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## Save the Date

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**Mao's Great Famine**  
 An Evening Presentation by  
 Frank Dikotter, Chair Professor of  
 Humanities, University of Hong Kong  
 November 9, 2010

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## China

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The financial crisis and subsequent recession has led to a substantial shift in the balance of power between Beijing and Washington. China's emergence as a 21<sup>st</sup> century superpower takes place as the United States comes to terms with its changing role in the global arena. The Asia Society Hong Kong Center has brought to members prominent journalists, analysts and scholars to make sense of China's newfound assertiveness, its complex relationship with the US and its crowded bilateral and multilateral agenda.

"It is the most important bilateral relationship in the world," said David Shambaugh, Professor of Political Science and International Affairs at George Washington University. Speaking ahead of Barack Obama's first official visit to China as president in November 2009, Shambaugh commented: "It is an important trip for American foreign policy." "China is truly a global actor - I wouldn't yet call it a global power. Its power is disproportionate, for example it doesn't have military power, but it certainly has global economic and diplomatic power," he argued.



David Shambaugh

While Sino-US relations got off to a good start after the election of President Obama in 2008, a succession of incidents subsequently cooled ties. These included President Obama's meeting with the Dalai Lama; American arms sales to Taiwan; the hacking of Google in China; Reminbi valuation and protectionism. Orville Schell, Director of the Asia Society's Center on US-China Relations, observed: "We are potentially tipping into an abyss where the hard work of last year may throw the rather friendly relations off course."

Yet according to James Fallows, national correspondent for *The Atlantic Monthly*, the



James Fallows

China-US relationship was far more stable than it appeared. "It is more advantageous for the US to deal with China as a partner than adversary because of the economic advantages. They will still disagree on some issues, but these disagreements can be contained and managed. There are more forces keeping the balance in place rather than disturbing it," he noted.

Chief Foreign Affairs Commentator for the *Financial Times*, Gideon Rachman questioned: "Partners or rivals? They are both. They have managed their tensions very well. The rivalrous elements to the relationship are coming to the fore a bit more for a number of reasons. Partly because of the financial crisis, the US is facing a crisis of confidence, but there is tremendous continuity on how the US looks at China."

**"We are potentially tipping into an abyss where the hard work of last year may throw the rather friendly relations off course."**



Gideon Rachman

# Asia Society Hong Kong Center Newsletter



亞洲協會香港中心通訊

## Chairman's Message

Dear Members,

The past fifteen months have been very busy for the Asia Society Hong Kong Center. We had our Annual Dinner with Nassim Nicholas Taleb, author of "The Black Swan", in September 2009, who addressed a packed ballroom of our supporters, government officials, diplomats and students. This event also broke our fund-raising record for a single event. Throughout the year, we have hosted notable speakers like the Convenor of the HKSAR Executive Council C.Y. Leung, Carlyle Group Chairman David Rubenstein, Ayala Chairman Jaime Augusto Zobel de Ayala, AirAsia Chief Executive Officer Tony Fernandes, KPMG Chairman Timothy Flynn, UNDP Resident Representative in China Khalid Malik, Guggenheim Museum Director Richard Armstrong, and architects Rem Koolhaas and Maya Lin, among others.

During this period we continued to examine US-China relations, and have held programs on Asian countries like Cambodia, India, Myanmar, Pakistan and Thailand. We have also partnered with the Asian Strategy and Leadership Institute of Malaysia and The United States Studies Centre at the University

of Sydney to present discussions on ASEAN countries and US-China relations respectively.

Our thematic Entrepreneurs Series featuring rising stars across industries, Asian Family Series focusing on 3<sup>rd</sup> and 4<sup>th</sup> generation led family businesses, and the ever popular Food Series have added color to our busy program calendar. We have also launched a Collectors Series, an exclusive opportunity to visit private collectors' homes.

The eighth Summer Films Series, *Aspirations*, was held in July 2010, featuring 5 films from China, India, Israel, Japan and the Philippines. This was made possible by the generous and longstanding support of J.P. Morgan.

