a discussion of systems. The prevailing attitude suggests that the Russian system is based on "collectivism" which develops a group mentality and socially compels students to willingly share work and selflessly help fellow students by other, usually questionable, means. Often this activity is seen from the American perspective as cheating. The American system is considered to be based upon "individualism." The chief characteristic of this system is perceived to be competition, and the student is seen as a hard-working, diligent and responsible person who scorns help and studies long into the night, isolated but proud in an aura of ethical rectitude.

In order for authentic cross-cultural understanding to take place, situations must be perceived as they actually exist. Stereotypes, like the characterizations mentioned previously, do not create the proper environment for cross-cultural understanding. Instead, they reinforce the barriers that inhibit members of one culture from understanding those of another by obscuring the reality. From the perspective of ideals and the goals of education in both Russian and American cultures, the preceding stereotypes have nothing to do with reality. "The goal of collectivism is not for one student to do the work for another, and the goal of individualism is not to defeat



rivals in competition. The goal of collectivism is for an individual to give his best to the group. The goal of individualism is self-improvement so that an individual can be the productive member of society. Ultimately, the goals coincide. To recognize this is the first step in creating the productive environment of mutual understanding that this program deserves. In this spirit stereotypes must be eliminated" (*Michael C. Milam*).

Special intercultural training programs provide the opportunity to relieve the tensions between Russian students and American professors, to create an environment of mutual understanding, and, as a result, facilitate the adaptation process of Russian students to the American educational system.

One of the differences which greatly affects the adaptation process to this new academic environment is in the area of examinations that is, taking and passing them. Russian students are accustomed to the policy that a failed exam can be retaken. American students know that exam results can not be changed and that a failed exam can not be retaken. The video training situation "Is It Possible to Arrange a Make-Up Exam in an American University?" played by American professors and Russian students, obviously supports the inference that American professors do not modify the established requirements and procedures for students and that they do not change deadlines regardless of reasons or events. Moreover, even the most exceptional excuses, such as family problems or injuries, do not influence the professors' decisions and policies.

The situation "An American Professor Discovers the New Method of Corruption Suppression in Russia" demonstrates aspects of the problems related to the issues of collectivism and individualism. The collaborative analysis helps professors and students debunk stereotypes such as, cheating is the patent product of collectivism and that competition is the key feature of American education.

As We Understand the World, We Understand Ourselves

recorded by Dina Madiyarova

"The Orient is a very delicate thing," Fedor Sukhov, the hero of the film "The White Sun of Desert," a favorite film for millions of people, noticed philosophically. We can add that the West is a very delicate thing also, especially if you come into contact with it every day in the process of your work communications and not in the superficial fuss of a touring visit. This is the contact with the "West" at the Siberian-American Department of Management of Irkutsk State University, the first joint university program between the USA and Russia. The professors of the University of Maryland University College have worked with our students for two years since the beginning of the American part of the educational program. As anticipated, the first meeting of such culturally different people on the cutting edge of knowledge created many unexpected problems. The process of solving these problems was not only difficult but also extremely instructive for both the American and Russian people involved. They discovered many new things about themselves through the mirror of different perceptions and a foreign culture. Ms. Maggie Smith, the faculty coordinator of the American program of the Siberian-American Department, and Dr. Nataliya Mikhalkovskaya, the head of the

Department of Cross-Cultural Communication of the Baikal Educational Center of Irkutsk State University, share the following.

— When we created the department — Nataliya begins — we were preparing for potential difficulties; text-books and money, problems with housing for the American professors, and difficulties with study facilities... But we did not assume that intercultural barriers would become the main impediment.

Q.: What do you mean?

NATALIYA: I am speaking about the barriers which are conditioned by the distinctions of national characteristics and national psychology. It is well known that the core of our psychology is collectivism and the core of American psychology is individualism.

Q.: So, these two extremes met in your department and... It began to sparkle, didn't it?

NATALIYA: Many incidents occurred. What do you think shocked our American colleagues? Prompting and cheating. These things are normal among our students but unacceptable for Americans. Sometimes amusing incidents took place. Jocelyn Nash, a teacher of the English language, recounted the following incident. The students had been warned by her before the test: "Don't communicate the test's content to the students who will take this test after your group. Otherwise, they will have a better chance to receive good grades". She was very surprised when she realized that students had communicated the test's content to the students of the other group and had actually provided them with higher grades than their own.

