

## Asia-Ready Webinar Series

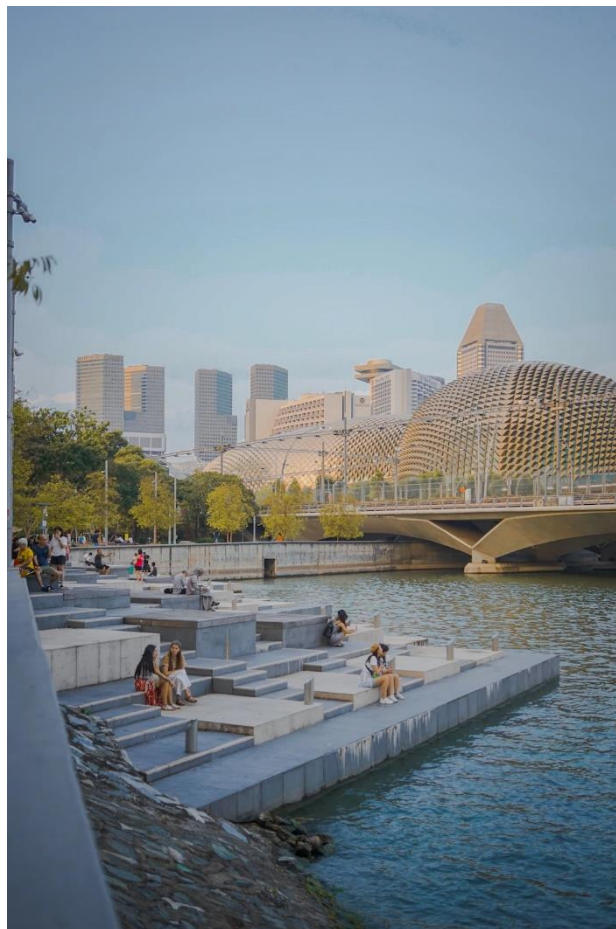
### **ASEAN in a Fractured Global Order – What it Means for Youth**

The Asia-Ready Webinar Series is co-curated with various partners to allow youth to gain a better appreciation of the regional developments and a greater awareness of Singapore's interconnectivity with the regional markets.

Sat, 11 Jun 2022

10:30 AM - 11:30 AM

Online event



### About the Webinar

#### **Speaker**

Associate Professor Simon Tay – Chairman, Singapore Institute of International Affairs

#### **Synopsis**

Geopolitical trends in both regional and international politics in the past decade have been dominated by USA-China strategic competition, which has affected how countries interact with each other as both powers vie for dominance in Asia. In the midst of this, Russia has invaded Ukraine, sparking international condemnation. While it may be considered as an issue that is too far from home, Singapore has taken a decisive stance and imposed economic sanctions on Russia.

In the face of these, what are their implications on the ASEAN region and what can ASEAN do? Join us as we examine more about geopolitical trends in trade and foreign policy as well as the implications of the Russia-Ukraine situation.

*This webinar is brought to you by the National Youth Council (NYC) and the Singapore Institute of International Affairs (SIIA).*

## What We've Learnt

### **Russia-Ukraine War: Relevance, Responses, and Its Implications**

Russia's invasion of Ukraine is of relevance to Singapore for three reasons. Firstly, there is a knock-on effect on Singapore due to the global nature of the economic system. Energy and food prices have skyrocketed and look set to worsen. Secondly, it is a matter of principle for Singapore, who is a fervent advocate for the rule of law. International law is important for Singapore because it is small and is limited in its use of hard power to defend itself, unlike the big countries. Lastly, the war represents an analogy to the sacrosanctity of state sovereignty, where a country's territorial integrity and political independence must be respected. While there has been a period of long peace, Singaporeans cannot be complacent as there continue to be people who doubt Singapore's sovereignty and territorial integrity. This is seen from the maritime disputes with Malaysia in 2018-2019 and the recent incident involving an Indonesian preacher who claimed Singapore to be a part of the Riau Islands.

Singapore was one of the many countries who condemned Russia in the United Nations and one of the few that imposed sanctions against Russia. However, compared to the West, Singapore was more targeted in its sanctions. Additionally, it is the only Southeast Asian country to impose sanctions against Russia. Why was there a disparity in responses among the regional countries?

Indeed, Singapore was more decisive in its reaction towards Russia's invasion of Ukraine but there is also a need to empathise with the other countries in ASEAN by understanding that there may be underlying reasons for their hesitancy or refusal to do so.

