



NEWSLETTER

RUSSIAN-CANADIAN CLUB OF PRESIDENT'S FELLOWS

ВЕСТНИК РОССИЙСКО-КАНАДСКОГО КЛУБА ПРЕЗИДЕНТСКИХ СТИПЕНДИАТОВ • JOURNAL DU CLUB RUSSO-CANADIEN DES BOURSIERS PRESIDENTIELS

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Canada Day Greetings!



Mr. Rodney Irvin
Ambassador of Canada
in Russia

Your Excellency. One of the first speech made by you here in Moscow was the speech at our Club's workshop in October. You spoke Russian and it was applauded. Where did you study Russian? What is your professional background?

My first posting with the Foreign Service was to Moscow from 1978 to 1980. Before the posting, I studied Russian in Canada for approximately 10 months. Over the past 20 years I have worked largely in human resources and corporate management at the Department of Foreign Affairs and International Trade. My most recent assignments have been Director General of the Human Resources Development Bureau and Inspector General. At the same time I have maintained my involvement with this part of the world, as Director General of the USSR and Eastern Europe Bureau in Ottawa in the early 1990s and Ambassador to Hungary [with concurrent accreditation to Bulgaria, Croatia, Slovenia and Albania] from 1993 to 1996.

How do you appreciate the present state of Russian-Canadian relations and what are the prospects for these relations?

Our bilateral agenda with Russia continues to be very active. Over the past decade we have witnessed a surge in Canada-Russian cooperation and discussion at all levels:

intergovernmental, parliamentary, cultural, academic and private sector. Our political relations have been strengthened through bilateral exchanges on United Nations affairs, G-8 issues, European security, economic issues, Arctic and Northern cooperation and other topics. Canada also has a significant technical cooperation program with Russia - \$150 million dollars have been committed since 1991. These funds are used to assist Russia's transition to a market-based economy, facilitate Canadian trade and investment links, and promote Russia's democratic development.

A busy agenda of high-level visits has ushered in the new millennium. Foreign Affairs Minister Lloyd Axworthy visited Moscow and St. Petersburg, while Russian Minister Alexander Livshits came to Ottawa in February. Indian and Northern Affairs Minister Nault will travel to Russia this June after having received his Russian counterpart Minister Goman in March. Canada and Russia have established a wide-ranging Arctic agenda, including joint initiatives on environmental monitoring, self-government, transportation, aboriginal business, electrical utilities and oil and gas.

On the economic front, we are looking forward to the upcoming Canada-Russia Intergovernmental Economic Commission (IEC) which will be held on June 26 in Moscow and co-chaired by our Minister for International Trade Pierre Pettigrew. The IEC was established in 1995 to address barriers to economic cooperation, and is Canada's principal forum for developing business ties with Russia.

There are 520 Russia-Canada joint ventures registered in the Russian Federation. Among them 120 joint companies have been registered during 1998-1999. What do you think about the tendency of this process?

It is safe to say that the bottom fell out of the Russian market in August 1998. This had an adverse effect on Canadian business in Russia. However, there have been a number of positive economic indicators in the Russian economy in the past year, and I think that we can look to the future with

renewed optimism. Russia has a new President. The economy grew in 1999 and looks set to grow again in 2000. The Russian Government should soon release its economic program that will set the main parameters for sustainable growth, structural reform, an enhanced investment climate. It looks like there is a consensus on the need for growth, the requirement to increase productive direct investment by foreign and Russian investors, the importance of Russia being fully integrated into the world trading community. This has naturally attracted growing interest on the part of Canadian companies, some of which have decided to test the market and this is represented by an increase in the number of Canadian companies that have been registering in Russia. The Embassy welcomes the increased Canadian business presence, and we will work to support their activities in the Russian Federation.

In your view, what is the role of the Russian-Canadian Club of President's Fellows both in Russia and in Canada?