Q.: How can American students be successful without prompting and cheating? In our culture, it is a peculiar form of mutual aid, and refusal to help is considered being disloyal.

MAGGIE: We consider that everyone has to be responsible for his or her own results. You will find cheating in American schools but it is not as frequent. If a student is caught red-handed in the process of cheating, he or she feels humiliation and shame. Cheating is placed on the same level as plagiarism. And, plagiarism is penalized according to law.

NATALIYA: Now, look at the situation in our department. We conducted sociological research in our department. What are the results of this research? Only five percent of the students answered "no" to the question, "Do you permit somebody to copy from your work?"; 16% of the students give preferences to their best friends; 31% to any friends; 11% to those people who cannot do the work by themselves; and 37% of the students give permission to whoever wants to copy their work... For the American professors, this is difficult to understand because the core of the American society is competition, which is regarded as one of the main values in that society. Therefore, they are surprised that our students do not have a strong aspiration to become the best in the group, to look better, more brilliant, and stronger than the others.

MAGGIE: There is one more interesting aspect of our dissimilarity. An American student prefers to work individually. Even if he works in a group,

October. A. Diogenov, Dean of the Siberian-American Department presented a paper at the conference "Consulting and Business Education: Regional Problems and Intergration".

1996

January. The executives of the BEC negotiated with Mr. C. Davaadash, the Consul of the General Mongolian Consulate in Irkutsk. An agreement has been achieved on cooperation of the BEC with Mongolian higher schools in the field of business-education.

March. International Business and Management Development Center of the Baikal Educational Center announced the new program "Higher training courses on financial management and international standards of accounting". The executive of the program was Andrey Burenin, graduate of the Siberian-American Department of Management.

The organizing committee of the Second International Students' Forum "Safe Development of the Regions" started its work. Maxim Bezryadin, graduate of the Siberian-American Department of Management, was appointed to be the coordinator of the Committee.

45 officials of the Oblast Administrations, City Government of Irkutsk, and businessmen from Siberia became the students of this correspondence training program, organized by the BEC for getting a diploma from ISU.

April. The International seminar "Strategic Restructuring: Business Planning and Attracting Strategic Investors" was successfully held in Irkutsk. Organizers of the seminar for businessmen of Mongolia, Kazakhstan, Kirgiziya, Republics of Saha-Yakutia and Buryatia were the Institute of Economic Development of the World Bank and the Baikal Educational Center.

There were talks with the representatives of the American company "Procter and Gamble" and the Japanese company "Panasonic" on the possibilities of target training at Siberian-American department of Russian specialists for a job in representative offices of these well-known companies.

May. The seminar for Russian politicians is planned to be held in Irkutsk. The members of the Upper Chamber of the British Parliament will conduct of the seminar.

In Irkutsk, the Baikal Educational Center of ISU starts the contest "Managers of the XXI century" among the high school graduates. The winners of this contest will get recommendations for participation in entrance exams to Siberian-American department and to qualify for City Government scholarships.

he executes the tasks by himself, without waiting for help from the others. This is the opposite of your students who like to work together. They are happy when I give them a group assignment.

NATALIYA: This is how individualism and collectivism work in everyday life. An American student prefers to work in a group only if he can receive material benefits from doing it. Our students, and the Russian people in general, often prefer collective work even without thinking about the possible benefits. Many people use a group as a shield which enables them to avoid personal responsibility. However, I have to say that our recent research, conducted among the students, indicates the following: collectivism is now in the process of transformation — it is gaining more and more features of individualism and is "drifting" towards cooperation.

Q.: How did you reconcile the polar extremes of these psychologies?

NATALIYA: I am not going to make a secret of the fact that some stressful situations took place during the last year. Both sides were guilty. The team of American professors acted too abruptly and impatiently. If, for example, they discovered a student's work, copied from someone else's work, they lowered the grades of all the students in the group. That resulted in the students' indignation. An example of another intercultural barrier is ethnocentrism. Ethnocentrism was an aspiration to thrust standards, rules, and values of one culture on the other, disregarding the traditions of that culture. During the sociological research, 70 percent of our students said that ethnocentrism was the main obstacle in the establishment of normal interrelations in the department.

