

CONTENTS



- 2 W.O. 2540

HUGO RESTALL, editor of the REVIEW, writes that the simplest explanation of rising anti-Japanese sentiment is best: Japan has mishandled the legacy of war and is now paying the price as it tries to become a normal nation. **PAGE 8**

EMILY PARKER, an editorial page writer with The Asian Wall Street Journal, applies the precedent of how a series of media campaigns hurt Japanese businesses in China five years ago to today's disturbances. **PAGE 14**

JOE STUDWELL, long-time China watcher, tells investors to put their money elsewhere as he explodes the myth that Asia's emerging equity markets offer lucrative returns. **PAGE 18**

COLUM MURPHY, deputy editor of the REVIEW, warns inadequate leadership and funds could fuel the spread of bird flu in Asia. **PAGE 22**

ANARA TABYSHALIEVA, a senior fellow of the Institute for Regional Studies based in Kyrgyzstan, highlights the dilemmas of Kyrgyzstan's transition from authoritarianism to a democratic future. **PAGE 26**

PRAMIT MITRA AND DREW THOMPSON, of the Center for Strategic and International Studies, reflect on the transformation in Sino-Indian relations that is taking place. **PAGE 30**

JAPAN EXPERTS suggest ways for tackling three critical challenges facing the world's second largest economy: the aging society; trade liberalization; and collective defense in an increasingly dangerous neighborhood. **PAGE 34**

ROY PROSTERMAN, chairman emeritus of the Seattle-based Rural Development Institute, believes that without consideration to credit

and land ownership issues, the U.N.'s plans for reducing poverty simply won't fly. **PAGE 43**

RON GLUCKMAN, a Thailand-based free-lancer, discovers a dynamic, inquisitive North Korea concealed behind the veil of *juche*. **PAGE 46**

IN TRANSLATION: Taro Yayama writes in the Sankei Shimbun that China is fueling nationalist sentiment to distract its people. **PAGE 50**

REVIEWS:

SADANAND DHUME on the complex forces behind Islamist politics in Indonesia. **PAGE 52** • **CLINTON DINES** on the bravado and hubris of foreign entrepreneurs in China. **PAGE 55** • **TIMOTHY SAVAGE** on two cogent, objective analyses of North Korea. **PAGE 58** • **MARIA MA** on the memoir of an American soap actress in China. **PAGE 61** • **JON LIDÉN** on how democracy can be good for our health. **PAGE 63** • **JONATHAN FENBY** on one woman's intensely personal quest to aid communism. **PAGE 65** • **SALIL TRIPATHI** on a journey of love and hate through India and Pakistan. **PAGE 66** • **SIDNEY RITTENBERG, SR.** on a thoughtful examination of how business influences government policy in China. **PAGE 68** • **FRANCIS MORIARTY** on the impact of regime change on public administration in Hong Kong. **PAGE 70** • **MISHI SARAN** on two sumptuous offerings from new Asian fiction writers. **PAGE 72** • **PHILIP ANDREWS-SPEED** on a provocative analysis of power sector reform in China, India and Russia. **PAGE 74** • **WANG XIN** on exchange rates and their implications for financial stability and growth in East Asia. **PAGE 75** • **FROM THE ARCHIVES:** Thirty years ago this month, REVIEW correspondents James Laurie in Phnom Penh and Nayan Chanda in Saigon evocatively described the fall of the two cities. **PAGE 78**