

Insights

Volume 2, No. 2, 2002

Comments From the Editor

Insights has now been published for a full year and we are all pleased with the results. There have been many encouraging comments about the publication, and several articles have been reprinted in other publications. We expect to continue to bring interesting and insightful short articles to readers. This means that we need readers to submit potential articles so that we can select the most insightful among them.

The past issues of *Insights* illustrate the variety of articles that *Insights* publishes. For example, the last issue focused on Australia and New Zealand and was guest edited by Chadee Doren from New Zealand. We hope scholars from other regions will consider a

similar focus for future issues. Other issues have looked at topics ranging from the reality of globalization through leadership to monetary unions. One piece, dealing with terrorism, was published electronically soon after the September 11 events, and followed with a regular edition, which focused on the terrorist events, as well as dealing with them in the classroom. *Insights* has also included articles dealing with teaching approaches, a negotiating exercise, and a variety of international business blunders.

The current edition includes two quite different pieces. One, by Jean Boddewyn, looks at the most exotic AIB conference and tells of the Conference held in Alexandria, Egypt in 1976/77. This piece gives insights into how the AIB has changed over the past twenty-five years. The second piece, by Walter Longo and Sumit Kundu, deals with an issue very much in the news today – health care and globalization. Dr. Longo is a professor of surgery who has teamed up with a business professor to produce this look at health care issues in today's world. Collaboration of this kind often lead to special insights, and the authors particularly hope that it will lead to collaborative research. In addition, the current issue has an article on experiential teaching and learning in international management by Jeanne McNett and Allan Bird. This article has helpful suggestions for using experiential exercises effectively.

Upcoming *Insights* editions will look at the influence of international business scholarship, reducing world poverty, managing multi-country research teams, the history of international business, and the future of the AIB. Again illustrating the array of topics that are appropriate for *Insights*.

AIB Insights is published quarterly by the Academy of International Business.

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Call for Submissions

We are planning an issue of *Insights*, which traces the development of International Business over time – Jean Boddewyn will be helping to coordinate this. Please submit "milestone events" that you would like to see included in the history. Submissions should include a date and a brief description of the event and why it is particularly important in the development of international business (an example follows to illustrate). Submissions should be sent by the end of September, 2002.

Example:

1670 – The Hudson's Bay Company is established. The Hudson's Bay Company was the first joint stock company. Investors in the company came from several countries, operations were in North America, and markets were essentially in Europe. The Hudson's Bay Company can be thought of as the prototype for multi-national companies from then to the present.

Submission Information

- Submissions to *Insights* can be sent at any time to the Editor.
 - Submissions may be electronic, by fax, or by mail. *Electronic submissions are preferred.*
 - Submissions will be reviewed by the Editor to ensure material is appropriate for *Insights*, then the advisory board will comment on submissions.
 - For consideration for specific editions, submissions must reach the editor by the following dates:

1st Quarter:	December 15
2nd Quarter:	March 15
3rd Quarter:	June 15
4th Quarter:	September 15
 - Articles should be approximately 2-3 printed pages.
 - Exercises, simulations, and other material should include all the information needed for use in the classroom. Material submitted should not contravene any copyrights.
 - Blunders should be based on real-world events and should be new - ie, not previously published, or disseminated in other media.
- We look forward to your comments and submissions.*

- BJ

Insights provides an outlet for short, topical, stimulating, and provocative articles. Please submit materials for consideration to the editor - Betty Jane Punnett at

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Submissions are reviewed by the Advisory Board

These can be accessed through the AIB Website
www.aibworld.net

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THE MOST EXOTIC AIB CONFERENCE OF THE 20TH CENTURY:

ALEXANDRIA (EGYPT), 27 DECEMBER 1976 – 2 JANUARY 1977

By: Jean Boddewyn, Baruch College, The City University of New York



We did not meet outside the United States for our annual meetings before AIB President Duane Kujawa initiated this practice in 1981, when we met in Montreal, Canada. Instead, we started by holding supplementary mini-conferences abroad on two occasions: in France (at INSEAD, Fontainebleau) in July 1975, and in Egypt (Alexandria) over the 1976-1977 New Year. Among the 45 AIB members (plus wives) who attended the latter, many keep evoking this adventure with merry wonderment whenever they meet at more sedate AIB venues.

The Invitation

It started at our regular meeting in Dallas in late December 1975 since we used to meet with the Allied Social Sciences after Christmas. AIB President Philip Grub was invited by Professor Salah El Sayed (American University of Cairo) to hold a conference there in September 1976, with local expenses to be covered by Egyptian-government funds. The Executive Board brought up the matter at the business meeting and decided to pursue it. It was not clear how many members would attend on account of the expensive travel fare and of the September date when classes resume in the United States.