On the other hand, all teachers are different. I admire Maggie's wisdom and compassion. Students have told me that Maggie does not hurry to evaluate a student's work by low grades when this student does not know something. She allows him to go to the library and do research on the subject, or to read the book but without copying somebody's else work and without being prompted.

Nevertheless, the lessons of last year's stressful situations were useful for all of us. We now understand that mutual adaptation will doubtlessly take place, but it should not be forced or immediate. As a result, now we do not feel these barriers. Moreover, we decided to develop special psychological training which will help both teachers and students to overcome the difficulties of adapting in the future.

MAGGIE: For me, as a representative of American higher education, the high level of preparation of your students and the broad range of their interests was a major surprise. Their knowledge of literature, history, philosophy, and culture is much greater than that of an average student in an average American college. Furthermore, their knowledge of English is terrific. They study diligently and methodically and try to learn from a variety of sources, not only from textbooks.

Q.: Nataliya, is this a true characteristic of your students - "diligently and methodically?" You know the ability to learn all the material the night before the exam was regarded as a traditional student's prowess.

NATALIYA: Our department is special and rushed work does not work here. The American educational system does not determine the course grade only on the basis of the final exam. Under the American educational system, there are 4-5 exams or tests during the semester for each course. If a student has a "D" or "F"

for the course, he cannot have a make-up exam. Whereas in Russia, students can have 3 or 4 make-up exams. Under American university rules, you can only try to pass an exam again the next year after repeating the failed course (and paying for it). This is the way Americans cultivate a sense of responsibility in the students.

Q.: This method is very effective. It would be good for us to adopt this method...

NATALIYA: This system has forced students to work “diligently and methodically,” overcoming one more intercultural barrier — “American efficiency.” “American efficiency” means the following: if you promised to do something, you must do it. This feature is wonderful and it would be wise for us to learn. In our department this rule works as follows: a student must submit all work strictly on time without exceptions. If you did not do your work on time, no excuses are accepted even if you were sick.

Q.: Maggie has said many pleasant words about our students today. Now, could you tell us what you dislike about our students? Please, be frank!

MAGGIE: It is difficult to say right now... (Oh! Really, Maggie is a diplomat. She does not want to create new “intercultural barriers” — D.M.). But to make up for it, I appreciate your sense of collectivism. This is a very attractive feature, especially as you support each other without having to receive any benefit from your effort.

Q.: Nataliya, if Americans like our collectivism (I have heard this many times), maybe they would borrow it from our culture, wouldn't they?

NATALIYA: Speaking about business, it is necessary but without borrowing the worst features of collectivism. Now this is happening. The most recent research in the field of entrepreneurship indicates that those people who work individually lose in comparison to those people who work in teams. Therefore, the future of business is cooperation and the ability to work in teams... In this sense, we have an advantage — we are more prepared to accept collective principles.

Maybe our own special Russian style in the world's business system is drawn up this way, isn't it? Maybe the reserve for the future economic push is hidden here? Time will answer these questions. For the present, in the Siberian-American Department, the normal process is in progress; our students, not denying their best features, borrow behaviors which we are eager to have for a good life and help Americans to understand what they lack. This is a small model of the situation in the world, and we want the process of “overcoming the barriers” to continue in Russia and the world as peacefully and productively as here in the Siberian-American Department of Management.

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**Department
of Cross-cultural Communication**

A Presentation of the Irkutsk Region in the USA

From the second to the ninth of April, 1995 a presentation of the Irkutsk Region took place in the United States of America. The Baikal Educational Center of Irkutsk State University together with the University of Maryland, the Irkutsk Region Administration and the State of Maryland were sponsors of this event.

The objective of the trip was to establish good relationships in the fields of business, science, and education at the local administration level, as well as between individuals concerned with bringing together enterprises and organizations interested in cooperation.

The members of the delegation were the representatives of the Irkutsk Oblast Administration, businessmen, bankers and journalists.

The following events took place within the time-frame of the visit:

- a reception at the Governor of Maryland's office and the signing an Agreement for Cooperation.
- a presentation of the Irkutsk Region investment proposals to the World Bank and negotiations with American businessmen.