The primary role of the Russian-Canadian Club of President's Fellows is to provide support to Fellows upon their return from Canada. To successfully carry out this role, the Club serves as a focal point for ongoing discussions on professional and career development issues facing Club members. In this manner the Club helps to increase the YDFP's impact in Russia. Also, by helping Fellows maintain and strengthen the Russian-Canadian relationships developed during their time in Canada, the Club promotes, in Canada, a wider interest about, and understanding of, Russia.

Mr. Ambassador, thank you for taking the time to answer our questions and what would you like to say in conclusion to our Newsletter's readers?

As a major component of the Program, the Club's success is a barometer of the success of YDFP as a whole. Efforts to

attract, as members of the Club, all returning Fellows, whether from the Federal or Regional Public Service or from the Private Sector, should continue. To this end, the Club should be able to provide Fellows with required information in an accurate and timely fashion, whether the Fellows are from Vladimir or Vladivostok.

The YDFP has been, and will continue to be, a major feature of the constructive relations between our two countries. I view the Program as one of Canada's major contributions to the restructuring process in Russia. But it is up to individual Fellows to decide whether they want the contacts made under this program to be simply a one time event. Or, would they rather continue to use these contacts in their ongoing process of personal and professional development. If so, it is up to the Club to decide whether it will provide the stable base from which these activities may be facilitated.

*Interview by E. Grigorieva,
Vice-President of the Club*



Club member: Ella Pamfilova



Ella Pamfilova is leader of the public movement For civic dignity. She was trained in Canada in 1994, when she was Russian Minister of Social Protection. She was elected a deputy to the State Duma, became a candidate for the Russian presidency in the 2000 elections.

Ella Pamfilova kindly agreed to answer questions of our readers

What do you think of women's role in politics?

The characteristic feature of the present-day situation is that women now are moved to a side of political life. Besides, there are artificially made obstacles to taking office by women, increased requirements and special attention to their activities. Women are more visible on the men background, their flaws attract immediately general public's attention. It gives men a ground for saying: Look, how tough they are, they make absolutely wrong decisions! Though, from my point of view, women can resolve problems in a much more effective and better way than men, relying not only on their expertise, experience and professional knowledge but also on their women and mother's intuition. In many countries public is aware of it. A good example of it is election of woman Tarii Halonen to the post of Head of the State in Finland.

Are priorities of woman politician different from those of man politician?

It is more reasonable to talk about present day priorities and what they should be rather than about their difference in different sexes. For example, now it is accepted to want authorities to be honest, strong, powerful. It is perfect. But I would like them to be empathic with our citizens, to be connected with them through ties of common feelings. Of course, somebody should take drastic measures, but somebody is to correct them and make them more humane. Who of the Russian people would protest against strengthening our state? I vote for it, too. But I think that another process, the process of personal development and development of civil society, is also of top priority. If we do not start dealing with it, then Russians as a people will lose competitiveness, and in 20 or 30 years we might become simply some population covering a certain geographical region.

The whole civilized world is well aware that investments in humane resources, in the educational potential of nations is the most profitable business. For it is a paradox to talk about a strong society if it consists of weak-willed, poorly educated, physically feeble people. Neither atomic potential, nor powerful economy give a country the right to be called prosperous if its society is featureless, thoughtless and spiritless. When man loses his personal and civic dignity, when people become some mass, then it is possible to do anything with them - to make them drunk, drug addicts, to rob and manipulate them.

Politics is considered to be man's business in our country. Let's scrutinize that Russian new policy of ours, which is carried out by the strong sex. What kind of policy is it? It is strangely weak. This weakness syndrome is present everywhere, beginning with state structure and finishing with the condition of public conscience. The most vivid example of men's policy weakness is an increased level of aggressiveness prevailing in our present day society. I am sure that weak policy can rest only on aggressive actions and encouraging corresponding spirits.

That is why it is so important that clever, professional and strong women should appear at all levels of power where decisions crucial for the life of society are made.

From your point of view, how should relations with foreign investors be built up? What is necessary to undertake in order to increase foreign investments?