We are making exciting progress in the construction of our new headquarters at the former Explosives Magazine site in Admiralty. Besides restoration of the four existing historic British military buildings, we have also constructed a new two-storey structure which will serve as the main entrance of our new home, and will house a large multi-purpose room for seminars, receptions and exhibitions,

as well as a roof garden, an interpretive center and a café. Superstructure works have been completed, and we expect to commence interior fitting-out works by end of the year. We aim to open the new center in Fall 2011 and provide a community facility that will benefit Hong Kong citizens and visitors alike.

In closing, and perhaps most importantly, I take pleasure in introducing our new Executive Director, Edith Ngan Chan. Edith hails from the financial industry, and brings with her more than 20 years of regional knowledge and global business management skills. Her experience and dedication to not-for-profit causes, at this critical juncture of our moving to a new center, is an exciting prospect for all. I would like to thank Ms. Alice Au and her team at Heidrick & Struggles, who have been most competent in the search for the new Executive Director, as well as Susan Wong, who has held the Executive Director position in the interim. Please join me in thanking them and welcoming Edith.

Sincerely,  
Ronnie C. Chan

## Women Leadership Initiative

The inaugural summit of the Asia Society's Women Leadership Initiative was held in Hong Kong in mid-June, with around 120 delegates from 19 countries in Asia and the US attending the gathering.

During the two-and-a half day summit entitled *Women Leaders of New Asia*, participants shared personal stories and professional milestones. Delegates also discussed how the rapidly changing geopolitical and economic landscape affected women and articulated the role of present and future women leaders.

Julie Bishop, Deputy Leader of the opposition Liberal Party and the first woman

deputy leader in the Australian party's 60 year history explained: "It is incumbent on women leaders across the political spectrum to encourage and mentor women. Guys are not going to look out for them."

"We had just got rid of a president seen as corrupt and suddenly a woman was trying to do reform. We worked together in Cabinet - eight women - the highest number ever. In a way, it opened the door to many women serving in government," recounted Victoria Garchitorena, a former Cabinet minister in the Philippines.

Hong Kong's Secretary for Development Carrie Lam has spent 30 years in government and observed: "By and large, this city is very pro-women, particularly in the public sector. I have never felt disadvantaged because I'm of the opposite sex. The government respects men and women."

Moriko Sanchanta, Tokyo Bureau Chief at *The Wall Street Journal*, lamented the absence of women in Japan's boardrooms, and added: "In Japan, one of the biggest problems is that younger women don't have role models that they have in other countries. We need to increase our visibility, increase our mentoring, spend time with young



Delegates at the close of Summit

women and make them see that management potential is a possibility."

The cultural barriers for women in Asia were highlighted by Venilla Rajaguru-Pushpanathan, Chairperson of the ASEAN Secretariat's Women's Wing Foundation. "There's a lot of psychological pressure. There are a lot of talented women, but many are often harassed and made to obey their husbands."

"We began a journey less than 48 hours ago. We were travelers. Now we are change agents. That is a transformative moment as we go forward and become stakeholders," said Vishakha Desai, President of the Asia Society, concluding the summit.



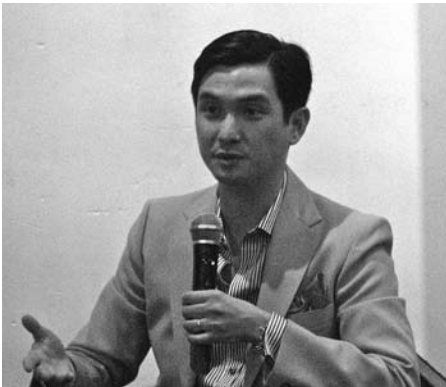
Panel Discussion

## Arts & Culture

150 years of history of the Chinese in America came to life in a joint presentation by award-winning filmmaker Nancy Tong and cultural critic Sze-wei Ang. Tong has produced a collection of videos on the movers and shakers of Chinese descent for the Museum of Chinese in America in New York. She shared excerpts from the videos, which Ang supplemented with the historical background of the Chinese immigrants who prospered overseas.

