When *Economies* Change Paths

Models of Transition in China, the Central Asian Republics,
Myanmar & the Nations of Former Indochine Française

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Models of Transition in China, the Central Asian Republics,
Myanmar & the Nations of Former Indochine Française

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WHEN ECONOMIES CHANGE PATHS: Models of Transition in China, the Central Asian Republics, Myanmar & the Nations of Former Indochine Française

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Dedicated to Ima, Perto, & Teresa

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Foreword

In *The Silk Road*¹, L. Boulnois showed how ignorant the Western world has been of the Orient. Not long ago, that may not have mattered. In our global economy, it does, and in this book, Leo Paul Dana takes the reader along the Silk Road and across the transitional economies of the Orient, revealing powerful contrasts within this vastly heterogeneous region.

Internationalisation is no longer an option. Firms must either source internationally or compete in global markets, and many opportunities lie in Asia's transitional economies. Yet, firms considering expansion into transitional economies face difficulties in getting access to reliable information. One can pick up a book about Myanmar and another about Vietnam, but these are seldom comparable. *When Economies Change Paths* is a unique volume, providing readers with a comprehensive introduction to the current situation existing when nations embark on any of several models of transition. Each of the relevant countries has been researched by the same author, using the identical methodology. Every chapter has been sent to various experts for verification. The respectful treatment of different cultures is typical of the author's unbiased approach. For the advanced researcher, this book provides useful citations of over 250 references.

Leo Paul Dana is one of the absolutely finest researchers I have ever encountered. The material he produces is always insightful and of direct practical value. He sees deeply into the cultures of Asia, and he communicates his ideas clearly. The opportunity to learn from his penetrating insights into the transitional economies of this dynamic region can be highly rewarding, both to the business leader and to the general public.

Richard W. Wright, PhD

The E. Claiborne Robins Distinguished University Chair
University of Richmond, Virginia
United States of America

¹ Translated by Dennis Chamberlain, London: George Allen & Unwin, 1966.

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Preface

My intrigue with the centrally planned economies of Asia led me to first visit mainland China in 1984, and to explore Burma in 1986. Overwhelmed, I decided to return to that part of the world, for an extended period, to learn more about central planning and about transition. By 1992, I was based in Vietnam, representing a Canadian company.

In 1997, with Professor Richard W. Wright, I took a class of undergraduate and MBA students from McGill University to Vietnam; this was the first time McGill offered Faculty of Management courses in Asia. Shortly thereafter, I served as Visiting Professor on the University of Pittsburgh Semester-at-Sea programme, bringing several hundred North American students to China and Vietnam. My subsequent appointment was at Nanyang Business School, where I was Deputy Director of the International Business MBA Programme; it was there that I began planning the research for this book.

Explicit knowledge is easily identifiable, easy to capture, articulate, and share; implicit knowledge is less easy to transfer. In the transitional economies of Asia, much knowledge is implicit, and the process of obtaining information can be challenging. The attempt to find reliable secondary sources is often futile. Much of that which has been published by government sources appears to be based more on exaggerated figures and propaganda than on fact. I consequently opted to focus my efforts on primary research. Recognising that an etic research design would risk underestimating the impact of culture, I used an emic research design. Inspired by the methods described by Denzin (1978), Morgan (1983), Pasquero (1988), and Patton (1982; 1987), this book is the result of my ethnographic field research.

Methodology included participant observation as well as roundtable discussions and in-depth interviews with entrepreneurs, foreign investors, government officials, policy-makers, and representatives of assistance organisations, including the US Peace Corps and the European Union's Technical Assistance to the Commonwealth of Independent States (TACIS).

Triangulation was used to verify for bias caused by social desirability. This is discussed, in detail, by Arnold & Feldman (1981), Arnold, Feldman & Purbhoo (1985), Crowne & Marlowe (1960), Golembiewski & Munzenrider (1975), Rosenkrantz, Luthans & Hennessey (1983), Thomas & Kilmann (1975), and Zerbe & Paulhus (1987).

While interviewees were usually co-operative, there were unexpected difficulties – cultural, political, physical and logistic. In the steppes of Central Asia, for instance, visitors must drink fermented mare's milk, in order to establish a culturally appropriate setting for discussion. Although the beverage tastes delightful, its alcohol content – coupled with an altitude of 3,000 metres – can detract from one's agenda! In Kazakhstan, I was detained when police suspected my assistant of espionage. In the Kyrgyz Republic, authorities accused us of asking "too many" questions.

In Myanmar, a customs official asked me whether I had any cigarettes. When I said "No," he responded with the question, "Why not?" He then got angry when I explained that I did not smoke. Frustrated, he exclaimed, "Not for you! I need cigarettes for me." In Tajikistan, many people often consume noumia – a drug made from a mixture of asphalt and mineral oil. It is virtually impossible to interview people who are under the influence of this drug. Also challenging was the effect of extreme temperatures. In Turpan, at an elevation of 154 metres below sea level, temperatures can exceed 50°C. In the Taklimakan Desert, the temperature of the sand reaches 65°C. In Tajikistan, cholera, malaria, and food shortages are common. I fell victim to malaria. Transportation was often problematic. In Central Asia, many roads are often blocked – due to snow. In some places, petrol pumps dried up. I relied on fuel trucked in from Uzbekistan. In Uzbekistan, where fuel is abundant, everything came to a halt when my driver demanded an exorbitant sum of cash, threatening to strand us.

I should also mention difficulties related to inter-ethnic violence, in Tajikistan. Even the American embassy in Dushanbe operates only when security allows. Although I followed directives from the CIA and took extreme caution, incidences resulted in evacuation to Hong Kong.

I was, nevertheless, determined to put together this book about transition in Asia. After many months of struggle, I am pleased to share with you the first book of its kind. Enjoy it!

Leo Paul Dana, BA, MBA, PhD

***The great number of men who
sail the seas do so for love of
gain, not love of knowledge, and
never dream, in their blindness
and greed, that navigation itself
would become safer with an
increase in knowledge.***

– Pliny the Elder,
in ***Natural History***

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