

## FOREWORD

The UCLA Pacific Basin Law Journal is pleased to offer an interesting and diverse collection of articles addressing free trade dispute resolution, labor rights, insolvency-related reorganization procedure, and security law issues in the Pacific Rim.

In the lead article of this issue, Jeffrey A. Kaplan discusses the manner in which a dispute settlement mechanism for the ASEAN Free Trade Area ("AFTA") should be created. He examines the World Trade Organization ("WTO") and North American Free Trade Agreement ("NAFTA") mechanisms of dispute resolution and suggests ways in which ASEAN could draw from these systems. Mr. Kaplan concludes that ASEAN can structure an effective dispute settlement system by merging certain legalistic elements of the WTO and NAFTA systems with ASEAN's demonstrated ability to build informal consensus. Mr. Kaplan suggests that such an effort is essential to ensure the viability of AFTA's trading scheme.

In the next article, Richard Dicker highlights labor rights violations that have occurred in the Republic of Korea even after its military dictatorship ended nearly four years ago. Mr. Dicker discusses the legal regime used to justify these continuing violations of labor rights and critiques the legal regime in the context of four case studies of labor disputes. Mr. Dicker urges that the South Korean government reform its labor law practices and suggest that international pressure from the United States as well as other international entities could play a key role in implementing the process. Specifically, Mr. Dicker demonstrates how South Korea's application for admission to the Organization of Economic Cooperation and Development (OECD) provides for a monitoring and continued pressure which is, as Mr. Dicker argues, what is needed to ensure any meaningful change.

Next, Patrick Shea and Kaori Miyake examine the four insolvency-related reorganization regimes in Japan. Using Professor George G. Triantis's study of the cornerstones of any reorganization system, the two authors carefully describe each procedure and outline the various advantages offered by each. In this landmark survey, these authors identify issues

that practitioners advising Japanese businesses must consider and point to further areas of study.

Finally, in his article "The Law of Pledges in the People's Republic of China", Professor Guang Hua Yu analyzes the detailed provisions of the Security Law of the People's Republic of China (hereinafter, "Security Law") which govern pledges. Professor Yu first examines the utility of secured credit and the use of pledges and then discusses the specific provisions of the Security Law which govern the pledge of movable properties and the pledge of rights. Although pledges may be a much less useful device than mortgages in matured market economies, Professor Yu concludes that pledges may nevertheless play a more important role in China than in other matured market economies due to the considerable obstacles in the enforcement of general creditors' rights in China.

We trust that you will find this issue to be engaging as well as informative.

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