



Reinventing Destiny: A Conference on the Occasion of Mr Lee Kuan Yew's 100th Birth Anniversary

Panel 2: The Small State in a Turbulent World

By Shaw Wen Xuan

To mark the 100th birth anniversary of Mr Lee Kuan Yew, Singapore's first prime minister, the Lee Kuan Yew Centre for Innovative Cities at the Singapore University of Technology and Design, and Lee Kuan Yew School of Public Policy and Institute of Policy Studies at the National University of Singapore jointly organised the "Reinventing Destiny" conference. The conference discussed issues critical to the survival and continuing success of small states such as Singapore in the context of multiple global issues including geopolitical tensions. The second panel for the conference, titled "The Small State in a Turbulent World", investigated the impact of rising geopolitical tension between the US and China, and its implication on the multilateral policy that Singapore has consistently undertaken.

During the panel, speakers discussed and put forth strategies for small states in navigating the ever-shifting geopolitical arena. The session was moderated by Ms Zuraidah Ibrahim, Executive Managing Editor at the *South China Morning Post*. Speakers on the panel (in speaking order) were:

- The Hon Kevin Rudd AC, Australian Ambassador to the United States of America and 26th Prime Minister of Australia
- Professor Chan Heng Chee, Ambassador-at-Large at the Ministry of Foreign Affairs, and Professor at the Lee Kuan Yew Centre for Innovative Cities
- Mr Bilahari Kausikan, Chairman of the Middle East Institute, former Permanent Secretary at the Ministry of Foreign Affairs.



Panellists speaking on stage, pictured from left to right: Mr Bilahari Kausikan, Professor Chan Heng Chee, Dr Kevin Rudd, and Ms Zuraidah Ibrahim.

Navigating US-China Relations as a Small State

Ms Zuraidah opened the panel by referencing Mr Lee Kuan Yew's 1966 speech on "big and small fishes in Asian waters", an account of Singapore's stance on foreign affairs at the time and a reminder to Singaporeans about the vulnerability of the small state, justifying Singapore's need to remain friends with its international neighbours.

She noted that small states globally exist within largely varying contexts; for instance, integration within the ASEAN region is weaker than that of the European Union, which could afford its member states greater security. Keeping in mind this difference in contexts, Ms Zuraidah questioned how small states like Singapore could navigate US-China relations.

A Changing Strategic Environment

Speaking in his capacity as a former Australian prime minister, Dr Kevin Rudd, who has studied, lived and worked in China for over four decades, laid out the reasons for the changing strategic environment, listing five critical drivers of change.

First, there is recognition that China's militaristic, economic and technological powers have started to match those of the US. There is then the subsequent use of this increased power to exert change over the status quo within the region, especially regarding territorial boundaries such as Taiwan, the South and East China Seas, and the Sino-Indian border, which Dr Rudd believes is an attempt to establish China as the "pre-eminent power" within the East Asian hemisphere.

According to Dr Rudd, there is a Chinese desire to create a fit between the global order and Chinese national interests and values. In response to this active pursuit of change in the status quo, the US is pushing back nationally and internationally through its allies, and this competitive dynamic has resulted in an increasingly binary set of policy decisions to be made by various states, creating a choice to be made between the US and China. This is despite “the fact that most third countries would prefer not to have to make binary choices between Washington and Beijing on the future of the order, given the competing equities they have with each of them,” he said.

Finally, this competition for power and global dominance also coincides with a time of sweeping global changes — highlighted by the global climate crisis, the pandemic and the recognition of the impact of artificial intelligence on humankind — creating a highly complex geo-political environment that is challenging for policymakers to navigate. These transnational problems are also increasingly constrained by the weight of geopolitics and the perception of this binary choice between the US and China.

With the confluence of these factors, Dr Rudd said that policymakers globally are being “overwhelmed by the unprecedented complexity” of the strategic environment and that the institutions traditionally designed to manage these global affairs are under “unprecedented duress and dysfunctionality”.