There are different investments. Russia is interested in a growth of strategic investments and in limitations of portfolio and profiteering ones. Serious strategic investments will be in Russia only after our capital taken away is brought back. The volume of capital which has been taken abroad is score times more than that our politicians dream of. To begin with, we ought to stop choking off our producers with different taxes and first to make our state more competent and more responsible to tax payers. We should change the essence of our financial and economic system and transform it from fiscal, criminal and punitive into a stimulating

one. Growth of production and profit should be advantageous. It is at that moment that the capital taken abroad will become reliable home investments which will be able to compete with Western ones.

What is, in your opinion, the main problem in Russia at present?

At present everybody in Russia has become aware of the threat to its territorial integrity, of the morale, ethic, physical and spiritual degradation of its society and people. This process of self-destructing should be stopped.

Another problem is the problem of the attitude of the state to its citizens. On the one hand, the state has left them to their fate.

You can do as you like. You are not to be supported by the state, you are job and salary 'free'. On the other hand, you are not free of criminals, poverty and famine. You are not free of your son being drafted and sent tomorrow to fight to some hot spot without being properly trained. And the state thinks it unnecessary to explain to you what it is done for.

What are your priorities in the foreign policy?

First of all, Russia should take in her hands conceptual power, and not follow any other's scenarios under which she is a tormented victim of geopolitical and geostrategic interests of the powers that be.

In foreign policy we are to proceed from the supposition that Russia should increase her international prestige by her clever and far-sighted strategy of limiting her humiliating dependence and getting equal cooperation with other countries. We ought to become a better partner for political and economic cooperation rather than to cry over our former status of a superpower.

In this context, as I think, the development of economic partnership between Russia and Canada answers strategic interests of both countries. Our countries do have a lot of common things like multinational population, stages of industrial and economic development, federative system. But we can learn much more from each other both in economic and political fields. That is why I appreciate highly the possibility of Russian specialists to be trained in Canada. I think that application of the experience acquired during this training will be to the advantage of economic development, small and middle-sized businesses and increase of competitiveness of Russian enterprises. Another not unimportant factor is that during this training Canadian people can also have a chance to get acquainted with real life and life values of representatives of Russian present day youth. The role of the Russian-Canadian Club of President's Fellows is of great importance. I hope sincerely that the Club will be a leading center of Russian-Canadian friendship and cooperation. Good luck to you and prosperity!



Honorable Club Memeber: Dr. Asit Sarkar



Dr. Asit Sarkar
Co-Chair, Canadian Program
Operation Committee
YDFP Fellowship Program
Honorary Member,
Russian-Canadian Club of the
President's Fellows

As we enter next millenium, the YDFP will have completed seven years of programming, with three remaining on the current agreement of the University of Saskatchewan with the Government of Canada. It is thus an appropriate time to look back at our accomplishments and consider ideas for the future. From the very beginning, the principal aim of the YDFP has been to work with our counterparts in Russia in designing and implementing programs and activities which would contribute to the ongoing initiatives in Russia on the broad dimensions of the administrative and economic reform process. The YDFP's key contribution has been in enabling the officials from a cross section of Russia's public and private sector organizations to gain firsthand exposure to the Canadian policies, administrative systems, economic instruments and organizational environments which reflect the workings of a democratic society. There was no particular expectation that the Canadian models would always be the most addressing various needs in Russia. Rather the focus was on providing an enabling framework within which the YDFP participants can learn, question and internalize the appropriate Canadian experiences, and in the process, develop a broader perspective in dealing with the key policy and organizational challenges in Russia.

The most visible output of the seven years of YDFP has been the hundreds of YDFP alumni representing a wide spectrum of the Russian public and private sectors and the civil society. This pool of Russian policy makers, business leaders, judicial specialists and organizational innovators came from a wide array of Russian geographic regions. But the common bond among all of them is their enthusiasm for reform and capacity for innovation. The YDFP must fund ways, in the years to come, to harness this enthusiasm and innovative spirit of the alumni in order to sustain the reform initiatives in Russia.