Organization

AIB President Grub visited Cairo in Spring 1976 to confirm local arrangements and financing, but the meeting's venue was shifted to late December and to Alexandria because Cairo hotels were crowded with Arab delegations visiting Egyptian President Sadat who was expected to announce Egypt's rapprochement with Israel (he did so in January 1977). A call for papers was issued in the AIB Newsletter in March 1976,

stressing that "our Egyptian hosts were eager to renew and/or develop their economic and other relations with the Western world through imports and exports, licensing and other forms of trade and investment . . . and that academic papers should be directly relevant for our hosts' present concerns and interests." What other AIB conference has had such a lofty mandate evidenced by the announced participation of major Egyptian officials – even President Sadat was expected to launch our conference?

Much uncertainty over the next few months centered on what hotel would host our conference. Alexandria's Palestine Hotel was first mentioned, but a Soviet delegation took precedence, and we were promised "the second best-in-town" St. Stephen Hotel. When we landed in Cairo, a final shift was announced to the 26th-of-July Hotel,¹ a summer retreat site for Egyptian military officers. It was rumored that one member of the North-American contingent had CIA ties, so that we had to be kept under military surveillance. Clearly, the plot was getting thicker.

Financing

AIB President Phil Grub managed to obtain government funding to subsidize much of our conference expenses – a welcome if fateful development (see below) which increased the pool of those willing to attend the conference. Professor El Sayed was in charge of local arrangements in Cairo and of the participation of the region's academics and government officials. The attractive \$450 travel and registration package he offered to North-American participants included airfare, local accommodations, meals and a side trip to Luxor. The local financial support from the Egyptian government was estimated at \$700 per

person. The U.S. State Department, then interested in international-business education, provided a \$18,500 grant to finance the expenses of those members (including Ph.D. students) at the 1975 Fontainebleau and 1976 Alexandria meetings, who could not fully finance what was still pricey 25 years ago.

Lasting Memories

Getting in, out and through Egypt turned into a constant adventure loaded with surprises and mix-ups that generated enduring memories. What follows are assorted incidents, provided by some of the 45 U.S. participants: Jean Boddewyn (Baruch, and then AIB Vice-President), Jim Goodnow (then at Roosevelt University, and AIB Executive Secretary from 1972 to early 1977), Phil Grub (then at George Washington University, and AIB President), Irene Lange (California State, Fullerton), Lee Radebaugh (Brigham Young), Steve Robock (Columbia), John Ryans (Kent State) and Vern Terpstra (Michigan). Our Egyptian hosts probably had their own laughs and frustrations with our North-American contingent, but they remain buried in the local sands of history.

Athens Stopover and on to Cairo

U.S. participants took several air routes to get to Cairo, often via Frankfurt and Athens, and they spent up to 36 hours to get there – probably more than to Sydney in 2001. Airport security was tightening all over the globe, following the hijacking of three planes to Syria in the early 1970s; and Athens was cold and rainy – so much for our uninformed expectation of a sunny Mediterranean vacation in December.

When we landed in hot Cairo, we had to walk from the plane to the terminal, and a strange sight greeted us: a pyramid of abandoned suitcases cov-

ered with dust and lying under the pitiless sun in front of the building. Why were those baggages there – not returned to their owners or adopted by the poor locals? A strange vision of future archaeologists uncovering this pyramid circa the Year 3000 suggested itself: they would attribute its existence to a tourist or cargo cult of leaving offerings to the gods of air travel. In any case, we watched our suitcases very carefully from then on. For that matter, some luggage was temporarily mislaid, and the unfortunate travelers had to manage with borrowed or locally purchased shoes, underwear and outerwear.

The arrivals at the Cairo airport gathered in President Sadat's waiting room (we clearly were Very Important Persons) in order to avoid the usual custom procedures – "thanks to high-level friends". This made a lot of sense since Phil Grub had brought over eight cases of hard liquor, two dozen cases of wine and one of Cognac, that ultimately inspired some of our gatherings and had to be "protected" from the hotel staff in Alexandria. He also (literally) flew in six huge turkeys that traveled in dry ice by taxi from Cairo to Alexandria – they too were VIPs.

Alexandria Ho!

We finally left at 9:00 PM and were driven for four hours to Alexandria in old school buses on good roads that took us through small cities and villages – a salutary lesson in how one can feel lost outside of large cities and where no English is spoken. There was a rest stop where we loaded up on Pepsi-Cola and Seven-up available for hard currencies, and where we used an imposing toilet facility with two gates: one marked "Men" and the other "Women." We filed accordingly but, once past the gates, men and women were together again in the same waiting area. Something must have escaped our cultural understanding.