Maintaining a Strategic Equilibrium

Dr Rudd argued that most analysts have seen China as a shifting dynamic, while the US remained relatively static. However, the severity of the Chinese challenge has also compelled the US to undertake shifts in its national trade and industrial policy. In response to these shifts, for the sake of stability within the global order, Dr Rudd made the case for the maintenance of a strategic equilibrium — through militaristic, economic and technological competitiveness, as well as adopting a consensus in foreign policy. Specifically for military balance, Dr Rudd believed “a core part of the equation is deterring any part from the use of unilateral military force to fundamentally change the status quo.”

Dr Rudd claimed that maintaining strategic equilibrium could allow smaller states to maximise their political agency. While larger states may be privileged in mobilising and utilising their own national power, mid-size and smaller powers may instead rely on direct assurances from a powerful ally. The United States’ withdrawal from the region would dramatically impact the relative autonomy of individual states in the region, said Dr Rudd, noting that without the US’ militaristic prowess within the region, there would be profound strategic shifts instead of stability.

Another strategy of smaller states would be to rely on forming regional associations, such as ASEAN, to enhance their negotiation leverage with external powers or to reduce regional tensions.

Dr Rudd argued that regional associations, the presence of US military, alliances, institutions such as ANZUS, AUKUS and the Quad, as well as pan-regional arrangements, accord small states the freedom to choose the policies undertaken and decide on their national futures.

Those who are not already allies of the US are not required to join the efforts to maintain an overall strategic balance and, hence, are not forced to choose between the US or China.

He also argued that it is in the interest of all regional states to urge China and the US to engage in dialogue to develop “guardrails” to reduce the risk of crises, conflict, and war by accident. Ultimately, all states should stand by the side of strategic equilibrium and geopolitical balance, advocate for dialogue, negotiation, and a peaceful resolution of disputes between global powers, he advised. There must be an adoption of the principles and process of international law, and regional institutions must be supported, united and resilient, he said.

Middle Ground

Professor Chan acknowledged that “our internal good governance and cohesion” had contributed to modern Singapore's successes. She described how small states had benefitted from the growth of globalisation and the integration of world economies but conceded that there have been significant shifts since then. Instead of a bipolar order, there now exists a multi-polarity and the emergence of a group of states that choose to exercise their agency and sovereignty in a middle ground, pursuing “multi-alignment”.

Professor Chan noted that the US is troubled by this emergence and is attempting to adjust to it. In contrast, China accepts it as it works in their favour. “With multipolarity, China can more easily rise to be the peer pole of the US and make its influence felt,” she said.

Professor Chan also added a caveat to Dr Rudd’s point on maintaining a strategic equilibrium and, hence, using deterrence. Professor Chan cautioned that deterrence must be highly calibrated lest it be seen as provocative and trigger countervailing alignments.

China is not the Enemy

Professor Chan highlighted that countries in Southeast Asia do not see China in the same way as the US, neither do they view China as an adversary. While each has issues with China, all ASEAN countries ultimately agree that China “has a right to grow”. Individual member states may choose to rebalance and recalibrate their relationships with both the US and China, but they ultimately still wish to maintain a good relationship with both.

Commenting on the competition of strategic influence and power between the US and China, Professor Chan likened this to a “13-round boxing match” where “we are only in the second round”. And there was no reason to stop at 13 rounds, she quipped, adding that “it used to be 15 rounds for the fight of the century”. While both sides see this as a zero-sum game”, the fact is that the US cannot contain Chinese growth, and neither can China push the US out of the Western Pacific.

Against this backdrop, what Singapore can do to preserve its sovereign interests and continue to prosper? Professor Chan argued that the global situation now favours small and medium-sized states as they are now courted by both China as well as the US and its allies. “ASEAN has received renewed attention and interest from the US, so have the Pacific Islands and I daresay Africa will attract attention,” she said, cautioning that pressures from both will also increase.

To make her point, Professor Chan highlighted a recent incident in which the *Washington Post* published an investigative report alleging that *Lianhe Zaobao* (Singapore's flagship Chinese-language daily) was pushing Chinese propaganda and falsehoods. That same article highlighted what it perceived to be China's efforts in spreading its messaging and influence through Singapore's clan and business associations. Professor Chan anticipated that the US would likely question Singapore regarding these allegations. Ultimately, there will be an ongoing battle of narratives between the US and China, there should be continued expectations of these contestations, and Singapore should be prepared to manage these pressures, she said.

