

**PROPOSAL TO ESTABLISH
THE CENTER FOR BUSINESS RESEARCH AND DEVELOPMENT
OF THE AUA RESEARCH INSTITUTE
(Revised 3/1/92)**

Background The Center for Business Research and Development (CBRD) is envisaged as an applied research arm of the American University of Armenia and will carry out its activities in cooperation with the other colleges of the American University of Armenia.

As the process of transition from a centralized command economy to a free market economy begins to unfold in the former Soviet Union, there will be need for reliable business and economic information and data that can constitute the basic elements for establishing and conducting private business. At present, no formal structure exists in the former Soviet Union for the gathering and analysis of such information and data. By undertaking the task of gathering and analyzing information basic to the conduct of private business, the CBRD would serve as a resource center for both Armenia and the new Commonwealth and for those segments of the international business community interested in conducting business in the Commonwealth.

The mission of the CBRD will be to assist Armenia and the new Commonwealth in the process of transition from a centralized command economy to a free market economy, and to facilitate business activities between local enterprises and foreign firms. Objectives to be achieved within the next five years include:

- development of a reliable economic and business data bank covering the different segments of the economy and the markets of the former Soviet republics and their interrelationships.
- development of practical entrepreneurship models unique to local conditions.
- dissemination of findings resulting from the business and economic analyses conducted by the CBRD in a scholarly journal to be published by the Center.
- operation of a resource and information center for both local and foreign firms.
- undertaking of specific business projects on a contract basis for local and foreign firms, government agencies, and international organizations.

Governance The CBRD will be administered by AUA Research Institute in accordance with rules and regulations set forth by the Board of Trustees of AUAC. In accordance with AUAC policy concerning appointment of deans and equivalent heads of academic units, the Director of the CBRD will be appointed by the AUAC Board of Trustees. The professional staff will consist of American business scholars, experts, and practitioners as well as experts from Armenia and the other republics of the Commonwealth.

Two advisory boards composed of business leaders, one from the new Commonwealth and the other from the United States will provide guidance in establishing policy and strategy directions for the CBRD.

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Funding An initial grant from the Ministry of Higher Education and Science of the Armenian Republic will cover startup, administrative and local staff costs for the first year. Additional funding to cover the cost of American personnel will be sought from agencies of the U.S. government, international organizations, foundations, and corporations. It is also proposed that \$50,000 be allocated from within the 1992 AUAC budget as startup funding for the Center. It is expected that the CBRD will become self-sufficient through grants and contract research within two years.