**“A museum is a laboratory for new ideas and a time storage for memories and for dealing with the past.”**

Also finding success far away from his homeland was Filipino author Miguel Syjuco, whose debut novel *Ilustrado* won the 2008 Man Asian Literary Prize. Now based in the west, Syjuco described how he became an expatriate in order to become a writer. He explained to *Asia Literary Review* editor-in-chief Stephen McCarty how he needed distance and moved overseas to gain clarity about his country and his own identity.



Miguel Syjuco

Weeks after receiving her National Medal of Arts from President Obama, artist, architect and environmentalist Maya Lin recounted her creative journey, and the struggle she faced balancing the three core areas of her work. Lin took the world by storm in 1981 when she won the national competition to design the Vietnam Veterans Memorial in Washington DC. “You do something like that when you’re 20,” Lin said. “What do you do after that?”

Another world-renowned architect Rem Koolhaas discussed Hong Kong’s cultural development and its role in the Pearl River Delta. Having studied the area since the early 1990s, Koolhaas noted the delta region

was growing at a much faster pace than Hong Kong, and that to remain competitive, the city had to leverage its strategic advantages, including freedom of speech and its cultural assets.

Meanwhile, two leading curators have cautioned against “monoculture” brought about by globalization. Richard Armstrong, Director of the Guggenheim Museum observed: “We do suffer from an overly homogenized view of contemporary art, and our job is to make sure this doesn’t happen.” Hans Ulrich Obrist, named by *Art Review* magazine in 2009 as the most influential person in the art world, added: “A museum is a laboratory for new ideas and a time storage for memories and for dealing with the past.”



Maya Lin

The past, meantime, was present at the Mido Café in Temple Street, Kowloon - one of the hosts for our popular *Food Series* and one of the best preserved *cha chaan tengs* (“local diners”) still in existence. Food writer Amy Ma and food anthropologist Veronica Mak explained how these east-meets-west diners, which sprang up in 1950s Hong Kong, gained popularity in the aftermath of postwar industrial growth. Mido Café prepared for members a special tasting of off-the-menu dishes including late kung fu star Bruce Lee’s favorite raw egg yolk drink.



Rem Koolhaas



Traditional Hong Kong Cha Chaan Teng

In another food event, members enjoyed fine French wines elegantly paired by wine master and food writer Jeannie Cho Lee with a sumptuous 10-course Shanghaiese dinner at Gong Guan private kitchen in Sheung Wan. Cho Lee, the only Asian among the world’s 280-odd Masters of Wine, guided diners in the delicate balance of respecting both wine and food without imposing alien tastes.



Jeannie Cho Lee

The Asia Society’s showcase event, the Summer Film Series sponsored by J.P. Morgan was a huge hit with movie buffs. In its eighth year, five films from Israel, India, the Philippines, Japan and China were selected under the theme *Aspirations*. They were a poignant reminder of how those in less than ideal situations can rise above their circumstances. We also brought to Hong Kong US-based director Miao Wang for post-screening discussions of her work, *Beijing Taxi*, which documented the lives of three cab drivers as they navigated the rapidly morphing Chinese capital ahead of the 2008 Olympics.

Members enjoyed a packed year of arts and culture related programs, and we will continue to offer a diverse range of programs tailored to suit eclectic tastes.

## Annual Dinner

The global financial system is in a more precarious position than before the financial crisis, according to Professor Nassim Nicholas Taleb, author of *The New York Times* bestseller *The Black Swan: The Impact of the Highly Improbable*. As guest of honor at the Asia Society Hong Kong Center's 2009 Annual Dinner, he told the audience of more than 600 people: "A year after last October, we still have the same risks we had a year ago. Banks are as fragile as they were. As a matter of fact, they are even bigger and more liable to fail. The debt level is very high."



Pre-dinner cocktails

Taleb was highly critical of the US government's intervention after the 2008 unraveling of the global financial system. "What the government did was to allow the banks to get bigger. If they break now, we are in bigger trouble than before. The concept of bailouts is very vicious. Bailouts are bad because they fragilize the system."

**"It's a socialization of losses and privatization of profits."**

The financial sector also did not escape criticism. "Here you have fund managers hijacking society because they can take all the risks and when they break, they drag everybody down with them, but take the profit for themselves," he said. "It's a socialization of losses and privatization of profits."

