

Am I crazy, or are we missing something here?

By: Stephen G. Wright

Those of you that read this column are most likely of the business variety type of person. This has its good points and its bad points. The up side is your ability to read about the issues presented and to have an impact on current and future expat / local relations – if you wish. The down side is that many business people are intentionally or unintentionally shielding themselves from these issues. The reason simply is the perception that business is business. Some assume that the answers to the problems of this region are to some degree a function of business success.

Hey people this is life!!! Life just is not always a matter of business!

Upon what do I base this observation? Take a cursory (it will not require an investigation to see it) look at the programs supported by funding agencies and the educational programs in place in the post-soviet nations. What shall be apparent is that there is a strong reliance upon accounting reforms, economic reforms, financial reforms or small business initiatives. The trend here is that we see a focus upon teaching our hosts how to do business, and to create a market based economy. Nice! That's nice – no one will say this isn't nice. Needed? – sure these programs are needed. BUT.....

All the accountants, all the economists and all the financial analysts in the world will not save businesses or national economies if the people within these new economies decide they have had enough, or fail to implement YOUR approaches or create their own quaint version of economic reality. A human problem, such as a dramatic change in social structure and system requires a balance of a human answer and an economic answer.

Look Mr. Businessman, you are teaching these people all sorts of things and you get mad because they do not have a legal support system that suits you, or that they do not play fair in the sand box. Among all the programs out there, where is the reinforcement in ethics studies or behavioral studies? My issue is not that such training does not exist, it does. The issue here is the amount of training and the amount of follow-on training. I admit I am biased on this issue as I teach in the social sciences – however.....

Here is an example from a program that I have direct knowledge about. There are 12 courses that make up the program. Eleven of the total courses are focused on the practical elements of business - accounting, economics, marketing finance, operations and computer systems. The courses do not necessarily address the “why” or the consequences of a market economy. It could be argued that ethical issues are inherently incorporated within the curriculum. My point is that a topic such as ethics and adaptation of western business to the local environment needs to have a stronger priority than it has had to date.

What is the justification you can give to average people in this region to so radically have changed their lives? Saying “it is good for you” will not wash,

and saying “everyone else is doing it” will not wash with the average citizen. Lets face it, the local business person is not going to argue too much with what is going on, hell they are driving a Mercedes instead of a Lada.

When was there a study that investigated the base cause and effect relationship between the historic and recent cultures in post-soviet nations and the introduction of western business techniques? Do the ethical practices of western business fit well with the culturally accepted norms and values here? If not how shall we adapt systems and structures to create a more fluid and sustainable business environment? Look, there are some people here that are debating the value of “globalization”. There is this fascinating notion that the more you globalize the more a national identity, and it’s right of self determination, is lost. Have you considered what this could mean for you?

There is a perceptible lack of ethical behavior here (it has been suggested this applies to both the expat and the local) and a slow movement towards supporting legal reform. Local business interests will not reject your investment or your free educational and training initiatives – they will use them to their advantage. When the time comes you will see a dramatic rise in nationalistic behavior and policies that will place local and regional issues first and you last. This trend will go on until such time as you find it impossible to continue working here and you leave. Regardless of the outcome, free market success or collapse, they will laugh at you as they got your money and your expertise and they lived well for the time they had it.

One local economist said during one of my seminars not so long ago: “We can wait and be patient and when the time is right we will rip you to shreds”. One young Kazakhstani said to me of the Americans here, “Americans do not seem to care too much about the results – only about how things look.” Here is the real kicker, I was speaking with a local lawyer that works with a well-known expat operated firm, and you will never guess what he told me. It is his strong position that “no one can rise to the very top of their profession, any profession, and be honest”. Do you really want this man representing your interests in a Kazakhstan court or in a business negotiation? Before you say yes, think! You do not “live” here he does. When you leave he will still be here. He will support those interests that are in his best interest. Relationship in Kazakhstan is everything! Should you lose your case or the business deal he will still be paid, he will still have face with his local peers and you will be none the wiser. He will blame the loss on the poor judicial system, and lack of adequate reforms. Yes, accurate and also a very convenient excuse.

Hey man, you had better start worrying about the effect of what you are doing and teaching has on the average citizen in this region and the perceptions it creates. You are the ones who brought the free market and capitalism. You are the ones responsible for spending more time on teaching the ethics behind these ideas and the value of the human equation for business success.