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Singapore Prime Minister's Visit to Washington DC and America's Asian Policy

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EXECUTIVE SUMMARY

- Singapore Prime Minister Lee Hsien Loong's recent visit to Washington refreshed an already deep and mutually beneficial bilateral relationship.
- It also enabled him to establish a good working relationship with President Donald Trump and key members of his administration and to take measure of their thinking and policies to the East Asian region.
- His messages to the Trump Administration included the importance of US economic and security engagement, free trade and open markets, and the US-China relationship for maintaining regional stability.
- However, the East Asian strategic environment has changed significantly. Judging from Prime Minister Lee's public remarks, while the US will remain engaged, its approach to the region may be changing to protect its own vital interests.

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INTRODUCITON

Singapore Prime Minister Lee Hsien Loong visited the United States from 23 to 26 October 2017 and had discussions with President Donald Trump, key economic and security members of his cabinet and important figures in Congress. He was the fourth Southeast Asian leader to meet with the US President. The others were the prime ministers of Vietnam, Malaysia and Thailand. His visit to Washington was sandwiched between his trip to China in September 2017 where he had met President Xi Jinping and President Trump's scheduled visit to Asia in November.

The relationship between Singapore and the US dates back to the difficult formative period of Singapore in the late 1960s when it struggled to survive without natural resources, barely any manufacturing base or easy market access to the neighbouring region. It embraced American multinational corporations (MNCs) which were then being shunned by many developing countries as agents of exploitative neo-colonialism. American MNCs, followed by others from Japan and Europe, enabled the Singapore authorities to provide jobs for their people and to propel the economy to a higher level. The economic and security relationship with the US has grown since then.

When Donald Trump was elected President of the US in 2016 there was considerable concern in Singapore about his trade protectionist stance, negative attitude to the Trans-Pacific Trade Partnership (TPP), criticisms of US alliances and his isolationist streak, also reflected in his "America First" slogan. Singapore's former Foreign Ministry Permanent Secretary, Bilahari Kausikan, reflected these concerns when he said that Trump's election victory enhanced global political and economic uncertainties and "increased the risks for everyone."¹ But Singapore officials also said that Singapore was not going to sit back and wring their hands, but quickly and pragmatically adjust to the new realities.

And indeed it has done so. Singapore's concerns have lessened since then because there have been substantial continuities in President Trump's policies in Asia, though uncertainties still remain about trade issues and American stances on North Korea and China.

By all accounts, Prime Minister Lee's visit went off well and reinforced the bilateral relationship. In press statements released on 23 October 2017 the President described Singapore as "one of our closest strategic partners in Asia" with which America's friendship "has never been stronger than it is today", while the Prime Minister described the relationship as "robust and enduring", "deep and wide." Earlier, in his CNBC interview on the eve of his visit to Washington, the Prime Minister had noted that the relationship was based on a "basic strategic congruence of views about the world, about the region, ... and deep cooperation over many years." Furthermore, the President accepted Prime Minister Lee's invitation to visit Singapore in 2018.

¹ Commentary in South China Morning Post, 13 November 2016

MUTUAL BENEFITS

The mutual benefits of the relationship were spelt out in the joint statement the two leaders issued on 24 October 2014. Where the economic relationship was concerned, the role of the US-Singapore Free Trade Agreement was emphasised. More than 4000 American firms have a presence in Singapore.² The US, on its side, enjoys a trade surplus of about US\$18 billion, not an insignificant fact in the context of President Trump's views of America's trade relations with other countries. Also, as the Prime Minister pointed out in his joint statement with the President to the press, despite its small size, Singapore is the second biggest Asian investor in the US, with about US\$73.68 billion in stock investments, which has grown at an annual compound rate of 36.9 per cent from 2011 to 2016.³

Defence relations were described by the two leaders as "a cornerstone of bilateral relations" and areas of defence cooperation were mentioned in the joint statement. It is clear that Singapore depends heavily on the US for the purchase of sophisticated military equipment for its armed forces and for honing the skills of its military personnel in their use through training and exercises.⁴ No other power can replace this dimension of Singapore's security cooperation with the US. The US too benefits: US naval ships and military aircraft are rotationally deployed in Singapore while Changi Naval Base is used as a logistics and supply hub by the US navy. The leaders pledged to strengthen cooperation against ISIS and global terrorism and Singapore was noted as the only Asian country to have contributed both "assets and personnel to the Global Coalition to Defeat ISIS."

The joint statement also states: "Both leaders noted concerns about developments in the South China Sea. They reaffirmed the importance of safeguarding peace and stability and they reiterated their commitment to upholding the freedoms of navigation and overflight and other lawful uses of sea [and] both leaders underscored the importance of the peaceful resolution of disputes, including full respect for legal and diplomatic processes, in accordance with universally recognised principles of international law and the 1982 United Nations Convention on the Law of the Sea."

