



Culture & Economy

BY BROOKE HADLEY

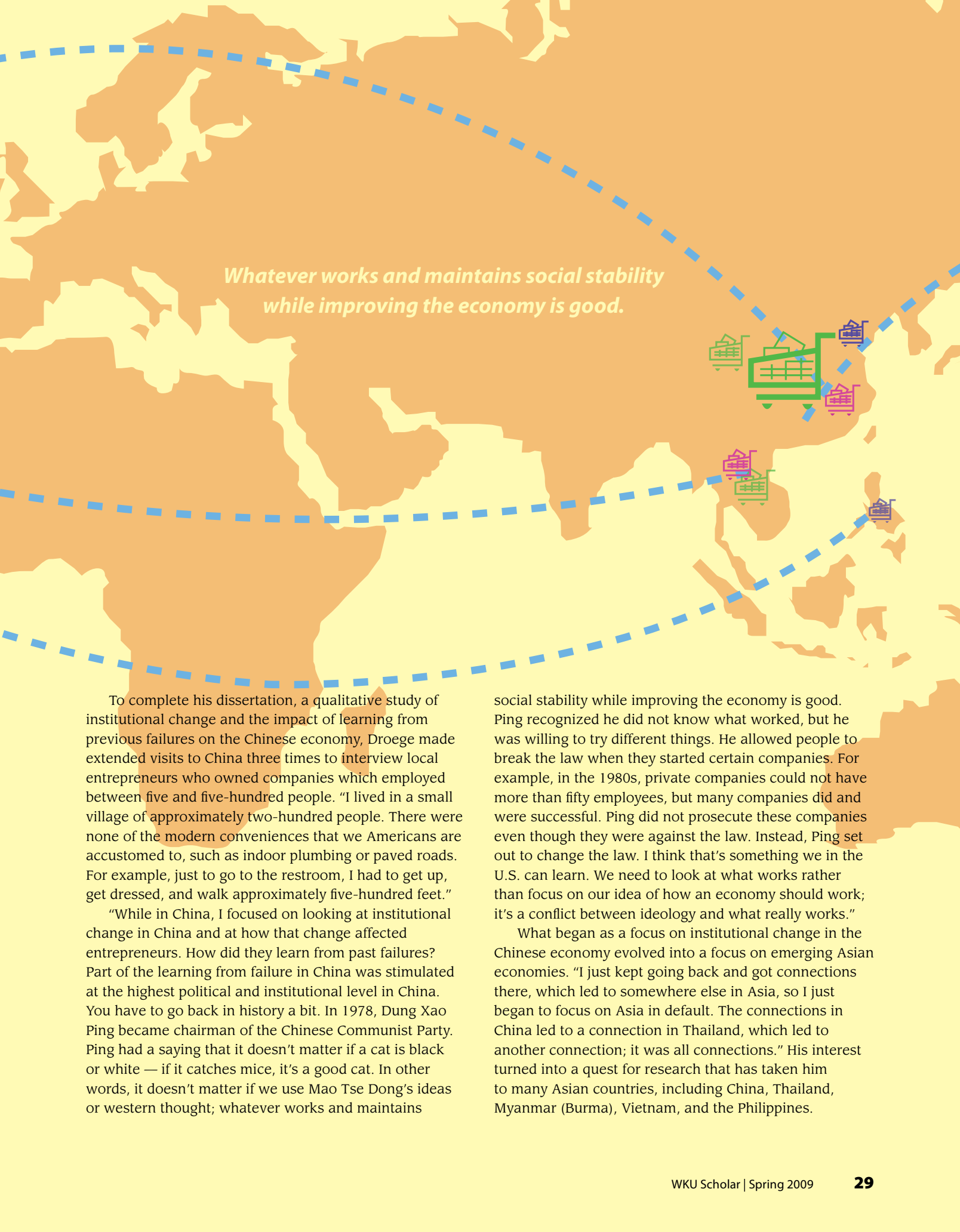
Illustration by I-Ping Kuan



Dr. Scott Droege

SCOTT DROEGE'S LOVE FOR ASIAN COUNTRIES IS APPARENT. MEMENTOS OF PAST TRIPS TO ASIAN COUNTRIES ARE DISPLAYED PROUDLY IN HIS OFFICE. DURING A RECENT INTERVIEW, HE EAGERLY POINTED TO ONE OF HIS MOST PRIZED TREASURES — THREE SMALL HANDMADE BEIGE THREAD BRACELETS THAT HANG ON THE WALL. "THESE WERE GIVEN TO ME BY A BUDDHIST MONK DURING A RELIGIOUS CEREMONY." HE POINTED TO SEVERAL OTHER ITEMS IN HIS OFFICE, SUCH AS A SMALL DECORATIVE PLATE THAT FEATURED A PICTURE OF A PANDA ON THE FRONT AND A SMALL JAR OF MENTHO-EUCALYPTUS SALVE.

