

Inaugural Singapore-Australia Dialogue

27-28 July 2009, Singapore

Jointly organized by the Singapore Institute of International Affairs and the Australian Institute of International Affairs

Summary of Proceedings

Associate Professor Simon Tay, Chairman, Singapore Institute of International Affairs and
Dr Sue Boyd, President, WA Branch, Australian Institute of International Affairs

Prepared by Kate Andren, Melissa Conley Tyler, Masaki Kataoka, Carl Kubler and Pavithra Nair

Opening Session

The dialogue, as a second track event, followed immediately on the program of ministerial bilateral talks between Australian and Singaporean Ministers for Foreign Affairs, Trade and Defence. Opening addresses, which set the current bilateral scene, were given by the Singapore and Australian Ministers for Foreign Affairs, The Hon George Yeo and The Hon Stephen Smith MP.

Session 1: Regional Security and Cooperation

The amiable relationship between Singapore and Australia is an important asset to allow for candid discussion on issues such as regional security architecture and regional cooperation. Australia and Singapore have convergent views on many issues. The two countries share a common world view, characterised as “instantaneous like-mindedness”, which allows for ease of engagement.

They share strong bilateral defence ties through the Five Power Defence Arrangements, highlighted by the signing of a Memorandum of Understanding allowing Singaporeans to continue training and exercises until 2019. At the request of Australia, Singapore has deployed two rotations of medical personnel to Afghanistan and stands ready to deploy a third. Both support the central role of the Association of Southeast Asian Nations (ASEAN) in the region.

Although the era since the Cold war has been unipolar, and both enjoy close relations with the USA, both Australia and Singapore now need to plan for a more multi-polar world. Historically, in Asia, such multi-polarity has been the norm. There was discussion about the Chinese concept of *tianxia*, translated as ‘all under heaven’, and the extent to which this acknowledged the existence of other *tianxias* or otherwise assumed the predominance of one system. Also discussed was a concern that Western dichotomous thinking could lead to countries being characterised as either moral or amoral, for example ‘good democracies’ or ‘bad non-democracies’. Some delegates emphasized that a key element of achieving cooperation was to approach things as ‘different’, rather than looking at things in terms of ‘good’ and ‘bad’.

The difficulty in defining ‘regional security architecture’ was noted. All agreed that the key elements of any architecture in the region include multiple and varied multilateral institutions, bilateral alliances and global regimes. For some, the term ‘architecture’ seems to suggest a completed structure, created with intention. However, it was noted that this did not reflect reality, where a structure was constantly being constructed and renovated, and was created as a result of many different architects with varying agendas. One discussant conceptualised architecture as the act of addition, where structures are reconditioned and added to by many different architects.

On the region's alliance systems, it was noted that traditional alliance systems, such as the multifaceted alliance system maintained by the US, or the alliance between China and the Democratic People's Republic of Korea, are currently in a state of evolution. During the Bush era, for example, the US-Australia alliance was tested by the situations in Iraq and Afghanistan. The rise of China has led to countries like Australia seeking to develop closer economic ties. One participant shared the insight that alliances have not performed well in the hardest cases like the North Korean nuclear issue, where global institutions have taken the running.

Looking at multilateral institutions, there is a plethora of overlapping institutions with ASEAN as the lead organisation. ASEAN, one participant contended, has had the positive effect of allowing the region to become accustomed to frequent exchange and communication.

Another delegate expressed concern that some of the sensitivities and limitations characterising South East Asian regional exchange have been projected upon wider communications. For example, although the ASEAN Charter attempts to create a moral community with principles of equality among nations, when countries such as Myanmar refuse to accord with many of these established standards these principles are not enforced. However, another delegate emphasized the importance of Myanmar's ratification of the ASEAN Charter, signalling this as an important step in its long term evolution. It was noted that only four out of ten ASEAN countries have a national committee on human rights, and that it was a significant achievement that they had all agreed to work together, ratify and improve domestic standards.