Strategies for Singapore

Professor Chan suggested four critical strategies for Singapore and other small states in approaching the changing geopolitical situation.

First, Singapore must continue to remain active on regional and global forums, voicing out on the type of world order that we want and developing a good narrative.

Second, Singapore must continue to develop strong relationships with the US and China for as long as we can. "Thought we do not want to choose, in reality we make choices along the way with both sides," she acknowledged.

Third, for our voice to matter and remain globally relevant, Professor Chan stressed that Singapore must build and maintain a strong and thriving economy and society.

Finally, Singapore and other small states must work within their groupings. As an example, she drew on ASEAN, which Singapore contributed to creating. While Professor Chan admitted that regional groupings face difficulties in consensus-making, she stressed that ASEAN's contributions to regional safety and global peace will depend on member nations' capabilities in creating inclusive initiatives. This cohesiveness in groupings will allow regional organisations to withstand pressures from outside powers better.

Ultimately, Professor Chan called for Singapore to be an active player within ASEAN, working with other interested member states to help preserve the region's peace, stability and prosperity.

Not-So-Exceptional Times

Mr Bilahari offered his opinion that the current geopolitical climate is not unique. He noted that Singapore grew through its early years of independence through conflictual times, where competition was seen to be inherent in any system of sovereign states. He evoked the term "known unknowns", mentioned by the late Donald Rumsfeld, to describe the state of uncertainties emerging through the war in Ukraine and US-China tensions.

Mr Bilahari listed examples such as, but not limited to, the Vietnam War, the Arab-Israeli wars, days of the Konfrontasi, racial riots in Malaysia, Chinese-supported communist insurgencies within the region, and a "hot" Cold War, all within the first decade of Singapore's independence. The internal situation was also difficult, exacerbated by the issues of separation and Konfrontasi presence within the nation, which separated us from our hinterlands, as well as

high unemployment, a precarious economic situation, and the British withdrawal from the region.

Having Perspective

In moving forward during these “recurrent cycles of great power competition”, Mr Bilahari shared three key historical factors that he believed Singapore should consider as we navigate these changing relationships.

First is to adopt a sense of perspective regarding the times. Mr Bilahari warned that people were more likely to remember events rather than the processes by which events occurred. In keeping a sense of perspective, he said we should not be projecting our fears and hopes onto any given situation but should instead see the events in context, remain objective in our evaluation and meet them on our terms.

He shared that the past was not as benign as we remember it to be, and that there were still harsh conditions of great power competition, such as the invasion of Iraq and Afghanistan and the Yugoslav Wars, but this competition was masked by the dominance of the US at the time. While the conditions of such an “exceptional” period were beneficial for the growth of Singapore, Mr Bilahari expressed his concern about the replicability of such times. He cautioned that we have now returned to a period of relative normalcy in international relations. Agreeing with Dr Rudd, Mr Bilahari believed there is a need to maintain regional power balance and hence develop capabilities for deterrence within the balance to negotiate internal relations, enact international law or even enable regional integration.

While maintaining militaristic relationships with the US was typically seen as “eccentric” Singaporean behaviour back in the 1990s when the US was forced out of the region, the rise in defence cooperation is now accepted as beneficial for the region, evidenced by the lack of resistance towards the 2019 Protocol of Amendment to the 1990 Memorandum of Understanding, and the 2005 Strategic Framework Agreement. Mr Bilahari argued that there is acknowledgment of the benefits of US military presence within the region, and other regional states are now also doing their best to maintain and enhance that relationship with the US and its regional strategic allies, Australia and Japan, despite being constrained politically.

Nevertheless, post-Cold War United States can no longer be expected to uphold international order single-handedly and no longer can do so, Mr Bilahari noted. Therefore, there must be an expectation of a transactional relationship from the US. Singapore and other Southeast Asian nations, through ASEAN, must decide how far they will work with both the US and China to ensure the region's safety and stability. Economic policies with the US must also shift to consider bilateral ties, valuing it as an important economic partner, rather than remain stuck on multi-lateral trade liberalisation policies that the US no longer considers positively.

