

Singapore must remain open to stay relevant in the face of digital disruption: Vivian Balakrishnan

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SINGAPORE - To navigate a fractured world order and the accelerating digital disruption, Singapore must continue to stay relevant, and this foreign policy principle remains as salient today as it was in 1965, said Foreign Affairs Minister Vivian Balakrishnan.

Speaking at a conference on Monday (Jan 28), Dr Balakrishnan outlined three ways the Republic can achieve this: Remaining open, working to fortify the multilateral system, and diversifying partnerships, such as with other Asean cities.

Dr Balakrishnan was addressing 1,000 members from the policy-making and business communities, academia, and civil society, at the Singapore Perspectives conference, organised by the Institute of Policy Studies.

As a small country with no natural resources, Singapore must always remain open for business, and especially to talent, as well as to maintain its reputation for integrity and for being trusted by all, said Dr Balakrishnan.

In fact, Singapore must actively create conditions that will attract talent and business.

The Republic will continue to strengthen air, sea and digital connectivity, along with deepening its economic and investment links with partners across the globe, he added.

Also, Singapore's legal framework must continue to respond to emerging technologies, so that intellectual property, data and privacy will be protected, Dr Balakrishnan said.

The second way Singapore can stay relevant is by working to fortify the multi-lateral system, and to contribute actively to shaping new norms to govern the global commons.

For example, Singapore played an active role in the negotiations of the United Nations Convention on the Law of the Sea (Unclos), and in the Paris Agreement to combat climate change.

New norms will be necessary in cyberspace and outer space regulations, and discussions on these are still at the nascent levels. Singapore's position on this is "unequivocal" - that all states must be involved in shaping the new rules and the concerns of small states must be taken onboard, he said.

"And Singapore can always be counted on to send our best people to these international expert group negotiations, so we make a positive and outsized contribution," he added.

Singapore must also continue to uphold international law and the rules-based international order, he noted.

Thirdly, Singapore must remain relevant by diversifying partnerships, as technological disruption will erode borders, revolutionise business models and shift production bases, said Dr Balakrishnan.

Singapore must go beyond conventional markets and break "safe models" to capitalise on opportunities.

The Asean internet economy, for example, hit US\$72 billion (US\$97.4 billion) last year (2018), more than doubling from 2015, and thicker and deeper linkages across Asean cities can be built, creating new partnerships.

In a broad ranging speech at the Sands Expo and Convention Centre, Dr Balakrishnan traced how the world economy has been shaped over the decades by the industrial revolution, Fordism, and post-war globalisation.

The world is now in a new "digital gilded age", with the rise of smart technologies. Robotics, machine learning and artificial intelligence have revolutionised the finance, commerce, defence, logistics, health and service sectors, he added.

This has created winners, such as supra-national tech companies like Google and Facebook, which have grown in economic and political influence, and losers, such as workers who have not been able to skill up and have lost their jobs due to disruptive changes.

As a result, there is increasing polarisation in the domestic politics of many countries - with one group moving right and channelling frustration towards immigration and free trade, while another group is moving left, and demanding increasing subsidies and radical redistribution, said Dr Balakrishnan.

There is a fractured world order, due to fractious domestic politics which is caused by digital disruption, he said.

"Singapore will never be a global superpower. But we can and must master technology if we are to remain successful and preserve our independence to make decisions based on our own sovereign interests in the coming age," he noted.

"By playing our cards right, we can remain in a sweet spot," said Dr Balakrishnan.