At the 26th-of-July military hotel, we were greeted by "doormen" carrying automatic rifles. We had a very late reception (around 1:00 AM) with an orange drink and potato chips: obviously, Phil Grub's stash had not arrived. The Egyptian-Army officers' "summer-retreat" edifice, along the avenue lining the beach, was quite Spartan, with shared bathrooms for men and women on each floor. Sorting out who was bedding down with whom took quite a while because the desk clerk was overwhelmed by the preferences (e.g., husband with wife) that had been expressed for our stay at a Cairo hotel. There were scarab bees crawling across the bedroom floors, and small water-heaters in the bathrooms, with pilot lights that had to be repeatedly lit with matches. There were only shutters and no glass panes on the windows, so that the rooms were quite cold; and you had to decide whether to use the single electrical outlet for a heater or a lamp. However, the view over the Mediterranean Sea was superb when the sun was up. Still, several participants could not adjust to such splendor, including the numerous armed soldiers supposedly posted to assure our protection against beggars (many) and thieves (none); and they returned to Cairo.

Our "chef" was a military cook quite adept at preparing basic dishes – mainly, rice with what some of us thought was squab because the number of pigeons sitting on the roof appeared to decrease daily. However, Phil Grub's turkeys were acclaimed at the New Year's Eve dinner; and some of our Egyptian hosts and guests were seen leaving with "doggy bags;" while the resident peacock at the hotel took refuge after we left, fearing that the local taste for fowl had taken hold. There were also some strange logistics. We occupied the third and fourth floors of the hotel, but were told that Egyptian officers had arrived and needed the fourth floor. The normal

reallocation of space would have involved moving the fourth-floor occupants to the newly assigned second floor. Instead, the third-floor occupants were shifted to the second floor, and the fourth floor moved to the third one, so that everybody could share the misery of being transferred!

In Alexandria, the weather was cold and rainy – quite a shock after the sunshine and heat of Cairo. We visited its Roman catacombs, Greco-Roman museum, and the site of one of the World's Seven Wonders – the famous Pharos (lighthouse) long razed. Some of us had planned to do research at Alexandria's famed library, but it had unfortunately been destroyed by Julius Caesar. We ventured out in the evening (including to the Palestine Hotel where the conference was originally scheduled to take place), but nothing much was going on along the seaboard lined with villas and hotels shuttered for the winter. The real Alexandria teeming with people lay behind the relatively prosperous boulevards, but we had no guide to take us there. You could peek at the late King Farouk's summer palace that was off-limits, although some participants managed to get in and joined parties there.

The AIB Conference Proper²

The next day, the conference got underway in a very nice conference room, under the theme of "The Role of Multinational Business in Economic Development." President Sadat was unable to deliver the keynote address but he was replaced by the Minister of Commerce, followed by the Mayor of Alexandria and other high-ranking Egyptian officials and executives. Our meeting was well covered by the press; and Phil Grub and Vern Terpstra were interviewed, with pictures adorning their Arabic answers. To close the conference, the New Year's Eve party offered turkey, some lively music and two great belly dancers. Several of us

ended up dancing with them on top of the tables, delicately inserting dollars, credit cards and even a U.S. passport into their brassières, wives permitting. Not quite your typical AIB "President's Dinner."

Back to Cairo

We returned to Cairo by bus early on New Year's Day, discovering farm life in the Nile's Delta. Cairo was hot and dusty, but we visited the Pyramids, donned Arab head coverings and rode camels for the obligatory pictures (you had to pay for getting on the camels and off them); and we did some astonishing bargaining with the throngs of local vendors. The haggling ratios were absolutely weird: occasionally, you could bring a first bid of \$20 down to \$1 for beads, necklaces and statuettes. You could also buy local garments (djellabas, shawls, etc.) at very reasonable prices; and we loaded up on them, some still worn to this day on special private and public occasions.

We visited Cairo's main mosque adorned with a clock given by the French as a token of their gratitude for taking one of Luxor's obelisks, now standing in the Place de la Concorde in Paris. Its archeological Egyptian museum had marvelous finds exhibited in dimly lit rooms and marked with yellowed handwritten signs. One of us was invited by a guard to buy some of the minor exhibits. Participants ventured out at night, carefully watching for unlit street diggings, or they went on taxi rides with drivers intent on taking them to unwanted destinations in hazardous vehicles, but no harm ensued.

