

Global trade increasingly influenced not by economics, but geopolitical alignment & security: Lawrence Wong
Wong said that Singapore is not a melting pot and people in Singapore are encouraged to maintain their cultural traditions.

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The old consensus on free trade and win-win economic cooperation may be giving way to a world where geopolitical alignment and security take precedence.

However, Singapore can still chart a course forward -- as long as it can remain united.

These were points made by Deputy Prime Minister Lawrence Wong on Aug. 14 at the Reinventing Destiny conference, which marked the 100th birth anniversary of the late Prime Minister Lee Kuan Yew.

Wong, who is also Finance Minister, took part in a panel discussion with *CNN* and *Washington Post* columnist, Fareed Zakaria.

The conference was organised by the Singapore University of Technology and Design's Lee Kuan Yew Centre for Innovative Cities, the National University of Singapore's Lee Kuan Yew School of Public Policy, and Institute of Policy Studies.

A nuanced perspective

Wong said that while there are lots of uncertainties ahead, he had a few perspectives to offer.

First, the world is not turning away from globalisation, and is unlikely to do so. However, a different pattern of globalisation is emerging, more fragmented and shaped by security concerns, not just economics.

Wong pointed out that bifurcation is currently being pursued in certain specific areas, such as high-end semiconductor chips, and even such limited separation will have a tremendous impact on the economy.

Wong acknowledged that a new global reality is emerging, with the old consensus around free trade and win-win economic cooperation receding.

It's not quite clear what will take its place, but the outlines of a new paradigm, certainly in the US and G7, is emerging with greater state involvement in markets, with an eye towards industrial security, Wong noted.

The biggest factor is the new reality of U.S.-China relations, as relations have shifted from strategic engagement to strategic competition.

While there will still be cooperation on some levels, and "neither side wants to go to war", he noted that extreme competition will be the defining feature in the bilateral relationship.

Wong also warned of possible unpredictable situations where accidents and miscalculations can occur, especially in hotspots in the region, including in the Taiwan Strait and South China Sea.

Singapore's perspective

As a small nation, Singapore may not wish for such developments which create a less benign external environment.

"But we have to take the world as it is, not as we wish it to be," Wong said.

While Singaporeans have to navigate a new environment, there remain new opportunities.

"In fact, if you look at the Singapore Story, it has always been about turning every challenge into opportunity, converting every vulnerability into strength, and we are starting off in a far stronger position today," he said, pointing out that Singapore has more resources, is better equipped to deal with vulnerabilities and has in place a system for implementing long-term policies.

He added that Singapore's ability to "re-invent destiny" (referencing the name of the event) depended on both the government and everyone in the country.

"So if we keep faith with each other, we will be able to chart our way forward in this uncertain world and continue to write many more chapters of the Singapore Story," he said.

How Singapore manages tribalism and tensions

During the question-and-answer portion of the panel, an audience member asked about a rise in tensions around the world based on identities, and asked how is Singapore dealing with it.

Wong replied it was a continuing challenge and while Singapore has "not arrived", it has also "come a long way." He also emphasised that Singapore was *not* a melting pot, and people in Singapore are encouraged to maintain their cultural traditions.

Instead of giving up their ethnic identities, Singapore tries to create a place where everyone has a space, no matter how small their ethnic group. At the same time, the common space as Singaporeans is enlarged. "We build that common sense of being Singaporean together."

However, it remains a work in progress.

"The forces of tribalism will never go away. They are always at the background...These ugly forces of racialism and tribalism are always there at the background. We have to understand that, keep that in mind. But at the same time work very hard to strengthen our bonds as Singaporeans, which we will continue to do."