The question was posed as to whether smaller South East Asian countries such as Myanmar were really the most important problem to regional security architecture. It was suggested that in many circumstances it is the sensitivities of the most powerful, rising powers which get in the way.

In discussion of ASEAN+3, some felt that Australia's concern over this group derives from the fact that Australia is not itself one of the +3. Australian participants felt that Australia is delighted to be involved in the East Asia Summit and ASEAN Regional Forum, although the latter does not meet at the leader level. APEC was seen as valuable, but is felt to be too diffuse for the region as it includes economies from Latin America.

The Australian Prime Minister's proposal for an Asia Pacific community was discussed. A number of Australian participants emphasised that Prime Minister Rudd had not advocated a 'core group' for an Asia Pacific community and emphasized that the Asia Pacific community was the opening of a dialogue, not a prescriptive plan. It was noted that China, India and Japan have affirmed a commitment to the central role played by ASEAN.

Some participants nevertheless expressed reservations about the Asia Pacific community proposal. They noted that it may be impossible or even ill-advised to try to create a single organisation in order to deal with economic, security and political issues. Instead, it may be necessary to deal with the present collection of organisations and work towards their improvement. Often within the region, some noted, ad hoc multilateralisms are formed to deal with quite specific issues, which cannot and should not be subsumed into a larger organisation.

The difficulty of building any constructive security architecture was expressed, along with caution against abandoning anything that appears to be working. It generally has taken enormous upheaval such as a World War to give impetus to building security institutions.

It was emphasized that there remains a great deal of underdeveloped potential in the existing architecture. US Secretary of State Hillary Clinton's signing of the Treaty of Amity and Cooperation with ASEAN illustrates the willingness of the Obama Administration to engage more

deeply with South East Asia. This opens the way for the United States to become a member of the East Asia Summit; at this point it would then be difficult to deny Russia a membership. This has the potential to develop along the lines of the suggested Asia Pacific community, without the necessity of building another organisation. The East Asia Summit may arguably be the organisation that would be most readily adapted to the wider economic and security purposes within the region.

Session 2: Economic Issues in the Global Financial Crisis

The session started by emphasising the changing economic role of Australia in the region from a trader to a greater investor. Singapore has also become a larger investor in the region in the last 15 years. Both have realised that the trade system has changed dramatically. Under these circumstances, the two countries can do many things together; for example, Singapore has become more of a regional hub for Australian business to invest in the region.

It was noted that the dialogue takes place at an important juncture of change in the regional development paradigm. The global economic crisis has had serious negative implications on the regional economies which are based on an open and export driven growth model. The effect has depended on their openness, development level, size of domestic market, macroeconomic management and national reserves. Singapore has been among the most exposed as having a limited domestic market of 25-30% of GDP. Resilience factors for the region have included strong fundamentals, strong financial reserves, good macro-economic policies and political stability.

Regional economies with large domestic markets are managing by increasing public expenditure to increase demand and are seeking to improve productivity through training and skill upgrading. Singapore's strategy to tackle the crisis was an economic stimulus through increased public spending, especially focusing on training workers to reduce unemployment, as well as subsidising the private sector for the first time to reduce retrenchment.

Some delegates noted that while it was hoped that Asian countries could de-couple their economies from the US and EU, this did not eventuate. While regional economic cooperation has increased inter-regional trade and investment, economies are still largely dependent on the final products markets in the US and EU.

It was suggested that the global economic crisis does not change the validity of an economic oriented growth model, but that its focus and orientation would change. The global economic crisis will accelerate regional economic cooperation within the framework of the East Asia Summit, especially in increasing exports to each others' markets and in financial cooperation in currency swapping arrangement and in bond markets. Australia has a role to use its capacity to increase infrastructure investment, investment logistics and transport using Singapore as a platform. The crisis may also lead to increased attention to the need for open markets beyond borders; Australia may be a useful example for this with its market across borders with New Zealand.