As important outgrowth of the YDFP has been the establishment of the Club of the President's Fellows. This is an initiative which was undertaken by a group of alumni to ensure that the bond that developed among the YDFP participants in Canada do not get lost, and instead, get enriched. The ability of this initial group to bring forward a sustainable organization, and draw others into it towards a common

purpose is one reflection of the commitment of the YDFP alumni to the long run aspirations of the reform in Russia. The October 1999 workshop, organized by the Club, was an important milestone. It has already led to the discussion of similar initiatives in future which can bring together the collective wisdom of the alumni in different regions of Russia to deliberate on various aspects of organizational change and continued means of collaboration. In my view, this can become an important legacy of the YDFP.

There is another element, which I would offer for the considerations of the YDFP alumni. The YDFP can directly impact on only a small number of individuals and organizations. In order to sustain the process of reform and change, it is important to share knowledge and experience with others in Russia who have not had the privilege of being a YDFP alumnus. Many innovative ideas of the YDFP alumni can be implemented only if others in their organizations and institutions can be convinced of their usefulness. Thus, the YDFP alumni can become important mentors to others in their organizations. I am sure, given the opportunity, the Club can come up with innovative ideas to thus widen the segment of Russian organizations and institutions who could benefit from the experience of the YDFP alumni.

It has been a privilege to become associated with the YDFP, and the most important part of this has been the opportunity to develop a wide array friends in Russia. I wish express my thanks to all of the YDFP alumni for their friendship, and offer my best wishes to everyone for the new millenium.

Dr. Asit Sarkar



Regional activities and new initiatives of the Club



Elena Sosnova was trained in Canada on the topic of Management of Social Protection in spring 1995. She has a 15 year experience in the field of social welfare, both as an officer of the relevant ministry and as an expert of international projects. At present she is General Director of the Agency for Development of Further Vocational Training in Social Sphere as well as an consultant to the Moscow

office of the International Labor Organization in Moscow. She has belonged to the Russian-Canadian Club of the President's Fellows since 1996 and has been its Vice-President since 1998, responsible for work with regions.

Dear Fellows!

Dear Friends!

We did not write much about our Club's regional policy in the previous issues of our Newsletter. But we would like to hope that the activities of our Club Council prove our aspiration for the original objective of our union - that of forming a network of professional and friendly relations across the whole country - rather than to be just another place for Moscow people's gathering. In my view, each member's active position in life ensures mutual interest in unions like that, as well as absence of any type of subordination or any other dependence ensures sincerity and frankness among its members. I do not idealize the situation, the four years' experience of our Club shows that it is just the case. I think that it is possible to preserve these rare qualities when having professional relations only

within some project activities. Our Club members initiated and implemented a few successful professional projects. I hope the Newsletter will inform us about them.

It goes without saying that constructive ideas and enthusiasm make considerable assets. But our Club's activities across the limitless territory of Russia were also facilitated by funding through the YDFP with favorable cooperation of Saskatchewan University. 1998 and 1999 grants allowed us to communicate both virtually and personally, to arrange various events, to publish a collection of articles and to do a lot of other things.

Now the Club Council offers for the consideration of the members the following idea: we would like to arrange a competition for a best project and include its partial funding (competition arrangement and prize as a small grant for the project implementation) in our application for the next grant. Projects must deal with adaptation or promotion of Canadian experience in Russia, they may be made jointly with organizations receiving the YDFP participants in Canada or independently. The budget of the project is not to be equal to the prize amount. The prize will be only as a starting capital for its implementation, say, for preliminary researches.

All your ideas and considerations concerning this suggestions are welcomed at the addresses of the Council members. The decision on the grant will be made by Saskatchewan University.

I hope to meet you at the upcoming events of this year, like the regional workshop, reporting and election conference and our federal level workshop. The places and dates of them will be informed later.

Constantly looking forward to your news and ideas,

Sincerely Yours, Elena Sosnova.



Handing certificate of a Club Member to Yuri Serioznov, Council of the Federation



Club Vice-President Elena Grigorieva during trip to Novgorod discussing Club regional policy with Vladimir Garnov and Irina Zgeltova.