- meetings with the World Bank director for Europe and Central Asia, the Institute of Economic Development director, various departments heads of the World Bank, and others.

The day before, having studied a list of investment proposals from Siberia, 180 firms expressed their wish to study the information packages and meet the Russian representatives. That was evidence of the Americans' interest in the Russian delegation's arrival. The members of the delegation were invited to speak to the students of the University.

These are the main conclusions made by the members of the Irkutsk delegation:

- such visits are necessary, because of the little information is known about the Irkutsk Region;
- an understanding that world laws and rules (little known to us), irrespective of our attitude toward them, have already been developed. The knowledge of those laws and rules should precede any attempt at international cooperation in business. The faster we understand these rules of international business, the more effectively the investment policy in the region will be conducted;
- the visit to the USA has been a stepping stone on the way to attract and effectively use foreign investments in our region.



“Irkutsk is the only city in Siberia that has real urban character. Like England created London and France — Paris, Siberia created Irkutsk. Siberia is proud of it, and not to see Irkutsk means not to see Siberia...”

*Nikolai Shelgunov,
well-known Russian publicist.*

Irkutsk City on the Angara



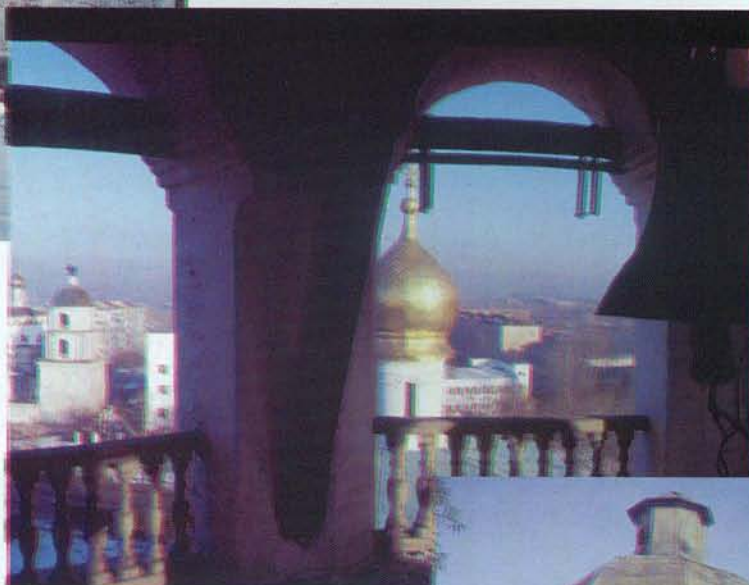
In 1661, on the orders of the Yenisei governor, Ivan Rzhevsky, the military servitor Yakov Pokhabov erected, on the right bank of the River Irkut, the fort of Irkutsk. It was destined to become the administrative center of the Irkutsk district and the major trading point in Eastern Siberia. In 1686 it received the status of town.

The favorable geographical position of Irkutsk; where trapping, agricultural, military, administrative and diplomatic routes converged, promoted the rapid development of this town. The location of Irkutsk was also favorable for trade. From 1723 to 1792 it was the customs point through which all the caravan trade with Mongolia and China passed. At the beginning of the 19th century, Irkutsk became one of the centers of the gold industry.

By the end of the 18th century, Irkutsk had become the cultural center of Eastern Siberia. The first public library east of the Urals and one of the first museums in Russia were opened here in 1782. Irkutsk also acquired the third largest art gallery after the Hermitage and the Tretyakov Gallery. From the 1830s the town was a focal point for opposition to the tsarist autocracy by political exiles, Decembrists, Polish insurrectionists, Narodniks, Social Revolutionaries and Social Democrats. This politically and culturally active section of the population helped to turn Irkutsk into a major social and cultural center in the East.



In 1937 Irkutsk became the regional center. It now has about thirty academic and industrial research institutes and 11 higher educational establishments. The city's museum has the largest collection of icons, paintings and applied art in all of Siberia. Irkutsk possesses more than a thousand historical and architectural monuments from the 18th to the early 20th century. It has many theaters, a nature museum, and other cultural facilities.



