

## **Singapore's economic diplomacy demystified**

**The editors of Economic Diplomacy provide a unique service, managing to capture the thoughts and reflections of some of the key individuals involved in shaping economic history for Singapore.**

***Deborah Elms***

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INTERNATIONAL economic negotiations are always challenging. The stakes are high. If done well, your domestic firms can benefit from greater access to foreign markets, draw on a new range of suppliers and consumers, and rely on more stable rules governing trade. Done badly, however, and the costs could be quite high in lost jobs or shuttered factories as your industries fail to compete in an altered, more open economic environment.

A new book from the Institute of Policy Studies, *Economic Diplomacy*, highlights some of these challenges from the unique perspective of the individuals involved in talks. Chapter authors such as Tommy Koh represent many of Singapore's more experienced and accomplished negotiators. Each shares insights gained from working with different agreements. Fortunately for Singaporeans, most of the government officials working on trade agreements have been successful in their tasks.

The book usefully divides the economic landscape into two sections. The first half considers bargaining in multilateral settings, chiefly in the World Trade Organization (WTO). The second half presents insights and reflections drawn from negotiations in various bilateral or regional free trade agreements (FTA).

For most of Singapore's history, officials concentrated on multilateral agreements. The opening chapter by Barry Desker, Margaret Liang, CL Lim and See Chak Mun provides a nice overview of Singapore's evolving policies on trade. From the earliest periods, it was clear that Singapore had to be economically open and trade-dependent. The rules that govern international trade therefore matter a great deal to Singapore and the government has always reflected this priority.

One of the reasons that Singapore has historically 'punched above its weight' in the multilateral trade arena has been the impressive competence of different officials. The subject matter can be extremely technical, requiring knowledge of the substance of the issue, deep understanding of Singapore's economic structure, and careful attention to the existing rules that govern trade.

Different chapters in the book highlight the range of skills from officials serving in the WTO. For example, Peter Govindasamy's contribution is a careful description of services negotiations from his perspective as a recent chairman of the services committee. Margaret Liang takes readers through the various discussions necessary to draft new rules on anti-dumping. Ambassador K Kesavapany notes the high levels of coordination necessary across government when Singapore hosted the first ministerial meeting of the WTO in 1996.

Readers will get a sense in these chapters of just how complex most of the issues have been and why it takes individuals with a lifetime of knowledge to make an impact.

One of the strongest chapters of the book casts a gaze beyond the WTO. Geoffrey Yu emphasizes a different reason why international economic negotiations are so challenging: topics of interest frequently fall across and between government officials and bureaucracies. Intellectual property rights are often assumed to be of narrow interest to specialists. But this chapter in the book notes how vitally important they can be to broader trade issues and economic development.

In the second half, the book examines trade negotiations and economic diplomacy from a regional or bilateral perspective. In chapters such as the one written by Ng Bee Kim and Minn Naing Oo, the reader is struck by how different agreements are all related to one another.

David Chin Soon Siong highlights the myriad ways that Asean agreements with partners fit in relation to one another. In some, for example, the original Asean 6 are treated differently than the other four Asean members. In others, the 10 countries of Asean are divided into as many as four groups in making different commitments. Although the Singapore-China agreement was negotiated at the same time as the Singapore-Japan agreement, some elements overlap and others are completely different.

Ong Ye Kung has written an excellent chapter that attempts to demystify a complex agreement for the reader. He examines portions of the US-Singapore FTA that cover services and tries to show exactly how this agreement has and, has not, constrained business outcomes in Singapore. This is a useful contribution that helpfully puts much of the content of the book into context for a reader.

In the end, the editors of Economic Diplomacy provide a unique service. They have managed to capture the thoughts and reflections of some of the key individuals involved in shaping economic history for Singapore. It is a reflection of the importance that the government here puts on economic diplomacy that current and high-ranking officials are willing to contribute chapters to a book like this one. It is a shame that more countries do not ask their officials to do likewise.

Rating: B

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