On to Luxor

The optional side trip to Luxor with its magnificent ruins and buried tombs across the Nile was gloriously delivered with more surprises, starting with an overnight train ride. Cairo's central railroad was quite a sight, with

local trains arriving and departing with passengers sitting on the carriages' roofs or hanging from every available protuberance. The platforms were full of families with numerous children, goats and assorted household effects, so that skepticism was voiced about any sleeper train ever arriving to ferry us to Luxor. However, the train finally showed up an hour and a half late: a postwar vehicle in the old Orient-Express tradition – probably the product of some Hungarian barter deal for Egyptian cotton. While its features (including the toilets) were a bit "retro," we had a great time riding it, having a very good meal aboard, and briefly sleeping in our couchettes after much talking, laughing and drinking (after all you couldn't trust the water.)

We arrived in Luxor just when dawn was breaking. The sky was still full of millions of stars in the middle of the desert, but it quickly gave way to a rosy and glorious sunrise. We were driven to the Winter Palace Hotel's lobby, reluctant to leave our suitcases on an open donkey cart that found its way safely to the hotel where we washed and breakfasted before visiting the local sights. Luxor was a splendor baking in the sun as we toured with an excellent guide the magnificent ruins of Karnak (ancient Thebes), crossed the Nile on falukas, and visited Tutankhamen's and Set I's tombs in the Valley of the Kings as well as Queen Hatshepsut's cliffside temple. We presented on odd tableau of meandering foreign tourists dressed in winter clothes – even with a mink coat one did not trust leaving at the hotel.

After a late luncheon at the hotel, we were taken to the local airport for a return plane trip to Cairo. Airplanes kept landing and taking off, but other tourist groups always seemed to get the next one. It was like waiting for the last flight out of Saigon: would we ever get aboard a plane? Finally three hours later, we were called and told to wait outside the terminal. When the

signal to board was given, a desperate 100-yard dash took place by a mass of people anxious to get aboard, but we all made it.

Back in Cairo for More Experiences

We arrived at the Tonkin Hotel around 9:00 PM. At first, the desk clerk insisted that he had not received any reservations for our group. One of us finally moved behind the desk and found the list. Distributing the rooms turned out to be very frustrating because any housing preference (single rooming or doubling up with some designated person) was simply ignored; and we had to reallocate the rooms according to the original requests. That took a good hour or more at the end of a very long day that had started at dawn in Luxor.

The next morning, the desk clerk tried to charge us for a 5:30 AM break-

fast that could not be served until 6:00 AM after we had left the hotel. He even called the police when we refused to pay, but justice prevailed as we left with our money intact and our stomachs empty, after retrieving our passports from behind his desk. At Cairo's airport, there were bizarre exit procedures; and some of us stopped over in Athens for a couple of days to recover, shop, patronize taverns and clubs, and otherwise prepare ourselves for a more normal life at home.

Aftermath

Dismayed by the fun, levity and adventure associated with this meeting, two founding Fathers resigned from the AIB and did not return to the fold until our Constitution was amended to ban such fun-packed conferences.³ However, for most U.S. participants, this conference provided their

first exposure to a developing country; and it paved the way to regular meetings being held in Canada, Asia and elsewhere outside the United States. It also generated a trove of colorful stories to tell our classes as well as deep bonds among those who ventured there (at least one participants' child was conceived then and there). What other AIB conference have offered so many surprises and wonders?

Note: Other issues of Insights can present "lessons" which the contributors derived from this AIB mini-conference.

End Notes

1 This is the date of the Nageb-Nasser military coup that toppled King Farouk of Egypt who was allowed to leave Alexandria on his yacht for Monaco and other exile spots.

2 The schedule was: (1) arrival in Cairo on the 27th of December, and transportation to Alexandria; (2) start of the conference at 3PM on the 29th to continue through the 31st when a New Year's Eve banquet was held; (3) return to Cairo on January 1, 1977 and departure for Luxor (or stay in Cairo); (4) visit of Luxor on January 2, with return to Cairo that same evening, and (5) departure home on the 3rd or later.

3 Just kidding! John Fayerweather and Richard Robinson objected to the AIB accepting funds from the U.S. and other governments, and for distributing to the membership the newsletter of a pro-MNE association. The current Executive Board pointed out that the working of the original AIB Constitution allowed and even encouraged such close relationships with governments and businesses (Article II: ". . . cooperating whenever possible with government, business and academic organizations for the furtherance of basic objectives"). The next Executive Board (under President Richard Farmer) thought it wiser to avoid questionable entanglements; and the AIB Constitution was accordingly revised, soon followed by the return of the prodigal founders (see John Fayerweather's account of this episode in "A History of the Academy of International Business From Infancy to Maturity: The First 25 Years," South Carolina Essays in International Business (Columbia, SC: College of Business Administration, No. 6, November 1986).