Today,

Irkutsk is also an industrial town. It has hundreds of industrial enterprises. The most developed branches are the electrical energy and machine-building industries. Machine-building and metal-working industries specialize in the production and repair of river craft, automobile and road-building equipment, the manufacture of equipment for metallurgical and chemical industries, and cable products. The building materials industry ensures the production of cement, wall materials, heaters, mobile self-contained boiler installations, solar collectors, construction glass, linoleum, soft roofing materials, ceramic tiles, ceramsite, and non-ferrous metal building materials.



Thus, Irkutsk is both a historical and modern city at the same time. On one hand, this beautiful unique city plays an important role in the history of Russia. It is no mere chance that it belongs to the so-called "city-museums". Undoubtedly, Irkutsk is a culturally rich city. On the other hand, Irkutsk is a developed industrial and scientific city. Its streets are a picture of the times, where the ages have amassed and overlapped each other.



Baikal

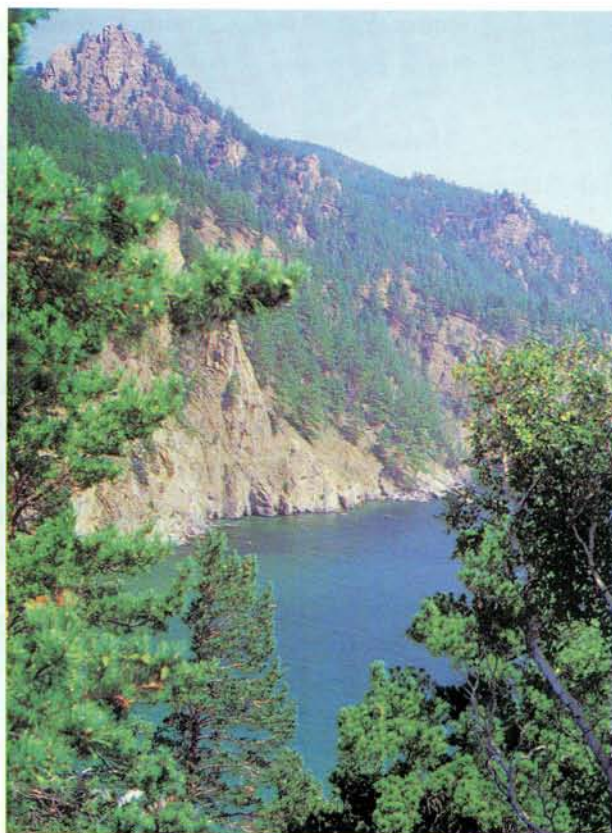
the Most Beautiful Sea on Earth



Lake Baikal is a very beautiful and mysterious place . It amazes people by its spirituality, its vital essence, vast areas, and unexpected transformations. Before our eyes, the color of the Baikal water changes every minute. Baikal bays are remarkable landscape monuments, and Baikal's water is a sample of purity.

FFor a long time now, the lake has attracted travelers and scientists, many of whom devoted their whole lives to research on Baikal. However, a systematic study of Baikal began only in 1919, when a stationary Baikal Expedition of the USSR Academy of Sciences was set up at Bolshiye Koty. The Limnological Institute of the Siberian Department of the Academy of Sciences was founded in 1961; it is engaged in interdisciplinary research on Baikal. The scientists of this institute have solved many of the lake's mysteries, but by no means all.

For many years the very origin of Baikal remained a mystery for scientists. It seemed obvious that Baikal was the product of titanic processes which formed our world in general: the breaking of the earth's crust, the powerful movement of glaciers, etc. But if we assume that the bed of Baikal is a gigantic crevice in the land surface, then how did animals, adherent only to the ocean, happen to appear in the depth of Siberia? In spite of many similar questions, today it has been finally established that the hollow developed through a titanic breakdown of the crust. But, even today, scientists have difficulty explaining the origin of some species of Baikal's flora and fauna.



The flora and fauna of Baikal are unique. All in all, scientists have described 1300 species of animals and about 600 species of plants, more than half of which are endemic species. A seal related to ocean seals dwells here. The famous tender omul inhabits the depths, as do the giant sturgeon, the swift grayling, and the viviparous golomyanka (oil fish). Golomyanka, which has not been discovered anywhere else in the world, never swims in schools, inhabits all levels of the Siberian sea, and is able to withstand the considerable water pressure within the depth without a swim bladder. Many species of bullheads are found only here. Around Baikal, scientists have also registered approximately 50 species of birds.