² While it is generally well known that China is Singapore's biggest trading partner, less well known is the extent and depth of the Singapore-US economic relationship. The stock of US investments in Singapore, in both manufacturing and services in 2015, was US\$ 243.307 billion, larger than the stock of any other single country in Singapore – larger than that of Japan (US\$114.186 billion) and far larger than that of China (US\$ 20.786 billion) in 2015. These US investments in Singapore provide a huge number of jobs to Singaporeans. Figures are difficult to obtain but Prime Minister Lee, without being specific, referred to "tens of thousands, even hundreds of thousands" of jobs in his briefing to Singapore journalists at the end of his visit to the US. The US is also the third largest trading partner with Singapore, after China and Malaysia

³ The deal to buy 39 commercial air liners from Boeing Corporation, inked during the Prime Minister's visit would, according to him, sustain 70,000 direct or indirect jobs for the company.

⁴ In the joint statement to the media delivered in Washington after the bilateral discussions, Prime Minister Lee noted that Singapore trains more than 1000 military personnel in the US annually, with the Singapore Air Force training in eight locations spread across continental US as well as Guam.

Singapore regards freedom of navigation and international law, including UNCLOS, as vital to its interests, so in reality there is little difference in what the two countries believe in. However Singapore has to be circumspect in relating these principles explicitly to the South China Sea because China has reportedly pressed it to avoid public remarks about freedom of navigation in the South China Sea under UNCLOS.⁵ Hence the wording of the joint statement on the South China Sea also shows to China how much Singapore is prepared to heed its sensitivities while preserving its own core interests. The paragraph on the South China Sea, including the reiteration of support by the two leaders of an “effective and binding” Code of Conduct also signals continuing US interest in the South China Sea.

In the joint statement, the two leaders reaffirmed their commitment to ASEAN Centrality and the importance of “strengthening the regional architecture...and the US-ASEAN strategic partnership.” This is a re-assuring endorsement of ASEAN. Together with President Trump’s planned attendance at the ASEAN Summit in the Philippines it reflects a continuity in US policy to ASEAN-based regionalism.

THE MESSAGES

An important purpose of the Prime Minister must have been to establish a good personal relationship with this most maverick of the post-World War Two American presidents, meeting him for the second time after an encounter on the sidelines of the earlier G-20 summit in Hamburg. The two leaders seem to have got on well. The body language of the President as he listened intently to the Prime Minister’s remarks at the delivery of the joint press statements certainly suggested this. The mutual benefits of the relationship as well as Singapore’s economic, social and governance achievements would have engendered the respect with which the President seemed to regard the Prime Minister and his team of ministers and officials.

What messages did the Prime Minister seek to deliver to the President and his Administration? From what can be gleaned from published material, they were:

- The critical importance of the US economic and security engagement in East Asia, both for US interests and for the benefit of the East Asian region, an engagement which over the past three quarters of a century has helped maintain peace and stability.
- The importance of maintaining free trade and open markets – a consistent Singapore message to the US for a long time. It has become even more important now because of the inward turn of the US domestic mood, and this US President’s trade protectionist impulses.

⁵ This has been evident from conversations and discussions with Chinese scholars with close links to party and government circles in China.

- The importance of maintaining a stable US-China relationship, as has been delivered regularly in the past. In his part of the joint statement made before the press in Washington, the Prime Minister made a strong plea for a “stable and constructive” US-China relationship but the US President did not mention the subject in his part of the statement.

A DIFFERENT KIND OF US ENGAGEMENT?

The Prime Minister knew that his messages were being delivered in very different circumstances from the past: the US mood and thinking had changed, East Asian power realities were changing and liberal internationalism was being increasingly questioned. So the old mantra calling for continuation of past policies would not be received in the same way as a decade or even a year ago.

The US has difficult choices to make. Some of what Singapore and ASEAN have traditionally wished for – such as a stable and peaceful US-China relationship based neither on confrontation nor on acquiescence in China’s strategic assertiveness – may be more difficult for the US to manage than in the past. The margin of American strategic predominance in the region has narrowed. From the US perspective, the issue is about how it is to have a tension-free relationship with a China that is seen to be chipping away at its strategic position in the region.

In his dialogue with the Council of Foreign Relations on 25 October, the Prime Minister noted that while he was confident after his discussions in Washington that the US would remain engaged in Asia, “they are talking about engaging in a different way...they would like to re-balance...”, that amounts to a different approach. He said the US has been the world’s most open market and now it thinks “others should be as open as us.” He explained that while the US is not uncomfortable with the fact that US open markets enabled allies and friends like Japan, South Korea and others to rise, it now feels differently about China. The implication here seems to be that unlike the others, China, having benefited enormously from its economic relations with the US while keeping its own market restricted, now aims to evict the US security presence from Asia and create a Sino-centric Asia.⁶ So US policies can be expected to be adjusted to meet this new reality.