The Effect of Health Care On Globalization

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Multinational corporations who exploit natural resources, people and trade within developing nations are obliged to put capital and assets into the host country to assist them in meeting their health needs.

The social and economic advances that the world has witnessed during the latter part of the 20th century offers a bright vision of better health for all. Life today holds the prospect of not only living longer, but also maintaining an existence with diminishing disability and potential for eradicating "incurable" disease. Nevertheless, despite the increasing life expectancy seen globally, nearly 40% of all deaths occur prior to age 50. Many of these unfortunate souls live in developing nations. Inequality in medical care between developed and developing nations remains a major issue in economies today. Thus, a priority for

the future of human health depends a great deal on a commitment to striving for equality of health care globally. Unfortunately, the past few decades have seen the growing impact of poverty, malnutrition and communicable diseases on health, political stability and economic prosperity. Furthermore, an alarming emergence of antibiotic resistant infections, almost uncontrollable rage of HIV/AIDS, and the impact of tobacco, alcohol and recreational/prescription drug abuse continues. Illness does not respect national boundaries.

The war against illness in the 21st

century will have to be fought simultaneously on two main fronts: infectious diseases and chronic, non-communicable diseases.¹ Many developing countries will be highly susceptible to both, as heart disease, cancer, morbid obesity and diabetes become more prevalent, and while infectious diseases remain difficult to eradicate. Of this latter group, HIV/AIDS will continue to be the deadliest. Furthermore, world health professionals warn that the poorly supervised use of drugs to fight AIDS and other deadly infectious diseases is the principal cause of the rising resistance to medication. It is not only infectious disease that

“Health care is an expensive service for any nation and it remains a challenge to find a balance between providing high-quality care accessible to all and being cost efficient”

spreads with globalization. The combination of pollution, lack of sanitation, and the growing migration of people from the countryside to the cities resulting in extreme poverty, have contributed to the health hazards in developing nations.

Health care is an expensive service for any nation and it remains a challenge to find a balance between providing high-quality care accessible to all and being cost efficient. This will remain a challenge as emerging, costly medical technologies develop. Increasing inequities in health care will encourage the spread of illness. Consider the economic impact of HIV/AIDS. Because it strikes people in their most productive years it may result in reduction in labor supply and increased costs. The household impacts can be devastating in that savings are rapidly depleted for medical expenses. The separation between domestic and international health problems no longer applies, as millions of people cross international boundaries each day. Its impact on multinational corporations (MNC's) can be devastating, especially as emerging markets in developing nations unfold. A commitment by MNC's to make health care a priority in the host country needs to be part of the package.

In 1977, the World Health Assembly decided that the main focus of governments and of the World Health Organization should be the attainment by all people of the world by the year 2000 of a level of health that would permit them to lead a socially and economically productive life.² Poverty breeds ill health hampering economic and social development and contributing to unsustainable resource and environmental degradation. Health gains trigger economic growth and, if the benefits of that growth are equally distributed, this can lead to poverty reduction. If the world's poorest countries are to have any chance of competing with developed nations, they need to invest in health. It has become widely recognized that if public

funds are carefully spent and lead to improvements in people's health, they represent an investment in any country's prime asset, its people.¹

The United States pharmaceutical industry benefits enormously from publicly funded research, government-granted patents, tax breaks, and tremendous profits.³ Most feel that pharmaceutical companies must change their way of doing business to ensure that poor countries have access to essential medicines. However, blaming prices and patents for the lack of access oversimplifies the problems with delivering drugs to underdeveloped countries.⁴ Most patients infected with HIV, as an example, do not even know they are infected. Company discounts and donations provide no guarantee that the best price is being obtained. Prices offered by generic companies are well below the discounts offered by the large firms. Some pharmaceutical companies have offered additional incentives to forego generic purchase. The Trade Related Intellectual Property Rights Agreement (TRIPS) proposal is a potential alternative to this undermining by implementing the ability to use parallel pricing and compulsory licensing.⁵ It will be a continued battle as to whether a government's right to protect people's health by obtaining the cheapest possible price for medicines, in order to reduce the suffering of millions of people, will take precedence over harmful monopolies on life-saving medicines.