In all such lakes on Earth, the water remains "living" only to the depth of 300 m because in deeper waters gases accumulate, which kill life. The peculiarity of Baikal is that it is inhabited by living things throughout its depth, which is nearly two kilometers. There are about 23,000 cubic meters of living and eternal water in Baikal. This amount represents 1/5 of the surface fresh water in all lakes and rivers of the world. From a territory of 57,000 square meters, Baikal collects its tributes. This contribution, in a dry year, is brought in by 330 large and small rivers.

Baikal's water is incredibly clear — you can see a coin located at a depth of 40 meters or more — because Baikal is an enormous reservoir and every drop of water that falls into it spends four centuries there. During this period the weighted particles go to the bottom, while the smallest of them are imbibed by numberless crustaceans, which are the main cleaners of the great sea-lake. One of these crustaceans, episura, which researchers have numbered up to three million, is capable of cleaning the upper 50 meter layer of water three

times within a year. Another crustacean, the side-swimmer macrohectopus, destroys everything that pollutes the upper layers of Baikal. Such crustaceans are found only in Baikal.

Therefore, scientists consider Baikal to be a huge planetary laboratory, and the conservation of it in the state of inviolability, as an important endeavor not only for researchers but for all people. Today, Baikal's flora and fauna are in danger due to water pollution caused by the Baikalsk Pulp and Paper Mill (at the southern end of the lake) and by many other industrial enterprises on the river Selenga, a main tributary of Baikal.

WWe must preserve Baikal's unique nature for our children and protect this miracle of nature from pollution and the negative influence of civilization. For these purposes many reserves have been established. Among them are Barguzin Park, the Baikal Reserve in the Hamar-Daban Mountains, and Baikal National Park.



The Sustainable Development of Regions



*Baikal International
Student Forum*

The Baikol Educational Center of Irkutsk State University invites students, and faculty members of any educational institution in the world to participate in the Baikol International Student Forum "The Sustainable Development of Regions." The Forum takes place annually in late June on the shores of miraculous Lake Baikol. Over one hundred undergraduate and graduate students, young professionals and business people, as well as government officials from Russia and other countries gather in a comfortable resort near one of the oldest natural wonders, to think about how they can make their future world better.

The Forum's main goal is to attract the attention of political and business executives on all continents to apply the immense creative potential of young people in the fields of business, science, and politics. The Forum administration helps to promote and actualize the most feasible proposals of the participants and to create a network of personal contacts in global terms.

The Forum consists of four sections: ecology, law and politics, business-planning, and information systems in business and government. Forum participants are invited to present their ideas and proposals on any topic within the described general boundaries. Leading professionals and scientists from Moscow and Irkutsk will coordinate the work of each section. The authors of the best proposals receive monetary or other awards and have their presentations published.

If you are interested in participating in the Forum, please fill out the attached preliminary application form and send it to the listed address by mail, fax or E-mail. Applications for the Forum should be sent on or before April 15 annually. Applications sent after April 15th will be transferred to the following year's Forum. After having received the preliminary application, we will send you a letter with detailed information about the program, places, events, and participants, in addition to an official invitation to participate in the Forum, and a questionnaire for participants.

The Baikol Educational Center is confident that our initiative will receive the support of the world public and would appreciate any help in conducting this international assembly. Our office will gladly supply any information about the Forum upon your request.



Baikal Educational Center, #1 K.Marx St., Irkutsk, Russia, 664003

Phone: (7-3952) 33-34-19, Fax: (7-3952) 33-46-41, E-mail: root@manager.irkutsk.su

Preliminary Application Form

Last name _____

First Name _____ Middle initial _____

Country _____

Affiliation _____

Department _____

Postal address (home or office) _____

Phone (____) _____

The best time to call _____

Fax (____) _____

E-mail _____

Underline the name of the Forum section you want to take part in.

- Ecology
- Politics and Law
- Information Systems in Business and Government
- Seminar on Business-Projects
- Business-Plan Contest

Write the topic of your presentation or the title of your business-plan

Please write below any additional considerations, questions or ideas that can help us to better facilitate your participation in the forum.