Our Canadian Corner



Betina Meindl
Canadian Business
Association in Russia (CBAR)
Business Manager

CANADIAN BUSINESS IN RUSSIA

The Canadian Business Association in Russia was formed nearly five years ago with the aim of raising the profile of Canadian business activity in Russia. The organization's objectives are to promote trading and investment interest between the Russian Federation and Canada, to pass on information relating to trade and investment to its members, to advise Canadian governmental authorities with respect to issues important to this market, to provide opportunity for informal social activities.

The Association currently has nine members serving on its Board of Directors, all of whom give CBAR's objectives top priority. The newly elected President of CBAR, Ian Bird, has been working as a lawyer for Gowlings International Inc. in Moscow since 1995 and has served as Vice President of CBAR since spring 1999.

CBAR strives to bring the Canadian business community together through its various activities. These include monthly business lunches and breakfast briefings which feature guest speakers from Russia or visiting Canadian government officials. CBAR's evening social functions, annual spring and winter events also offer opportunities for members to socialize, establish contacts and exchange experiences.

Canadians continue to come to Russia to seek and develop new business opportunities. This is reflected in our upcoming events in May and June. Early May a delegation, headed by Dr. Gilbert Normand, Secretary of State for Science Research and Development in the telecommunications sector, will come to Moscow to attend the Telecommunications Trade Show. During his visit, Dr. Normand will speak at a business lunch hosted by CBAR. The Canada-Russia Inter-Governmental Economic Commission (IEC) will take place in Moscow in late-June and will be co-chaired by Pierre Pettigrew, Canada's Minister for International Trade. The IEC will provide an important forum for CBAR members to have direct input on decision and policy making in Canada regarding trade and investment issues between our two countries.

Our membership profile is a reflection of the times in Russia. Over the past year, CBAR has witnessed the loss of some of its members but has also recorded many new members. We expect 2000 to be a year of renewed growth in Canadian trade and investment with Russia and we hope that CBAR can encourage and contribute to Canada's developing trade and business opportunities with our northern neighbour.

By Betina Meindl
 CBAR Business Manager

Changes in 2000 A.D. economic forecasts

Ludmila A. Nemova, Head, Department of Economics of Canada, the Institute of the USA and Canada, the Russian Academy of Sciences.

Tones of economic forecasts changed a few times in the last few months. Even late last year, practically nobody doubted that the growth of Canadian economy would slow down and the results of the national economic development in 2000 would be less impressive as well. Analysts thought that a stimulating impact of the US demand on the Canadian export would be considerably less. A gain to the export to the countries of Western Europe and the Asian-Pacific Region, where economic conditions are getting better, would hardly be able to sustain the previous growth rate of the Canadian foreign trade, which accounts for more than 42 % of the Canadian gross national product in the previous years.

However, the statistics of the 4th quarter of the last year and of the first months of the current year indicate the situation of growing rather than ebbing prosperity in Canada. The 2000 computer problem did not result in any considerable stoppage

or slacking up in production and trade. On the contrary, this problem (or rather, fears related with it) contributed to the turning of traditional pre-Christmas and New-Year rise in retail trade into a real consumer boom. At the same time, in the entrepreneurial sector there was registered a sharp increase of expenditures on new data-processing and telecommunication equipment. The scale of housing building continues to grow too, in spite of a certain rise of the cost of borrowing.

As a result, the actual gain to the 1999 Canadian GNP turned out to be significantly greater than it had been predicted. It was 4.2 % instead of predicted 3.7 - 3.9 %. A high level of business activity has remained throughout the first months of this year too. Unemployment has fallen down to 6.8 %. It is the lowest level for the last 24 years. Due to a fast growth of employment the population income growth rate has risen considerably, which, in its turn, stimulates consumer expenditures. The Canadians have been encouraged greatly by a new Federal Budget Program, adopted late this February. It provides for successive cuts in income taxes of both population and corporations within the nearest five years.