In the long term, several delegates believe that the global economic crisis will accelerate the shift of economic power to Asia. While a widespread and sustained economic recovery will not happen until the US and EU economies improve, Asia should play a more important role as consumers and producers. For long term economic growth, countries in the region need to strengthen safety nets to discourage saving, broaden and strengthen financial markets, support small and medium enterprises and increase exchange rate flexibility. The APEC meeting in Singapore should focus on addressing and managing the downside of the current economic crisis, while supporting the multilateral trading system and conclusion of the Doha round.

Participants noted a number of profound changes that have taken place in the wake of the crisis. The first is the huge and unprecedented economic stimulus packages and whether these can substitute for demand from the markets. This will lead to a huge fiscal debt reaching levels last seen at the end of World War II. The second change is whether Asia can substitute missing demand from the US and EU with domestic demand.

A third change is an unprecedented, de facto de-globalisation, with world trade contracting further in this last year than in the previous eight decades. Protectionism has returned, a number of delegates warned. While not at the level of policy or in areas regulated by the World Trade Organisation, but protectionism is prevalent in the “buy local” level.

A fourth change is that the export-oriented growth model is being questioned across Asia. The view is taking hold that ‘big is beautiful’ as countries with big domestic markets thrive while smaller and more open economies contracted. Participants urged that Singapore and Australia, as countries with smaller domestic markets, have to find other ways to become attractive to international markets.

Participants noted that in Asia it has been more an economic crisis than a financial one. While the region may be over the worst, it is possible that ‘the other shoe’ is yet to drop, and more turmoil may result. In order to build resilience measures were mentioned such as adjustment to exchange rates, improvements to the Chiang Mai Initiative, improvements to the global financial system and promoting a manufacturing recovery. It was noted that Australia has a potential role to play in assisting with infrastructure development.

Session 3: Multiculturalism within and between Countries.

Both Australia and Singapore share a colonial history and face similar challenges in managing multicultural populations. There is a divergence, however, in the way that these two countries address the issue of multiculturalism. It was noted that multicultural issues in both countries have a potent link to their international relations.

Looking at Singapore, it is important to look at the complex issue of multiculturalism using anthropological and sociological insights from many different perspectives. Most globalising societies will embrace multiculturalism as a basis for social organisation; in Singapore’s case, multiculturalism was a foundation stone in the country’s development. Multiculturalism has received greater attention since the terrorist attacks of September 11 but other recent contexts, such as massive scale labour migration and marriage migration, are also important when considering multiculturalism.

The issue is multicultural management, which involves the maintenance, protection and promotion of communities and specific minorities. Religious preaching and proselytising and the way religious leaders reference others, for example in speeches, cartoons and texts were identified as other serious issues in Singapore. Another potential flashpoint is the issue of conversion.

The importance of spontaneous, ongoing, everyday dialogue was emphasised. This requires the maximisation and management of public sites in order to encourage such dialogue. The ability of religion to provide provides potential for dialogue, collaboration and exchange was also highlighted, as members of different faiths can look to common values and social teachings such as peace and compassion to guide them. Organisations such as the Inter-Religious Organisation are also important and have been instrumental in developing the complex understandings and agreements on cultural norms that are required in a multicultural society.

In Australia, the historical context of multiculturalism is a movement from policies of assimilation and integration to the adoption of a multiculturalism that attempts to balance cultural cohesion with cultural difference and emphasises a set of common values. One quarter of Australia's population was born overseas, and the country is widely seen as one of the world's most socially cohesive societies.

However a recent study by the Monash Institute for the Study of Global Movements warns against complacency. In areas of high immigrant concentration, 23.5% of long time Australians expressed negative attitudes towards aspects of immigration and settlement policy and 10% of people from a non English speaking background reported discriminatory practices at least once a month. This figure is double the discrimination experienced by those born in Australia.

The current flashpoint in ethnic relations – the recent violence against taxi drivers and Indian students – is also a cause for concern. The importance of international students to Australia was noted, with education as Australia's third largest export market, and international students accounting for 20% of enrolments in tertiary institutions. The need for a comprehensive policy and industry practice review to enhance multiculturalism was noted.