Recent evidence shows how disease undermines economic progress. Consider the burden of HIV infection. The incurable illness caused by HIV has already infected 36 million people in our world. In Russia, the number of people infected with HIV doubles every year. HIV infection has progressed from a disease experienced mostly by the country's intravenous drug-users to joining tuberculosis as one of the country's largest public health threats. India could well be the scene of the next explosive increase in HIV infections

and may supersede what we have experienced in Africa over the past decade. China is also under threat of a major epidemic. The economic effects of sub-optimal health care will be felt first by individuals and their families, then ripple outwards to firms and businesses and the macro-economy. Consider the following statistics brought forth by Dr. Brundtland.² HIV prevalence rates of 10-15% can translate into a reduction in growth rate of GDP per capita of up to 1% per year. Africa's GDP would probably be about \$100 billion higher now if malaria had been tackled 30 years ago. In India, the economic burden of tuberculosis (TB) infection is \$300 million annually. Some 100 million work-days are lost to TB, and one third of the total impact of TB is incurred by those who suffer from the disease. When drug prices fall, there is still no guarantee that poor communities can afford them. In the future, there are also likely to be new health risks unknown today.

Overall there has been strong political commitment towards achieving the goal for health-for-all and most countries have endorsed at the highest level the necessary policies and strategies. Existing health services are being reoriented to a health system based on primary health care. This includes immunization, a safe water supply, adequate sanitation and education. Increased international cooperation in health can be facilitated by a managed global network, making use of the latest communication technologies for the health of the people. Global surveillance for the detection of and response to emerging infectious diseases is essential. Wars, conflicts, refugee movements and environmental degradation also facilitate the spread of infections as well as being health hazards themselves. Even if all medication for infectious disease were free, only a few thousand of the million infected would benefit. This is due to lack of

routine testing and counseling for infection, basic medical care being scant and a lack of trained personnel, resources and medical infrastructure to create long-term clinical follow-up. Education, especially as it relates to sexual activity, diet, environmental hazards, disease surveillance and the effects of tobacco are paramount.

The events surrounding September 11, 2001 have heightened our awareness of the reality of terrorism, and soon after, the emergence of mortalities from anthrax have made us extremely conscious of bio-terrorism. Currently, the major biological threats facing the world are emerging infectious diseases, re-emerging infectious diseases and transported infectious diseases.⁶ However, the problem of deliberately caused biological disease

(bio-terrorism) is most worrisome. Therefore, a nation's ability to respond effectively and appropriately to a bio-terrorist attack would be critical. This would be accomplished by improving the ability of the local government to analyze information indicative of illicit biological activity, improving the ability of public health and health delivery personnel to deal with the aftermath of disease outbreaks, and improving the national system for detecting, surveying and monitoring disease outbreaks.⁶ Here is where an MNC can "invest" in the health of the host country. Still, the biggest biological threat facing any country is not terrorists armed with anthrax, but it is infectious diseases of natural origin. If a country can defeat the threat of emerging and re-emerging infectious diseases, they will have a jump on handling the manifestations of bio-terrorism. Regardless of the origin of the biological disease, each country needs to continue to look internationally. This includes working with organizations such as The World Health Organization (WHO) where strengthening of international surveillance efforts by providing advance warning

of a bio-terrorist attack will prove beneficial. MNC's pursuing an emerging market must have a working relationship with organizations like WHO upfront in an effort to thwart biological disasters which could end up being financially devastating.

To achieve the health outcomes that matter most to poor people, we need to increase the likelihood that all people can access essential health care and benefit from healthy public policies. We do have effective mechanisms and interventions that will help all people to achieve their full potential. It is only a matter of time when multinational corporations will put major assets in the ground in developing nations. We have already seen this in Southeast Asia, where 25 years ago, it was unheard of that this region would be the land of opportunity. As companies assess their financial, political and cultural risk, so to, they must assess the health risk. This risk can be easily translated into either profit or expense. It can be strongly suggested that health care "upkeep" needs to be part of the bargain.

Today, poverty, infectious diseases and malnutrition are a national and global security threat and have the potential to destabilize governments and destroy the investments by MNC's in developing nations. Health professionals must emphasize the importance of longer-term more effective, more sustainable strategies, centering particularly around government commitment to optimizing health care in their respective nations. Clearly, globalization is about more than just trade, it is a commitment to the well being of humanity. MNC's must assume a responsibility for the health of the nation where they invest. They must be fully aware of the economic costs of ill health. This overemphasizes the need for the focus to be on primary care and not pharmacotherapy. MNC's need to channel their assets into financing state-of-the art primary care

facilities, proper sanitation and preventing malnutrition. At the same time, local governments have to restrain themselves from corruption, conflicts and foster sustainable development. MNC's must consider health care risks in location decisions and potentially "leverage" governments to ensure effective health care policies are in place. Regardless, one of the most effective ways of reducing health care risks is increasing national prosperity and standard of living. Unfortunately,

most developing nations are so far in debt, and struggling to meet debt financing burdens that minimal capital is left for health care.

