

EDITORIAL

The end of the first decade of the 21st century is nearing and with it comes the ritualistic plunge into the past in search of defining moments that will shape our future.

Like previous decades, the past decade has staged major events and seen its shares of disasters. Some, more significant than others deserve their places in our historical record, unfortunately, much too often, because of the colossal losses suffered.

The past ten years saw the worst natural disaster the region has ever experienced and one of the worst economic disaster the world has seen since the Great Depression, both worsening the plight of many for many years to come; their level of unexpectedness matching the magnitude of the harm inflicted.

Take the financial crisis. It has blurred many of the traditional political and economic delineations as we knew them at the turn of the millennium.

In a nutshell, back then, the much-US-reliant world was witnessing a seemingly invulnerable superpower flexing its economic and military muscle around the globe; extolling the self-corrective powers of unrestrained markets; and championing deregulations: in essence, planting the seeds for the 2008 financial crisis (Stiglitz, 2009).¹ And the European Union (EU) was experiencing life under a common currency and fast expanding eastwards.

In the meantime, Asia, though on the rise, had not yet emerged as the world's new economic hub. South Asia was still reeling back from the 1997 financial crisis and China and India still working their way onto the world's stage, on the verge of joining major international institutions, and busy hoarding the fruit of their fast-growing export-led economies, though not cash-replete yet. Japan was still the dominant force.

Now fast forward to 2010. It has been almost 13 months since the world economy teetered on the verge of a calamity. In the span of three days (September 15-17, 2008), Lehman Brothers filed for bankruptcy, the mega-insurance company AIG was taken over by the U.S. government, and the ailing Wall Street icon Merrill Lynch was absorbed by Bank of America in a deal brokered and financed by the U.S. government.

There is a *de facto* new world economic order, whose contours have been reshaped by the financial meltdown. After a brief moment of U.S. global domination, we are entering a post-American world, a world which the U.S. no longer dominates but in which it remains the "indispensable nation" among partners. And while the industrialized nations are still recovering from all the punches of the last two years and unemployment still rising, the two emerging economic powerhouses, China and India, are back on a growth path at a staggering near-double-digit rate, pulling the rest of Asia - and to a lesser extend the rest of the world - along with them.

And with the Asean-China Free Trade Agreement (Asean+1) and Asean Free Trade Area (Afta) due to take effect on January 1, 2010, Asean centrality has received a crucial boost. Asean and China will mutually benefit from these new developments. While it is too early to see whether

Afta and Asean+1 will mean boom or bust for Thai businesses, it is nonetheless safe to say opportunities and threats abound.

Adjusting to new economic realities, assessing the past in search of valuable lessons, and anticipating new trends are also what guided in a large part the contributions to this third edition.

In article one, *SME's Life Cycle – Steps to Failure or Success?*, Dr. Noel Jones, addresses SMEs' high global mortality, looking at a SME's typical life cycle in terms of 'Growth Phases' and subsequent crises 'Plateaus'.

In article two, *U.S. Transnational Income Tax Rules & the Probable Reform in the Sourcing of Corporate Income Earned Abroad*, Professor Stephen Utz explores the likely replacement of Subpart F of the U.S. Internal Revenue Code and tries to anticipate some of the details of the reform in the light of current U.S. fiscal problems.

In article three, *Revisiting Shimla Eight Years Later: Has Anything Changed?* Dr. Adarsh Batra takes a fresh look at a Northern Indian vacationing area, whose eco-tourism policy he first considered eight years ago.

In the comment, *The Decade of the Big Zeroes*, this author considers some of the most salient features of the first decade of the second millennium and questions our willingness as nations to learn from past developments.

The first of the two GSB graduates' contributions to this 3rd edition, *Impact of OD Interventions on Employee Commitment, and Motivation on Customer Satisfaction: a Case Study of A.E.S. Engineering Co. Ltd*, reports some unexpected findings on the correlation between motivation and compensation.

The second one, *The Effects of Perceived Service Quality, Corporate Image, Customer Satisfaction, and Switching Costs on Customer Loyalty: a Case Study of Asia Commercial Bank in Ho Chi Minh City*, examines how, in the face of increasing competition from both domestic and foreign banks, one of the leading Vietnamese banks strive to retain its customer base.

Finally, as Dr. John Barnes noted in his review of *The Education of a Travel Writer: so you Want to be a Travel Writer?*, the episodes chronicled will be inspirational to students and faculty and also to those who wish to roam the world and share their adventures.

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¹Stiglitz J. (2009), *Freefall: America, Free Markets, and the Sinking of the World Economy* W. W. Norton.