S’pore: Staying relevant and resilient in a deglobalising world

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States impose sweeping controls on the export of semiconductors to Chinese firms is a significant escalation of the intensifying economic and strategic rivalry between the US and China. It will accelerate technological bifurcation between the world’s largest economies, with adverse consequences for the rest of the world. Amid the Covid-19 pandemic, war in Europe and soaring inflation, free trade in much of the world has eroded ground to retesting, “debranding” and export controls.

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REPRINTING THE ROLE OF A GO-BETWEEN

Since its beginnings as a 19th-century trading port and an entrepot under British rule, Singapore has thrived as a meeting place of different cultures and trades. In the 1990s and early 2000s, the Republic plugged itself as a “gateway” for Western companies seeking to invest in Asia. Over time, however, this intermediary role became less relevant as multinationals gained direct experience in the developing economies throughout the region. Now, with mistrust growing between the West and China, trade and investment flows have been impeded. Even more significantly, people-to-people ties have suffered. In the first six months of 2023, the number of US student visas issued to Chinese nationals fell by over 50 per cent from pre-pandemic levels. Meanwhile, China’s Confucius Institutes (its overseas language and cultural centres) are viewed with increasing suspicion in Europe.

Under these circumstances, Singapore could reprise its role as a neutral meeting ground - a value-adding interface for lubricants for international trade and cultural exchange. Singapore already hosts many American, European and Chinese multinational firms, while students from all over the world study in our institutions of higher learning.

A Chinese national recently shared with me that he had decided to remain in Singapore for further studies instead of applying to a European institution, given the increasingly fraught ties between China and the West. This is not just for personal reasons, but also to be near other Chinese students. Singapore is seen as more welcoming of Chinese businesses and students than countries where anti-Chinese sentiment is on the rise.

Singaporean openness to companies and people of all nationalities makes it a natural meeting point between East and West. This is beneficial not just to Singapore as facilitating interaction among different groups, whether in work or informal settings, can help to foster mutual understanding.

ROLE OF THE STATE

For Singapore to play this role today, it must be trusted by international partners - governments, companies and investors. In foreign policy, Singapore does not choose sides, but takes positions based on principle and enlightened national interest. It will however become increasingly challenging to be friends and partners with all. For instance, global technology standards are at risk of bifurcation as US-China rivalry intensifies. Here, too, Singapore can play a part alongside like-minded partners in championing multilateral governance and standards setting to safeguard interoperability across different systems.

As a small city-state, Singapore must continue to embrace trade and openness. Diversifying import sources and export destinations is the best way to grow the economy and enhance resilience to demands and supply shocks. Attracting international talent is also critical to augment the skills and capacity of the country’s workforce, says the writer.

FINDING SOLUTIONS TO GLOBAL CHALLENGES

Even as the world becomes more divided, the collective challenges facing humanity are growing. To continue earning a good living, Singapore must remain relevant by generating new ideas and developing solutions to the greatest challenges of our time - sustainability, security, digital governance and other issues that matter to the global commons.

This requires engagement across the public, private and people sectors: for the individual, a sense of curiosity and willingness to try out new skills; on the part of the state, it requires Singapore to remain plugged into global networks and leverage cross-cultural conversations with international partners.

For Singapore to stay relevant some 60 years on, it needs to be a welcoming action, a community where businesses and citizens must be open to new opportunities and tackle the world’s most complex challenges. “Here it is going to happen” remains apt for Singapore as a global city playing itself for the future.