The arts is one area that can play an important role in challenging racism and negative ethnic perceptions and allowing society to see a new and richer Australia. It was noted that Australia had introduced a citizenship test under the previous Howard government. This was controversial and is under review.

For Australia, participants felt that organizations can play an even larger role to link between the country and the region. The new PriceWaterhouseCoopers Melbourne Institute Asialink Index of Australia-Asia engagement shows significant growth in engagement with Asia. Several delegates suggested that there should be greater investment in the intercultural understandings that necessarily underpin this engagement.

Singapore and Australia have the similar aims to build social cohesion and multiculturalism but are proceeding in quite different ways. One delegate suggested that a key difference is whether multiculturalism is adopted as the foundation stone of a national identity. If so, this will necessarily be different from one that is geared towards dealing with successive waves of immigration. Singapore has successfully prevented communal unrest and Australia has made progress in normalising new communities of migrants.

For Australia, a key challenge will be to explain to the international community that some amount of tension is inevitable as successive waves of new communities are accepted, in the process of accepting new communities. For Singapore, a key question is whether, as the fluid nature of identity becomes more apparent, a system of status-based multiculturalism is going to continue.

Session 4: Moving the Region Forward Post-Global Financial Crisis

The Australian Government's initiative and conception of Asia Pacific community was outlined at the start of the discussion. Its proponents felt that such an institution of leaders is required to deal comprehensively with economic and security issues, competition for resources and nuclear and territorial issues.

Some Australian participants felt that Singapore had initially reacted negatively to the proposal because of the initial presentation of the proposal, and suggested that some of the thinking has been revised after feedback. A proposed one and half track conference on the Asia Pacific community

initiative will be held by the Australian government. It was suggested that this could be held in South East Asia instead of Australia to embed the idea within the region; however another delegate noted that holding the conference in one particular country within the region could potentially cause offence to others.

The evolution of the regional architecture was outlined, and an outline was provided of the roles various structures such as ASEAN, ASEAN plus 3, ASEAN plus 6, East Asia Summit, ASEAN Regional Forum and APEC play. These structures provide a collective forum for regional leaders to discuss issues, strengthen and deal with economic issues, address issues of political change and security, and educate the population about the programmes. The wisdom of creating an additional structure was questioned. It was suggested that one path would be to start with ASEAN+3 and moving towards the goal of ASEAN+6.

Delegates reflected that the messy architecture of these institutions may be a reflection of the transitions and uncertainties of the region: while the region's architecture was messy, it is after all a messy region. One delegate opined that a 'Goldilocks' solution may not be available to find the one institution that is 'just right': it may be a matter of just muddling through. A discussant argued that the regional architecture was indeed messy, with many proposals and initiatives. However, it was emphasized that this provided a strong argument for neatening this architecture, not necessarily an argument for the creation of a single architecture to deal with all problems.

It was noted that building the region was also an issue for civil society and the role of communities was stressed. It was noted that this ties up with the efforts to create the region through ASEAN. Criticisms of, and problems with, ASEAN were highlighted. A common criticism of ASEAN is that it is too institutionally lean. On the other hand it was noted that individual member countries have made a huge investment into ASEAN. There is the need to be cautious in expectations on countries in the region.

The rising prominence of the East Asia Summit was discussed. Some suggested that if this structure expands to include Russia and the United States, it will no longer be ASEAN- or even Asian-centric. Some participants noted that the challenges that ASEAN has faced in managing the EAS, most notably with the postponed meeting in Thailand.

Closing Remarks

It was noted in closing that Australia and Singapore's like-mindedness runs deep: a world that is friendly for one is a world friendly to the other. Both have a common interest in a world that fosters their security and prosperity. Both have to manage the current tectonic shifts in the international environment. Despite their differences, both have a closeness that can be used as a bridge.

It was suggested that Singapore and Australia work to increase their engagement at many levels, including corporate engagement, and continue the Singapore-Australia Dialogue in future years.