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SPECIAL FEATURE

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The meeting between US President Donald Trump and North Korean leader Kim Jong Un in Singapore on 12 June 2018 has significantly reduced the probability of war and has generated new hopes for peace on the Korean peninsula. The prospects for future US–North Korea nuclear negotiations will largely depend on how both countries can work out together the concrete steps, phases and timelines for the implementation of denuclearisation.

- 19 The Rational Origin of Irrational Instability: Rising American Populism and its Political Ramification in Northeast Asia *by KIM Sunil*

Due to the rise of populism in the United States and its political ramification in the Northeast Asian region surrounding the recent North Korean nuclear crisis, US President Donald Trump gives domestic issues higher priority than international issues. The key problem that has been driving countries in the region towards the nuclear debacle is Trump's very rationality, unbounded by ideological or partisan traditions, rather than his irrational, or oft-regarded as deranged, personality.

- 32 The Impact of Terms of Trade Volatility on Economic Growth in ASEAN Countries *by Papa Kojou Christopher CONDUAH and YOO Tae Hwan*

This article examines the impact of terms of trade (TOT) volatility on economic growth and the sources of terms of trade volatility for selected ASEAN countries. In line with the economics theory, TOT is negatively correlated with gross domestic product growth rate, and TOT volatility has a strongly positive and significant relationship with variations in real GDP growth rate.

- 41 Measuring North Korean Geopolitical Risks: Implications for Asia's Financial Volatilities *by AN Jiyoun and ROH Hyunwoo*

Level of attention can be a good proxy for measuring geopolitical risks on the Korean peninsula. People's perception of the possibility of war occurrence may be constructed from information in Google news. Geopolitical risks on the Korean peninsula originating from North Korea have affected not only South Korea but also other Asian financial markets.

ESSAYS

51 China's Massive Restructuring of Party and State Apparatus in 2018
by XUE Jianyue and CHEN Gang

With the launch of a massive restructuring of the Party and state institutions, the Communist Party of China has strengthened its grip over the state, taking over six State Council institutions that had previously dealt with the work of civil servants, the media, ethnic affairs, religious affairs, overseas Chinese affairs, and computer network and information security.

66 Tax Administration Reform in China by QIAN Jiwei

The integration of the National Tax Service and Local Tax Service at the provincial level and below is a major step towards reforming the tax administration. There are however several challenges that need to be addressed, such as the capacity of local taxation agencies needs further strengthening.

75 Massive Return Migration Emerging in China by ZHAO Litao

A massive wave of return migration has emerged in China, signalling its entry to a new stage of economic and social development. Economy-wise, with the coastal region moving up the value chain, industrialisation has spread to various parts of central and western China. Society-wise, the massive return of ageing migrant workers illustrates China's long-standing entrenched rural-urban divide.

87 Post-materialism: What Divides Youth in Hong Kong, Taiwan and Mainland China by SHAN Wei

The lack of understanding between mainland Chinese youths on one side and both Hong Kong and Taiwanese youths on the other could be attributed to their different value systems. Youth in these three regions have significantly different levels of post-materialist values, with Hong Kongers scoring the highest and Mainlanders the lowest.

99 China's National People's Congress in 2018: Defence Budget Increase and Veteran Affairs by LI Nan

The National People's Congress (NPC) recently approved the defence budget. The NPC's decision to establish a Ministry of Veteran Affairs (MVA) to resolve grievances of military veterans may enhance social stability and boost morale in the People's Liberation Army as well as help Xi Jinping to consolidate power.

108 China's Modernising Nuclear Forces: In the Face of US Nuclear Primacy by LIU Bojian

With a further destabilising global nuclear order, more normative challenges have been plaguing China's nuclear modernisation, including dissatisfaction from Russia and the United States, and misperceptions from neighbouring countries such as India. Since 2001, when the United States has accelerated the strengthening of its nuclear primacy, China has encountered greater pressure to further modernise its nuclear forces.