Taleb was careful to explain that he was not criticizing all bankers. "A friend of mine has got a private bank. He only accepts deposits, never lends. He did the right thing and is being penalized now. I'm not against bankers, but against the hijacking of society by large banks."



Professor Taleb addressing the audience



More than 600 people attended the dinner

Taleb also singled out individuals including Larry Summers, Ben Bernanke and Timothy Geithner for blame observing that: "We had an elephant in the room - too much debt. Nobody saw it. Meanwhile there was a buildup of risks as people were sitting on dynamite. That kind of thinking led to the accumulation of a huge amount of risk in the system that these people did not see."

He noted that President Obama had appointed many advisors who came from the establishment. "They don't realize we have a fundamental problem with the structure of the system. That's a messed-up system, over-dominated by theories that never worked, leading to predictions of overconfidence and a lot of debt."

Taleb concluded by warning of more pain ahead for taxpayers, if action was not taken to correct the weaknesses he'd noted.

## Membership

The Asia Society Hong Kong Center continued to steadily grow its membership base over the past year. As we strive to build a community around our constituents, we invited new members to a relaxed evening at a new bar, *Sliver*. The *new members drinks* in March gave the latest additions to the Asia Society family in Hong Kong an opportunity to get to know one another as well as the Asia Society team. Given the enthusiastic response we plan to make this a regular fixture. Watch out for our next gathering in the fall!



New members drinks

As a 'thank you' gesture to our members whose patronage sustains the Asia Society, we were delighted to announce in May a list of *exclusive benefits* for members at selected retail outlets across Hong Kong.

All Asia Society Hong Kong Center members now enjoy special privileges at **Dymocks** and **Swindon** bookstores; **Orientations** magazine which features Asian art and provides invaluable insights into the market; **Asia Literary Review** who publish contemporary writing from and about Asia; **Golden Gate Wine**, retailer of American wines in Hong Kong; and **City Super** culinary stores. Our **President's Circle** members also enjoy exclusive benefits at the luxury brand, **Blanc de Chine**.

Towards Christmas, we ran a *Holiday Membership Campaign* to encourage members to offer Asia Society memberships as gifts to friends and family. For a limited period, new members could enjoy three months of complimentary Asia Society membership.

For our *President's Circle* members, we continued to organize a series of intimate



Hu Shuli

roundtable dinners with leading business and policy figures. Speakers included the Hon. Leung Chun-ying, Convenor of the Executive Council, Hong Kong SAR; Professor K.C. Chan, Secretary for Financial Services and the Treasury, Hong Kong SAR; and Ms. Hu Shuli, Chief Editor of Caixin Media and Founder of *Caijing* Magazine.

We look forward to welcoming all our members to insightful and thought provoking programs in the upcoming months. Thank you all for your support!

## Finance

As nations recover from the financial crisis and slowly emerge from recession, finance-related programs continue to be a major draw for members, many of whom are from the corporate world.

The International Monetary Fund's Chief Economist, Olivier Blanchard, speaking in July 2010, noted that Asian economies had recovered strongly in 2010 with buoyant exports and stronger domestic demand, raising its regional growth forecast to 7.5 percent from 7 percent. However, Blanchard noted that Europe remained a concern. "There are worries about banks in Europe, and this has led to worries about banks elsewhere. Europe is not alone. It is integrated with the rest of the world, so there are worries about other banks."

**"One of the consequences established beyond doubt is that under any crisis conditions, creditors of all significant financial institutions will be rescued."**

Stephen King, Global Head of Economics at HSBC (*June, 2010*), singled out the Greek debt crisis, saying it forced the world to face up to a new reality. "That is, western governments with lots of debt could contemplate default. The possibility of this happening was completely absent until now. Up to now government bonds were seen as safe. The question now is, are they really safe? It creates great uncertainty around the entire financial system."



Stephen King



Martin Wolf

The financial sector was in a more precarious position than pre-crisis, observed Martin Wolf, the *Financial Times'* Chief Economics Commentator (*September, 2009*). "One of the consequences established beyond doubt is that under any crisis conditions, creditors of all significant financial institutions will be rescued. They can't credibly promise that they won't do this. That is why institutions will be able to leverage themselves up again and why credit for them becomes so cheap again."