Examining the issue of globalization as it relates to health care, from a game theory framework, the relationship between the MNC and the host government is not a zero sum game. The goal is to create a "win-win" environment for both the parties. The new business paradigm for MNC's in developing countries is creating an

optimal balance between profitability and public legitimacy. Investment in human capital is the recipe for success and continued growth. To minimize the social and economic costs as well as maximize the public welfare, one has to critically examine the divergent expectations and roles of the various players, and to identify the commonalities. The figure (right) demonstrates the need and urgency to work together for reaping the benefits of globalization.

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Cross-Cultural Quiz

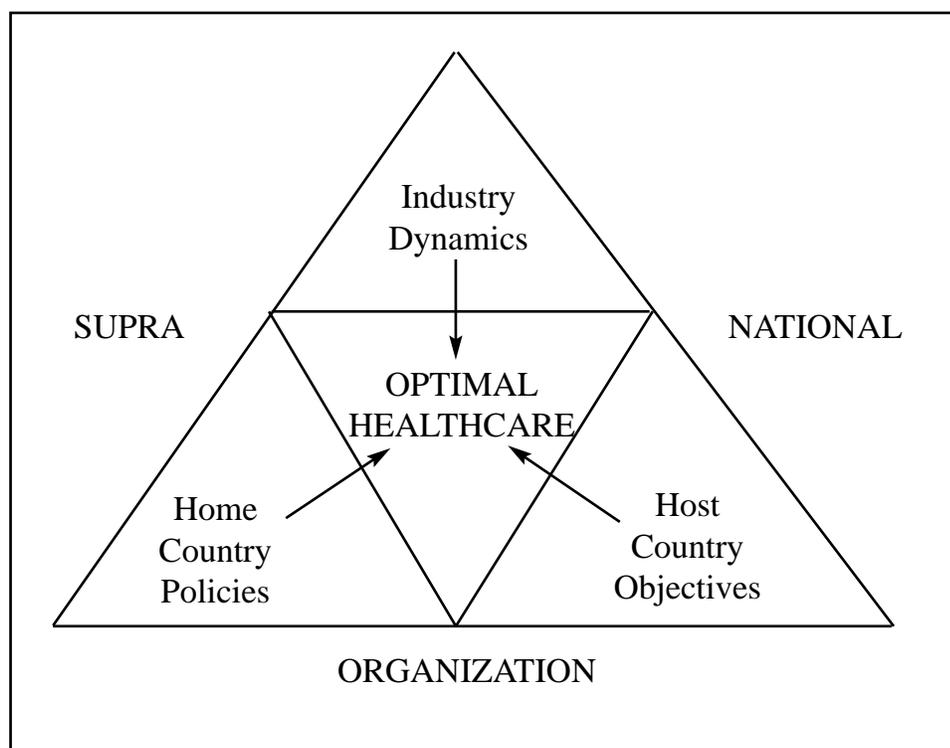
I often use quizzes about cultural issues to illustrate issues for my students. Students find it a good way of learning about these issues. Two examples (I tailor these to the location where I am teaching, so these have a Caribbean focus):

- You are going to Saudi Arabia for a business meeting. Which of the following would you take as a gift:
 - A book of West Indian bathing beauties in bikinis.
 - A bottle of Barbadian rum
 - A book of Caribbean island landscapes
 - It would be inappropriate to take a gift
- You have been studying Spanish at the University of the West Indies, but your Spanish is still not very good. You are going on a business trip to Brazil. Should you try to speak Spanish even though your Spanish is not very good?

I use the responses to the quiz questions to illustrate a variety of points. In the Saudi example, I talk about the different roles of women, appropriate dress, religion, alcohol prohibition, as well as gift giving in general. In the Brazil example, it is surprising how few students realize that Portuguese is spoken in Brazil, not Spanish. I use this one to talk about the value of knowing a foreign language, and more generally communication issues internationally.

-- BJ

*Note: The figure below was erroneously excluded from the printed issue of **Insights**. We regret this error.*



Experiential Teaching and Learning in International Management



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International Management educators have been using experiential exercises for years in classes and training programs. Some of the classic tried and true crosscultural experiential exercises are BaFa BaFa, Ecotonus, and Barnga, while some of the newer ones we've been experimenting with are Vikings and Mandarins, the Owl exercise, a values dimension recognition exercise with a Star Wars show, and the Randomia Balloon Factory. What have we learned about these exercises? How have we fine tuned them for different groups? These questions were the focus of the Teaching Committee of the International Management Division at a Professional Development Workshop at the Academy of Management 2001 in Washington. The discussions led to three areas of observations: the critical role of faculty preparation, the vital importance of a good debrief, and the necessity for successful exercise modifications.