Belief in Our Agency

Mr Bilahari also called for Singapore to appreciate the nation's agency. He shared that small nations are never entirely without agency; each has the wit to recognise opportunities and the courage and skills to seize them. Citing a quote from Thucydides’ History of the Peloponnesian War (“the strong do what they can, and the weak suffer what they must”), Mr Bilahari cautioned

that Singapore should not adopt such a fatalistic view of itself and instead consider itself an active player in deciding its fate rather than passively being subjected to external conditions.

The psychological dimension of the US-China tension was also made explicit. Despite both powers telling nations that they do not wish for them to choose, Mr Bilahari argued that on the contrary, both hoped that countries would take sides, especially in the contestations of the narratives between the universality of Western democracy, the Western interpretation of human rights, against the inevitability of the Chinese rise, as well as the Chinese Dream.

Primacy of Politics

In the first decade of Singapore's independence, 33 other countries had gained independence, with 19 under some form of British rule. According to Mr Bilahari, Singapore is the only country, barring Gulf states and Caribbean countries, that can be termed a success. He attributed this success to the nation's political leadership at the time, comprising a combination of natural politicians and technocrats who could win political fights and govern effectively. Despite some political fights being close runs, the extent of the political success of this first-generation of leaders allowed subsequent generations to prioritise technocratic competency over politics.

There are now existential challenges over national identities, values and social cohesion due to the great power contestations between the US and China. Mr Bilahari appealed to the fourth generation of political leaders, calling on them to be equipped in both political and technocratic ability once again to meet these challenges in an ever-complex domestic political environment.

Finally, Mr Bilahari reminded the audience that the factors he had listed were not merely foreign policy considerations but also domestic political issues that local leadership should contend with, especially at the grassroots. He closed his presentation by expressing his belief in the government of the time, grounded in its growth in capabilities.

Question-and-Answer

Q: Since Lee Kuan Yew's days, Singapore has been very vocal about the failings of the West, including its political systems and culture. On the other hand, the Singapore government has been reticent about calling out the failings of China. Could this double standard in rhetoric and signalling play into the hands of Chinese influence operations in Singapore?

A: Mr Bilahari agreed that there could be this risk. He recalled Mr Lee Kuan Yew telling an American ambassador, just after the expulsion of an American diplomat for interference in Singapore's domestic politics, that the Singapore ground is not naturally pro-Western but not necessarily anti-Western. He stated that while China has its strength, over the last decade its weaknesses have also become more evident for all to see.

Professor Chan agreed that Singapore is less inclined to call out China because it believes that the US sees itself as a liberal, open society that invites debate and criticism, while this is not the case for China, which also shares a close proximity to Singapore.

Professor Chan felt that Singapore should still point out when China is not behaving in a manner that "wins the hearts and minds" of Southeast Asia. She highlights the need for "brashness" in speaking with the Americans to deliver a point and contrasts it against the Asian

context, stating that “we get the message very fast. You do not have to speak in the same tone, but we should speak out.”

Dr Rudd felt there was an overestimation of the extent to which external observers could attack the US without impacting their interests. He believed that effective diplomacy was still needed to negotiate foreign ties. However, China has changed the rules of engagement diplomatically, claiming to be the new global leader. Dr Rudd believed the rest of the world should be equally entitled to engage China's challenge of the strategic equilibrium and the United States' alliances, as well as decisions of the international system (referring to the United Nations Convention on the Law of the Seas' determination on the nine-dash line). Therefore, there will be a need to be consistent and systematic when China engages in a robust debate in pursuit of its interest, especially when nations do not agree with China, while maintaining robust and consistent diplomacy directly with Beijing.

Q: All three panellists have raised concerns about China's rise, and China feels deeply misunderstood. What is your interpretation of a reasonable Chinese position, given that it is important to recognise that China does have legitimate grievances and ambitions? Is there a danger that thinking strictly about strategic equilibrium and deterrence could morph into hard containment of even China's benign aspirations?