The total sum of taxes on people's income will be reduced by US \$ 4.6 billion this year. Some measures have been taken to stimulate individual investors to invest in newly established companies. The Government has also cut the maximum base rate of company income taxes, so far only from 28 % to 27 % to enter into force after January 1, 2001. But it is intended to be lowered to 21 % within the four coming years as soon as all corresponding changes have been made in the tax laws. It will happen most likely after ordinary general elections. (By political observers' assumptions, these elections might be held in the fall, next year.)

Generally, all innovations in the economic policy of the Federal Government contribute to maintaining favorable conditions for internal demand growth rate, and consequently, for maintaining the high level of business activity. But, of course, these conditions are influenced greatly by the Bank of Canada activities, too, which, in its turn, is determined not only by the position of its Management but by external circumstances as well.

If the USA follows a very tough monetary policy in order to prevent the American economy from inflation overheating,

then the Bank of Canada will also have to rise its credit rates to balance them with those of the FRB. A considerable gain to the cost of borrowing will have a negative impact on consumer demand and investment activity in the entrepreneurial sector. Increased profitability of Government securities will divert means from the share market. It will lead to its instability, which will, in the end, influence negatively the general economic situation.

But so far, more positive forecasts of economic development prevail over pessimistic scenarios. The most competent non-government analysts increase their estimation numbers of the Canadian economic development in 2000. According to the forecasts of analytical departments of the biggest Canadian banks, the gain to GNP will be not less than that of the last year, making about 4.2 %. At the same time, they suppose that as before, Canada will be surpassing other developed countries, except the USA, in the rate of its economic development.

New materials by L. Nemova on Canadian economics can be read free on the Internet www.rusgal.ru.

Public life in the Club

Our Russian-Canadian Club of President's Fellows is strong by its traditions. One of them is annual (it was for the third time this year) holding of a Christmas ball.

As before, Ball-2000 was conducted in an 18-th century building, Ekaterina's Palace in Suvorov Square in Moscow.

There were present 50 members of the Club, and a majority of them with their family members. The grant given by Saskatchewan University to develop the Club allowed fellows beyond the limits of Moscow to be present too. There were representatives from Cheboksary, St. Petersburg and Lipetsk.

The Canadian part was represented by Ambassador of Canada to Russia Mr. Rodney Irvin. CBAR members Peter Sheshko and Sandra Waring took part in this social event for the first time.

In the foyer all guests of the event were welcomed with our traditional Klubovka (Club drink). The Ball was opened by the Club President Mr. Andrei Sharonov and Ambassador of Canada Mr. Rodney Irvin, who addressed the participants with greetings.

The program included dances. The orchestra invited performed a various music program of Russian, North American, jazz and rock pieces. The performance level of the orchestra and dancers was so high that the jury of the competition arranged at the Ball could not determine its winner. The prize will be kept till our next meeting. As always there were no competitors to the duet of two Marinas (Grashina and Kalinina). Unfortunately, on that day Marina Kalinina could not play the guitar. The Ball day coincided with her birthday. Everybody congratulated her heartily on this occasion.

An excursion round historical premises of the Palace was arranged for Mr. Rodney Irvin, he was escorted by the Director of the Culture Center of the Palace.



At the event there were introduced new members of the Club and presented them certificates and Club badges.

The Club members' spouses had a good chance to get to know the Club activities. It turned out that in some cases it even strengthened family relations.

The official part was finished by taking photos jointly. (Photos were taken throughout the event, starting from the moment of the guests' entering the Palace. You can find some of them in this issue, and a more detail photo report can be found at our Internet site.)



After the Ball, groups of guests with "common interests" proceeded with their celebration of the event in cafes situated around Suvorov Square.

Everybody felt and looked well the next day, ready to work as usually.

We should express our gratitude to the officials of ARDOSS and to the head of SIGMA VI Moscow office for their great organizational and spiritual help to the Club.

**Alexander Gladkov,
Vice -President of the Club**

Club on the Internet

Find us on the Internet

www.pf-club.org

We open Club e-mail list.
Please, visit our website and sign up
for news and events e-mail notification!

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Announcements



The booklet «Adaptation of Canadian experience in Russia» is issued. To receive a copy, please send your mail address to ARDOSS
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