SPECIAL FEATURE

5  China’s Politics: Determined Leadership and Hardline Policies by ZHENG Yongnian and CHEN Gang

Chinese President Xi Jinping has adopted a hardline policy on official extravagance, corruption and online criticism, and is a steadfast reformist in his first year of office. His austerity policy is to placate civil anger over official profligacy and boost his populist image.

20  China’s Foreign Policy: Pursuing a More Active Foreign Policy while Upholding its National Interests by ZHENG Yongnian and LYE Liang Fook

China is leveraging on its economic strength by engaging in mutually beneficial cooperation with other countries. Nevertheless, China’s Air Defence Identification Zone and its expressed determination to administer the waters within the nine-dotted lines have cast doubts on China’s professed policy of good neighbourly relations.

34  China’s Economy: Maintaining Stable Growth to Pursue Reform by John WONG

China’s economy grew at 7.7% in 2013, slightly lower than the 7.8% of 2012 but higher than the 7.6% projected by most foreign observers. A mere 7% growth will add to China in one year, half of Indonesia’s total GDP or one-third of India’s. China’s economy is thus entering a new phase of stable growth.

45  Chinese Society: Rebuilding the Momentum of Social Reform by ZHAO Litao

The Third Plenum has singled out three broad areas on the social front for reform. One is the urbanisation programme; the second is the development and reform of “social sectors” such as education, employment, income distribution, social security, healthcare and population policy; and the third is the innovation of “social governance”.

55  Chinese Society: Social Stability and Social Governance by QI Dongtao

The Third Plenum’s Decision announced a series of reforms for the Letters and Visits System and the termination of the Re-education through Labour System. The new Xi Jinping-Li Keqiang leadership will continue with the dual strategies of repression and liberation to maintain social stability in its tenure.
In Hong Kong, close to one-fifth of the city’s population lived below the poverty line; more young Hong Kongers are identifying themselves with Hong Kong rather than China, and competition for resources has stoked tensions between locals and Mainlanders.

In 2013, the Ma administration had implemented various domestic reforms, such as revamping the military trial system and the fourth nuclear power plant construction plan. The ineffectualness of the Ma administration is likely to negatively impact on the Kuomintang’s performance in the coming local election in end 2014.

Taiwan’s economy continued to struggle in 2013 with 1.7% growth rate. Besides the soft external demand, Taiwan’s stagnant economy today is a reflection of its persistent inability to upgrade its industry aggravated by the government’s fiscal deficits which restrain its capability in providing an immediate solution to the ailing economy.

In February 2013, Japanese Prime Minister Abe Shinzo declared: “I am back, and so shall Japan be”. Japan is back. First, the country is poised to end its economic doldrums and chronic deflation thanks to Abenomics. Second, an Abe-led Japan has become more assertive in international affairs and is prepared to stand up to a rising China.

Since many factors account for the current economic boom in Japan, it is uncertain how much comes from Abenomics. It is, however, quite certain that Abenomics has worsened the financial condition of the government, which is already struggling with dangerous budgetary problems.

In 2013 South Korea elected Asia’s first female president. President Park Geun-hye enjoyed high approval rating of 60% on average, possibly due to her diplomatic success with the United States and China, and her firm North Korean policy. Relations with the North are however likely to worsen with the possibility of Pyongyang’s fourth nuclear test.