

7 CAN ASIA AVERT A GLOBALIZATION CRISIS?



Valérie Engammare and Jean-Pierre Lehman, both of the Evian Group at IMD, assert that Asian leadership is essential if globalization is to have any chance of survival.

11 NOW OR NEVER FOR AN ASIAN FTA



C. Fred Bergsten, director of the Peterson Institute for International Economics in Washington, D.C., argues that Asia must act to make free trade a reality in the region.

13 THE ENDURING APPEAL OF "SPECIAL" ZONES



Jonathan Adams, a free-lance journalist based in Taipei, analyzes the history of special economic zones in Asia and the traits that make them so alluring even today.

16 BEHIND HONG KONG'S SAFE-BET ELECTION



Stephen Vines, journalist and entrepreneur, uncovers the significance behind Hong Kong's upcoming election for chief executive despite the fact the result is a foregone conclusion.

20 THAILAND'S CRACKED PATH TO DEMOCRACY

Colum Murphy, deputy editor of the REVIEW, details the political minefield ahead for Thailand. *Sinfah Sarawuth*, a lawyer and freelance writer in Bangkok, explains the proposed changes to the Thai Foreign Business Act.

27 TAKING A STAND FOR CHINA'S UIGHURS



Paulette Chu Minter, journalism fellow at the Phillips Foundation, interviews Rebiya Kadeer and follows her unorthodox path to becoming an outspoken critic of China.

30 INDIA MUST BREED MORE POLICY WONKS



Mukul G. Asher, professor of public policy at National University of Singapore, contends that India needs to play catch-up in public-policy education in order to improve governance.

34 CHINA'S GLOOMY GOVERNANCE REFORM



David Bandurski, researcher at the China Media Project of University of Hong Kong, reads conflicting signals in a draft information-disclosure law and what it portends for the media.

37 CHINA'S NEW MANTRA: INNOVATE NOT IMITATE



Jonathan Bell, investment manager at Pictet Asset Management, probes several Chinese manufacturers and finds innovation can come from the most unexpected places.

41 THE WORLD ACCORDING TO CCTV

Stephen Green, an economist living in Shanghai, turns on his television to discover a whole new world of history as seen through the lens of *Daguo Jueqi*, a documentary account of the rise of the world's great powers.

CONTENTS

12 3.1. 2550

46 ASIAN BANKING GAINS: A FOCUS ON BANKING

Philip D. Sherman and Corinne Neale, financial industry consultant, and director at Algorithmics, respectively, forecast the changes that Basel II will bring to Asia's banks. **PAGE 46**



Bruno Lannes, Oliver Stratton, Gary Turner and Frank Su, of Bain & Company's Asian financial services practice, study the changing face of consumer banking in China. **PAGE 50**

Rick Carew, Beijing-based correspondent with Dow Jones Newswires, appraises the baby steps that China's biggest banks are taking as they venture abroad for acquisitions. **PAGE 55**

REVIEWS:

Jeff Kingston on two differing analyses of Japanese labor practices. **PAGE 60** • *Benjamin Robertson* on a chilling probe of abuses of China's mental health system. **PAGE 63** • *Susan Sytko* on a history of Islam in Central Asia. **PAGE 65** • *Roger Buckley* on an ethnology of Japan's *hikikomori*. **PAGE 68** • *Larry M. Wortzel* on an exposé of China's evolving military. **PAGE 70** • *Jonathan Mirsky* on a work of modern Chinese short stories. **PAGE 73** • *Rebecca Kanthor* on an unorthodox guide to finding "Peking" in Beijing. **PAGE 74**

JAUNT THROUGH ASIA:



Michael Kohn, free-lance writer, visits an NGO that is working in a historic Kabul neighborhood to revive traditional arts and improve residents' quality of life. **PAGE 77**



FOUNDED 1946
MARCH 2007 VOLUME 170, NUMBER 2

Hugo Restall *Editor*
Colum Murphy *Deputy Editor*
Leslie Hook *Editorial Assistant*
Florence Lau *Administrative Assistant*

Published ten times a year, on the first Friday of every month except February and August.
Subscription rate: US\$100 for one year

© Review Publishing Company Limited,
Hong Kong, 2007
A wholly owned subsidiary of Dow Jones

Visit our Web site at www.feer.com

Editorial offices:
25/F Central Plaza, 18 Harbour Road,
Wanchai, Hong Kong
Postal address: GPO Box 160, Hong Kong
Editorial telephones: (852) 2573-7121
Subscription customer service: (852) 2831-6474,
fax: (852) 2503-1549, Email: service@feer.com
Advertising inquiries: adservices@feer.com
Printed in Hong Kong by Paramount Printing Co.
Icon illustrations: Steven Salerno
Cover illustration: Harry Harrison
Layout by Ruth Abella

DOWJONES
道瓊斯

PUBLISHER: Review Publishing Company Ltd.
CURRENCY NOTE: All currency references in the REVIEW are to U.S. dollars unless otherwise indicated. ARTICLE SUBMISSION GUIDELINES:

All articles submitted to the FAR EASTERN ECONOMIC REVIEW must be exclusive to the REVIEW. We prefer that the submission be between 2,000 and 5,000 words, with a cover letter giving a brief summary of your article along with the author's fax number, day and evening phone numbers, mailing address and email addresses. All articles should be sent by email to hugo.restall@feer.com.