David Wyss

David Wyss, Global Chief Economist at Standard and Poor's (*August, 2009*), noted this was probably the most synchronized recession in recent history as financial markets are increasingly interconnected. "We must cooperate much more with each other in terms of policies. We are all part of the same train and if the train derails all the cars are going to go off the track."

Stephen Roach, Chairman of Morgan Stanley Asia (*October, 2009*), warned that the Asian growth model driven by external demand, is unsustainable. "If China counts on external demand to restart the export machine, they are in for a rude awakening. If China stays with the same game plan there is a risk of another slowdown in the Chinese economy in 2010."



Stephen Roach

ASEAN nations have embarked on major economic stimulus packages to ward off the crisis. However, during a panel discussion, Thailand's Minister of Finance, Korn Chatikavanij (*January, 2010*), cautioned: "If governments continue to stimulate our economies like over the past 12 months, we will run into long-term problems of higher public debt and reduced fiscal space with which to maintain our maneuverability."



Panel Discussion

Ahmad Husni Mohamad Hanadzlah, Malaysia's Minister of Finance II asked: "What will be our position after the crisis? We have carried out an extensive study of the economy and feel the need to move out of a middle income to a high income economy."

## Burma / Myanmar

A Burma/Myanmar expert has called for greater freedoms in the country which is due to hold a general election in 2010, its first in more than two decades. Distinguished professor at Georgetown University's School of Foreign Service David Steinberg said: "One hopes that the new government will give a little more space. I don't talk about democracy but a little bit more pluralism in society as a first step. That's what I hope to see, but we will have to see how the election turns out."

Still, questions have been raised about the credibility of the poll organized by a military junta which declined to recognize the victory of opposition leader Aung San Suu Kyi and her National League for Democracy party in the 1990 election.



David Steinberg

The NLD has said it will boycott the election. "I think they had no choice," said Maureen Aung-Thwin, Director of the Burma Project/Southeast Asia Initiative at the Open Society Institute. "They are stuck between a rock and a hard place."

"Boycotting the election is not working," noted Steinberg. "There are a number of governments that feel the NLD made a mistake. If I were to guess, the US is not happy seeing the NLD back out. The US says the election is not free, fair and inclusive. Clearly the US won't give legitimacy to the election, even if it's peaceful and even if there are opposition forces - which I think there will be - elected."

On whether the election could really bring about transformation, Steinberg observed: "There may be some modest changes. I agree civil society is important. On humanitarian assistance, we need to do more. There are things we can do, but whether the new government feels assured of negotiating with the US is another question."

The second largest country in Southeast Asia, Burma/Myanmar remains one of the poorest. This is due to poor decision-making by the authorities, argued Sean Turnell, Associate Economics Professor at Macquarie University.



Sean Turnell

Yet despite the grinding poverty, Turnell pointed out that the ruling elite benefited from the country's abundant natural reserves. "The regime itself earns a significant amount of money and so do people connected to the regime. The incentives of many people in the country are to maintain the regime. They earn money by getting concessions against a very strict economic environment."

He outlined the difficulties in altering the status quo. "It's not only about an authoritarian regime but also the people connected to it, and that's a significant hurdle when it comes to talking about change. I would suggest we need to change the incentives of Burma so it is no longer comfortable for the regime to exist and carry on as it does."

With some politicians in the US calling for more sanctions to be imposed, Steinberg noted that Washington had already acknowledged such measures were ineffective. He added: "These sanctions are moral high ground issues. But this doesn't mean you accomplish anything except to just feel good. That's not the reason for sanctions. We want an outcome."



Maureen Aung-Thwin

To ring in change in Burma/Myanmar, Steinberg predicted an enhanced role for ASEAN, of which Burma is a member nation. "ASEAN may have a greater role. It should think more of its role - ASEAN perhaps more than UN. I think ASEAN is a means by which we can do certain things behind the scenes."

The panelists were advisors to the Asia Society Burma/Myanmar Taskforce Report published in spring.

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