Dr. Droege, associate professor of management at Western Kentucky University, did not discover his passion for Asia until a visit to a bookstore while working on his Ph.D. at the University of Kentucky nearly eight years ago. "I was browsing and came across a book written by a Canadian journalist who had lived in China from about 1985 to 1995. She wrote about her experiences as a journalist living in China during that decade of change. It was something that I never knew about, something I never studied in high school or college, although I was in school during the time the changes were going on. These were massive events that changed the cultural and political landscape of China. One thing led to another and I started getting interested in Chinese history and the changes of economic institutions and I started to think what a cool research topic this would make for a dissertation."




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while improving the economy is good.*

To complete his dissertation, a qualitative study of institutional change and the impact of learning from previous failures on the Chinese economy, Droege made extended visits to China three times to interview local entrepreneurs who owned companies which employed between five and five-hundred people. "I lived in a small village of approximately two-hundred people. There were none of the modern conveniences that we Americans are accustomed to, such as indoor plumbing or paved roads. For example, just to go to the restroom, I had to get up, get dressed, and walk approximately five-hundred feet."

"While in China, I focused on looking at institutional change in China and at how that change affected entrepreneurs. How did they learn from past failures? Part of the learning from failure in China was stimulated at the highest political and institutional level in China. You have to go back in history a bit. In 1978, Deng Xiaoping became chairman of the Chinese Communist Party. Ping had a saying that it doesn't matter if a cat is black or white — if it catches mice, it's a good cat. In other words, it doesn't matter if we use Mao Tse Dong's ideas or western thought; whatever works and maintains

social stability while improving the economy is good. Ping recognized he did not know what worked, but he was willing to try different things. He allowed people to break the law when they started certain companies. For example, in the 1980s, private companies could not have more than fifty employees, but many companies did and were successful. Ping did not prosecute these companies even though they were against the law. Instead, Ping set out to change the law. I think that's something we in the U.S. can learn. We need to look at what works rather than focus on our idea of how an economy should work; it's a conflict between ideology and what really works."

What began as a focus on institutional change in the Chinese economy evolved into a focus on emerging Asian economies. "I just kept going back and got connections there, which led to somewhere else in Asia, so I just began to focus on Asia in default. The connections in China led to a connection in Thailand, which led to another connection; it was all connections." His interest turned into a quest for research that has taken him to many Asian countries, including China, Thailand, Myanmar (Burma), Vietnam, and the Philippines.



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Dr. Droege's research has helped students at WKU dispel the misconceptions held by many Americans about the economic systems of such countries as China. "Students come with "sound bites" of information; a shallow look at a much deeper issue. Listening only to these sound bites and not realizing the depth of the issues makes it seem as though solutions to the problems, such as poverty and poor working conditions, faced by many of the emerging economies are easy and can be fixed by a simple solution. Part of what I do is educate my students about the complexities of economies and the impact institutional changes have on not only that country, but other countries in the global marketplace."

One of the misconceptions Dr. Droege seeks to dispel relates to China's economic model. Most people assume that because China is a communist state, there are very few, if any, privately owned businesses. Dr. Droege points out, "There's not really that much difference between China and the U.S. as far as businesses go. The Chinese people are free to open private businesses. Not everything is owned by the government. Just like in the U.S. where some businesses, such as the post office or public education, are run by the government, China has some government run businesses, but by in large, China has a capitalist economy."

Another misconception Dr. Droege addresses with his students is that of over-simplified solutions to economic and social problems. Several years ago, Americans became aware of the sweat shops that manufactured goods sold in the U.S. The solution for many Americans was to boycott all goods made in sweat shops. This simple solution might sound like a valid response to a pressing social issue, but really does nothing to address the problem of poor working conditions.

Dr. Droege explains, "I've been to several of these sweat shops in China, Thailand, and the Philippines. For example, one shop made sausage casings. There were young girls from age fourteen to eighteen working eight to ten hour shifts making about \$1.25 per day. If

you know what sausage casings are made of, you can imagine how the shop smelled. Even though the wages are low, and the conditions far below what we in the U.S. would consider good, this job was the best option for most of these girls. Their only other alternative, in many cases, was prostitution. So, by purchasing goods from these sweat shops, we're actually helping many young girls avoid a much worse fate. While these conditions are deplorable and should be changed, boycotting the goods does nothing to improve the conditions. Rather than simply avoiding purchasing goods made in sweat shops altogether, we should focus on giving assistance to emerging economies so that they may improve working conditions and the people's quality of life. "

The extensive research has led Dr. Droege to the conclusion that the best solution for improving the quality of life and economic conditions in emerging economies, such as those in Asia, would be investing in these economies and offering education to the people. "Introducing large multi-national corporations to an area in the Philippines, for example, would have tremendous impact. These companies would pay better wages to the people, who would in turn be able to spend this money in the local market places. The company would most likely train the work force, thus increasing the education and skill level of the people. The Philippine government would benefit from the taxes the company would pay and the company benefits from lower costs (especially labor) and higher profits."

"Even in our current economic recession, Americans could make a tremendous impact on emerging economies by investing in businesses, purchasing goods from these areas, or even providing assistance and education. We need to recognize, however, that imposing our ideologies on these countries and insisting upon dramatic, fast changes, will not work. This change for improving the quality of life and economic conditions must be gradual," Dr. Droege warned. "We have seen throughout history in not only Asia, but Eastern Europe and other areas as well, that dramatic fast change does not work." ■