



IDSS COMMENTARIES (1/2003)

IDSS Commentaries are intended to provide timely and, where appropriate, policy relevant background and analysis of contemporary developments. The views of the authors are their own and do not represent the official position of IDSS.

SINGAPORE AND ASEAN: RECONCILING NATIONAL AND REGIONAL SECURITY INTERESTS

K. Kesavapany *

2 January 2003

Introduction: Singapore's National Security Interests in ASEAN

Within ASEAN, Singapore tries to promote its national security concerns as well as to advance the region's vital collective interests. As a small state, national survival for Singapore is an issue of the highest priority, given the fluctuations in regional and world politics, and current political and economic challenges in neighbouring countries. In addition, Singapore also promotes regional security cooperation, especially with immediate neighbours such as Malaysia and Indonesia, in order to achieve the goals of mutual security and good neighbourliness. ASEAN therefore offers Singapore and its neighbours the best framework to resolve issues of a bilateral or multilateral nature. Furthermore, Singapore has been able to establish bilateral defence ties with various ASEAN countries.

The Challenge of ASEAN for Singapore

ASEAN thus presents both opportunities and challenges for Singapore in Southeast Asia. ASEAN's continued ability to attract international investments and tourism flows into the region is now challenged by China's attractiveness to FDI, currently estimated at \$50 billion or about 80% of FDI flows into East Asia. For Singapore, the slow progress of ASEAN economic integration thus far has motivated it to search for other options such as negotiating Free Trade Agreements (FTAs) with external partners. However, Singapore, like ASEAN, face several challenges. One major challenge is to ensure the complementarity of national and regional interests in ASEAN. The pursuit of bilateral FTAs with external powers by Singapore is to ensure that major trading partners continue to be engaged in the region and are not diverted by the rise of Asia's emerging economic power house, China. It also aims also to enhance ASEAN's relevance in terms of accelerating regional integration through AFTA.

Singapore and Post-September 11 Regional Security

Singapore's security and economic interests are closely interwoven with ASEAN's security and development. In the immediate Post-Cold War period(1991-2001), Singapore has worked closely within the ASEAN Regional Forum as a multilateral security dialogue and mechanism for resolving security issues through a three-step approach: from confidence

building and preventive diplomacy to conflict resolution. Since the September 11, 2001 terrorist attacks in the United States, ASEAN was compelled to re-order and increase regional security cooperation in order to counter international terrorism. The Jemaah Islamiyah terrorist agenda of setting up an “Islamic Nation” comprising Malaysia, Singapore, Indonesia, Brunei and southern Philippines, has been derailed temporarily by the internal and external measures taken by ASEAN Governments, especially Singapore and Malaysia, to arrest Islamic militants and to enhance security. The October 2002 Bali bombings is illustrative of the continuing danger that international terrorism poses to ASEAN.

Towards ASEAN Economic Integration

Given the global economic downturn and the competitive challenge from China, it is crucial that ASEAN achieves its goal of economic integration. Clearly, the successful implementation of AFTA will be an important test for ASEAN economic integration. The original ASEAN-6 members have already implemented AFTA in 2002, namely by setting common effective preferential tariffs rates of between 0 to 5 percent. Meanwhile, AFTA will be implemented by the others later. Furthermore, ASEAN has agreed on a target of zero tariffs for the ASEAN-6 by 2015, and for the rest by 2018.

At the same time, ASEAN has to ensure that it remains relevant to its major economic partners. The most promising development is the China and ASEAN FTA which was first mooted by Chinese Premier Zhu Ronji at the Fourth Informal ASEAN Summit in Singapore in November 2000. When the China-ASEAN FTA materializes, it would be the world’s largest FTA with a market of around 1.7 billion people, total GDP of US\$2 trillion and intra-regional trade of US\$1.2 trillion. A Framework Agreement on Comprehensive Economic Cooperation between ASEAN and China was signed in Cambodia in November 2002. Under this agreement, FTA arrangements will be undertaken by the ASEAN-6 by 2010 and by the newer ASEAN member countries by 2015.

ASEAN had also signed a declaration of Closer Economic Partnership with Australia and New Zealand in September 2002 that would increase trade and investment between AFTA and the other two countries. Japanese PM Junichiro Koizumi also proposed a Japan-ASEAN Comprehensive Economic Partnership in January 2002 that would include FTA elements. A joint Japan-ASEAN declaration affirming this economic partnership was signed in November 2002. In addition, during the APEC Summit in October 2002, US President Bush announced the “Enterprise for ASEAN Initiative” (EAI) that provides a road map that would help ASEAN countries to negotiate FTAs with the US and which could lead eventually to an ASEAN-US FTA. In the first ASEAN-India Summit in November 2002, India’s PM Vajpayee proposed an economic partnership between India and ASEAN countries with a possible FTA within 10 years. South Korea is also currently considering an FTA with ASEAN in future.

The expected dividends from closer economic integration and FTAs will help to strengthen regional political and security co-operation. In many ways, Singapore has pioneered various measures that were later adopted by ASEAN and external partners. This shows that its national policies and regional strategies were effective in enhancing regional cooperation and in strengthening ASEAN security and development as well as helping to realize the goal of an ASEAN Economic Community (AEC) by 2020 --- as envisaged by Singapore PM Goh Chok Tong. One of the ways to achieve this goal is to build new institutions and strengthen existing ones that can push the integration agenda forward.

Certainly, the capabilities of the existing ASEAN Secretariat should be enhanced. This would include allowing the ASEAN Secretary-General to take a more active decision-making role in intra-ASEAN matters and to represent ASEAN when dealing with external countries on trade and investment issues. Looking forward, ASEAN as a regional institution can be the linchpin to galvanise economic integration with China, Japan, and Korea.

* Mr. K. Kesavapany is Director of the Institute of Southeast Asian Studies. He was Singapore's High Commissioner to Malaysia until October. This commentary is based on a paper which he presented at the Singapore Forum on Politics held on 14 December 2002, and organised by the Department of Political Science, National University of Singapore.