The war also had far-reaching economic impacts, building on to the pre-existing problems in the global economy due to the COVID-19 pandemic. They include the fragility of supply chains and the adoption of more protectionist policies. The COVID-19 reopening led to a surge in demand that drove inflationary pressures. The Russia-Ukraine war only served to exacerbate these inflationary pressures and disrupted supply chains, particularly in energy, grain and wheat supplies. How does this affect Singapore? While Singapore is indeed facing

higher inflation, this is largely driven by global forces and not caused by its sanctions against Russia. The supply disruptions in the oil and gas industry have led to increases in prices for petrol and diesel, and the cost of electricity. Similarly, the disruptions in grain and wheat supplies from Ukraine to Malaysia, for instance, have contributed to Malaysia's chicken shortage. The shortage provided the impetus for the chicken export ban on 1 June 2022, which raised chicken prices in Singapore. Despite the disruptions, Singapore has shown its nimbleness by tapping on diversified food sources from around the world, such as importing frozen chickens from Brazil. This also shows how the Singapore government has made efforts to ensure resilience and stability in its food supplies.

### **Cooperation in a Fractured Global Order**

In an increasingly bifurcated world, the future of international cooperation seems bleak due to the power struggle between the United States of America and China. Without the leadership of the bigger powers, it is harder for the rest to forge collaboration between themselves. However, cooperation is still possible, if countries are more proactive in seeking others out, without needing to be guided, and collaborating based on common interests. For instance, Singapore has been active in engaging many different countries bilaterally and multilaterally, such as chairing the Global Governance Group (3G) and the Forum of Small States (FOSS). Singapore has also signed a digital economy partnership agreement with Chile and New Zealand. Similarly, ASEAN, with its 650 million population and on track to becoming the fourth largest economy in the world, has the potential to work together with everyone — sans the United States of America and China — on economic issues. Therefore, in terms of seizing opportunities, addressing global commons and emerging risks, it is of paramount importance that countries work together even in the absence of global leadership.

## **Questions Answered**

*by Associate Professor Simon Tay*

### **What are the implications of Japanese Prime Minister Fumio Kishida's speech at the Shangri-La Dialogue for ASEAN-Japan relations in managing geopolitical tensions?**

Japan is a formal military ally of the U.S. and it has tensions with China, including territorial disputes and soft economic competition. However, Japan also has an underlying economic interdependence with China in terms of manufacturing. Although it remains to be seen what kind of role Japan will play in the region, there are two possibilities. On one hand, Japan will continue to be a credible and consistent investor and partner in the ASEAN region, as seen when it helped to conclude the Trans-Pacific Partnership (TPP), now the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) – an agreement which the U.S. withdrew from. On the other hand, Japan could become more assertive in balancing against China and enforcing the U.S.'s vision of a Free and Open Indo-Pacific (FOIP).

### **How would Singapore act if China invaded Taiwan?**

Singapore has strong ties with Taiwan in terms of historical roots and military cooperation. While Singapore cannot abandon Taiwan, we must be cautious of encouraging its independence in respect for the One China policy. It is in Singapore's interest that the Taiwan issue remains in the status quo. No one party should provide Taiwan with absolute guarantees and embolden the pro-independence movement.

The Taiwan issue has been likened to Ukraine, raising possibilities of China's invasion of the island. However, there are two key differences between the situations. Firstly, unlike Russia who is a failing power with a shrinking economy and declining soft power, China's economy continues to grow and its people are proud of being Chinese more than ever before. Secondly, the Russian invasion of Ukraine took place over a land border while a Chinese military campaign against Taiwan would be a sea invasion. The possibility of western sanctions against China also reduces the prospects of an invasion as these sanctions will hinder its economic growth.

### **What does a future impacted by economic sanctions, disruptions in the supply chain, and inflation look like, and how to respond?**

The current world is fractured or disrupted, and the future might be too. In the face of this, everyone has to be nimble and energised. Navigating the complex and disrupted world would require Singapore to leverage on its strengths and resources while remaining open and engaged.

### **Will Singapore eventually be forced to pick a side in the U.S.-China rivalry?**

Rather than picking a particular side between the U.S. and China, Singapore should always pick its own side, which takes into account its own rules, values, and interests. It does not need to be a dichotomous choice between the two countries. It is important that Singapore remains principled when dealing with the two great powers and it should be free to partner either the U.S. or China, depending on who best fits its interests. There should also be a focus on the power of 'and' rather than 'either-or' questions because global cooperation is necessary to address crises, as seen from the COVID-19 pandemic.