According to the Prime Minister, “I think it is reasonable to push for that (i.e. a more equitable trade and economic relationship with China) but if you want that to happen overnight it may well come to grief”, which conveys an understanding on his part of what the US seeks to do, while injecting a note of caution, even concern. But if, in US eyes, its

⁶ While this may not be stated in an open and blunt way by the Chinese, it is clear enough from remarks of Chinese think tank members linked to the Communist Party and government that it is the ultimate goal. President Xi Jinping has said that Asian security should be looked after by Asians. See also China’s White Paper on Security Cooperation in the Asia-Pacific, issued in January 2017.

leadership position is being challenged and the stakes are high, it would very likely give priority to its own national interests.

What kind of adjustment or “re-balance”, to use the Prime Minister’s term, would the US envisage? This is not clear at this stage. But there are significant voices in the present US administration who want to cut the huge trade surplus that China currently enjoys with the US. Also, the Korean nuclear crisis is becoming an American litmus test for China – whether China, which of all countries has the most leverage on Pyongyang, is prepared to exercise it decisively to help denuclearise North Korea. If nothing is done and North Korea acquires the capabilities to strike continental US with nuclear weapons, the credibility of US nuclear guarantees to its two northeast Asian allies would be undermined and the US strategic position in Asia weakened. The US will have to adopt measures to deal with such a contingency. One option would be to condone, even encourage, South Korea and Japan to acquire nuclear capabilities. Such a step may seem extreme at this juncture, but may not seem so when other options fail. After all, Trump had mentioned this approach favourably during the US Presidential election campaign in 2016. While such a policy could make for a more dangerous world it would also make China’s strategic situation more complicated, with two new nuclear powers, aligned to the US, near its door step.

Arguably, a change of approach would have come even if Trump had not been elected President because, over the past decade, many in the US foreign policy and security establishment have come to the conclusion that some of the comfortable assumptions about China’s future direction had proven to be misplaced and China was now becoming much more of a strategic competitor. This change of US thinking is likely to stay even when Trump is no longer President.

If the US is in a quandary about what to do about North Korea and China, the Chinese are also in a predicament over how to deal with the new US administration. They have a long history of statecraft and also possess the tactical instruments of Leninism which, in combination, allow them to pursue strategies patiently over the long term and change tactics as required by circumstances without the distractions and interruptions of any democratic election cycle. It is possible that they may offer the US a deal that would seem to ease the US predicament – of course at a price. Prime Minister Lee, in his dialogue at the Council of Foreign Relations, cautioned against a quick deal, pointing out that it would not constitute a “fundamental breakthrough” in US-China relations which can come about only gradually on the basis of a “shared frame of reference” and deeper mutual understanding of what each side wants. Or as he put it in response to another question: “...if you are able to work with them on a stable, gradually evolving relationship which gives them the space to grow their influence, but in a benign way, then we are fine.”

SINGAPORE AND CHINA

Singapore’s relations with the US and China developed on different trajectories from the start. Relations with the US advanced in the 1970s and 1980s when China was still weak and poor and when it was more than comfortable with a US military presence in the region

to check the Soviet Union. Relations with China developed informally in the 1980s and expanded rapidly in various areas after the establishment of diplomatic relations in 1990. Like other countries in the region, Singapore sought to benefit from the economic opportunities that China's rise offered, while also giving much in return.⁷ At the back of this was the vital imperative of having good political relations with the rising great power and to give it a stake in the region and in Singapore's prosperity and well being.

During Prime Minister Lee's public interviews and dialogues in the US, Singapore's relationship with China inevitably cropped up. He described Singapore's relations with both the US and China as "very important." He expressed Singapore's desire to keep on working closely with China in the many areas of cooperation that exist and regarded China's quest for greater influence as perfectly legitimate as its power grows. He supported China's Belt and Road Initiative (BRI), as do many other countries in Asia, and thought that BRI was a good framework within which China could expand its influence constructively by helping to provide needed infrastructure and connectivity.

However, there was also a note of wariness. He wondered if a powerful China would also be a benign China, whether in the future "they will feel now that I am strong, let me show the world what I can do."⁸ And the BRI, he said, should happen in such a way that the region's external links with Europe, America and the rest of the world remain open and the region remains an open region. He did not think any of the countries in the region would want to give up those links.⁹

CONCLUSION

After the latest meeting between the leaders of Singapore and the US, bilateral ties remain strong, with extensive cooperation in many areas. Prime Minister Lee established a good working relationship with President Trump and key members of the new administration. There was mention in the joint statement that the two sides discussed how to carry the relationship further but no details were released. Judging from what has been said in public, more of the discussion in Washington seemed to focus on regional rather than bilateral issues.

⁷ Singapore is the largest investor in China. It helped China shift from a command economy to a more market-oriented one. Singapore has trained over 50,000 Chinese officials since the early 1990s. On 17 April 2010, speaking at the Lee Kuan Yew School of Public Policy, China's Vice-President Li Yuanchao said: "Out of all the destinations, where we send our leading officials to receive training, Singapore is our top choice because Singapore is the most sincere in helping China to develop".

⁸ Prime Minister Lee's dialogue with the Council on Foreign Relations, 25 October 2017.

⁹ Dialogue with Council on Foreign Relations

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