A: Dr Rudd shared his admiration of China's ancient and modern civilisation achievements, celebrating the country's battle against poverty and its rise as an economic driver within the region. However, he reiterated his position on maintaining strategic equilibrium, and hence the use of deterrence, as he perceived that China is looking to change the external strategic environment through unilateral action, referring specifically to Taiwan, the South China Sea, the East China Sea, and the Sino-Indian border. Dr Rudd expressed concern about this challenge; he believed that China seeks to shift the status quo, and this would have direct impact on the security interests of others, which necessitates a response. He clearly distinguished between responding to China's impact on regional security interests and responding to China's economic growth.

Professor Chan stated that China has a right to grow and feels that the US is signalling for a halt in China's growth.

However, she adds a caveat that some of China's behaviour goes beyond legitimate claims. The issues raised with China are primarily due to its desire to be 70% self-sufficient (in chip production) by 2025 and its goal for leadership in science and innovation by 2050, which triggered significant concern in the US and Europe. While China has a right to grow, Professor Chan cautioned that it must be careful with its ambitions lest it triggers reactions from other actors in the world. She shared that when China claimed a desire to be self-sufficient, the Western world saw China as playing by Western rules but wanting an outcome that favoured China while not opening their markets to the same rules.

Regarding the South China Sea, there still needs to be more understanding about the number of naval vessels occupying the sea and stopping fishermen from fishing.

Mr Bilahari challenged the premise of contrasting the balance of power against legitimate rights, claiming that they are not alternatives. He claimed that what a country considers its

rights will depend on whether it sees a balance of power within the region. Without this balance, their view of their rights will likely expand.

He stated that China's rise is an important geopolitical fact that does not require affirmation and should instead be considered a factor to be worked with. His concerns lay in the boundary-pushing behaviours China has chosen to indulge in. Mr Bilahari believed that within a balance of power, there are things that China can aspire towards. He highlighted the International Monetary Fund, the World Bank, and the Asian Developmental Bank as institutions that the Chinese should qualify for in leadership, if the Chinese candidates have the competencies to do so, and such decisions should not be unilaterally decided by the West. However, China will have to continue to follow the rules of international law and cooperation, or at least abide by rules about changing those rules.

Professor Chan challenged Mr Bilahari's last point and opined that China could be frustrated in the wait for change to occur and, hence, attempt to change the rules unilaterally. Addressing Dr Rudd, she also considered that China could change its behaviour in response to Western consolidation.

Dr Rudd opened his response by sharing a consideration for the ambitions of all states, with Australia having been relatively comfortable with the rise of China until the change in Chinese strategic doctrine between 2013-2014, during the Chinese Communist Party's Central Conference on Work Relating to Foreign Affairs. China had then abandoned Deng Xiaoping's doctrine of "hide your strength, bide your time, never take the lead" and adopted the new doctrine of striving for achievement and changing the status quo, which was how China's attempts at unilateral change were perceived.

In mentioning the territorial disputes, Dr Rudd highlighted a lack of interest in Chinese negotiation or mediation, which does not align with the status quo or norms of attempting peaceful resolutions of territorial disputes but instead looks to exert power and influence over the region. He stated that China has not been forced to do this. However, China has instead encountered resistance from the US and other regional states about the undesirability of having any large power to set the new rules unilaterally.

Q: China has become more assertive as its economy has grown, claiming Taiwan and the South China Sea. Should war break out over the South China Sea, which side would Singapore choose?

A: Professor Chan stated that the reality is that Singapore will first observe how war breaks out, especially over the Taiwan Strait. In an accidental conflict, there will be questions over how long the conflict will last and if both sides will pull back. However, due to the multiple possibilities of the origin of the conflict, she shared that it is difficult to decide.

Mr Bilahari added to the response, stating that Singapore always acted in its interests and would have to determine what its interests are when being involved in war.

Q: We know there have been many disagreements between the US and China, but one point of agreement is climate change. Are there opportunities for better cooperation on environmental sustainability, especially in the South China Sea, and for Singapore to play a major role in promoting this cooperation?

A: Dr Rudd highlighted the importance of a strategic equilibrium in enabling national autonomy. When there is a balance of power, it is possible to understand how to manage crises. However, there is no such understanding now.

Dr Rudd also called for open competition in all domains between the US, China, and its allies. Within this managed strategic competition, there should be a domain that maximises the US and China's global collaboration on outstanding global public goods, including managing climate crises, pandemics and the global financial system.

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