Preparation

Experiential exercises appear superficially easy, because during the time they happen, the instructor appears to be fairly passive, out of the usual class leadership role. This apparent ease may suggest that experiential exercises and simulations are games or play, and not to be taken as a serious learning opportunity. The faculty ease during the exercise also belies the extensive set up that is required in advance of the exercise and their focus on class members' participation during the exercise. Set-up includes a close read-through of the exercise, a check on its parts and materials, and a re-confirmation that the necessary rooms and supplies will be ready and open. Many recalled a locked meeting room door on a Saturday morning, ordered refreshments which didn't appear, tape recorders with muffled sounds, and so on. These events challenged contingency management skills and the quality of the exercise. During an exercise, faculty members seem passive, but are focused on the observation which equips them to help participants make conceptual and emotional connections during the debrief (it is during the debrief that the most significant learning takes place).

The important lesson is to leave plenty of time to prepare the exercise. During the exercise, focus on observing and identifying links between what happens in the exercise and the conceptual content of the course.

Debriefing

Good instructors often spend nearly as much time in debriefing an exercise as in the exercise itself. The debrief "sense-making" occurs as participants and the instructor work through what happened during the exercise, and what it means. The overall quality of the simulation is dependent on the quality of the debrief.

Good debriefing is more than just asking a few questions and making a few points. It is a pedagogical skill worth serious attention. An effective debrief creates an opportunity to personalize the learning, to focus participants' attention on the specifics of their experiences and how those experiences can be understood within the specific context of who they are. This can be a powerful experience for participants. The exercise encourages participants to explore who they are; the debrief can lead to issues which connect in deep ways to personal identity. This aspect of debriefing requires sensitivity to the emotional/affective component in learning as well as to the cognitive component. Managing this emotional aspect may be difficult for some, yet it makes the debrief a way to get at powerful learning for the participant.

A four level debriefing sequence evolved:

Level 1: The Experience - What happened? Get adjectives to describe the experience. Then adjectives to describe feelings during the exercise.

Level 2: Reflections and Insights - How do others feel about these descriptions from Level 1? Did participants ever feel this way before? When? How did they respond? What does this tell us? What generalizations can we make?

Level 3: Concepts and Issues - Identify stereotypes, use the Describe-Interpret-Evaluate approach. Are there different interpretations? Incorrect attributions? Connect these observations to larger issues: culture shock, the expatriate community, effect of reward systems, high/low context, ethnocentrism and so on.

Level 4: The Participants' Experience - Encourage participants to make connections to their professional and personal experiences.¹

Modifications

Even in highly structured exercises such as Bafa Bafa, good instructors develop their own variations, tweaking the exercises in ways that fit their teaching objectives and their personalities. The discussion considered techniques and strategies which provided insights on different ways to use established exercises. In this sense, the discussion was like a "coach- es clinic", with a sharing of ideas on exercises that were familiar to many. There are also some newer exercises, which were discussed. Vikings and Mandarins, for example, offers an opportunity to explore international ethical issues in an experiential format and Globally Dispersed Multicultural Teams (GDMT), offers a powerful international team management experience at the student level.

What follows is an initial summary of the comparative observations on Barnnga, Econtonus and BaFa BaFa.²

	Barnnga	BaFa BaFa	Ecotonus
Time needed	1 hour min.	2.5 hr. min.	2-3 hr. min.
Costs	inexpensive	Most expensive (\$100+)	Mod. expensive (ca. \$100)
Flexibility	Some	Little	Lots
Facilitators needed	1	2	1-2
Complexity	Simple	Lots	Variable
Re-Use/Repeat?	No	No	Yes
Emotions Engendered	Low	High	Variable
Level of Knowledge Needed	Intro (undergrad, post-grad, exec.)	Variable	Variable

Next Steps

The Taching Committee would like to build on the progress made in this workshop. Possibilities include developing:

- A database of cross-cultural simulation, experiential exercise and team exercise materials.
- An annotated bibliography of these cross-cultural materials.
- A workshop on technology tools for intercultural activities.
- A workshop clinic on debriefing processes and challenges.
- A cartoon collection.
- A Clearinghouse for crosscultural material.

Please send suggestions for building on these ideas to either of the authors.

Endnotes

1. These levels are adapted from a chart Harry Lane developed on the debrief of BaFa BaFa.
2. This chart was developed for discussion by Wilfried Ruigrok.

