

SINGAPORE'S DEFENSE POLICY: ESSENTIAL OR EXCESSIVE

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INTRODUCTION

Singapore's continued survival as a nation appears fairly well assured for the foreseeable future. However, its very existence as a nation-state was by no means a foregone conclusion at the time of its independence on 9 August 1965. Singapore's dearth of natural resources and lack of a common identity among its immigrant population were among the host of uncomfortable geopolitical realities Singapore was faced with at the time, all of which did not seem to augur well for the young nation-state.

Singapore's ability to overcome the difficult circumstances surrounding its birth in order to realize the measure of success it has attained today constitutes the backdrop for this article. We focus our attention on one specific facet of Singapore's developmental blueprint: the country's overarching defense policy, which its leaders have consistently placed a heavy emphasis on. In particular, our analysis will attempt to answer the following question: "could and should Singapore pursue a less expansive defense policy without compromising its national goals?" This can be further unpacked into two

secondary questions, divided along temporal lines: (1) to what extent has Singapore's defense policy been integral in serving its national objectives from independence to the present day; and (2) in view of its contemporary security environment, does Singapore need to maintain its current defense policy trajectory?

ANALYSIS

The one commonality between all national defense policies is that they ultimately exist as a means to an end. Given that Singapore's is certainly no exception, it only makes sense that its defense policy be evaluated in light of the country's national objectives. Two security paradigms have taken hold in the Singaporean leadership's psyche: an enduring perception of vulnerability, and a preference for self-sufficiency in defense. Extrapolating from these paradigms, we focus our attention on two national objectives that are pertinent to the pursuit of Singapore's defense policy: (1) reducing its vulnerability; and (2) mitigating its lack of physical size by expanding its international influence. Thus, the effectiveness of Singapore's defense policy can be judged on its success in reducing the country's vulnerability to external threats, as well as on the extent to which it has bolstered its influence on the international stage.

Persisting Vulnerability and Singapore's Defense Policy

Given that Singapore's sovereignty has not been seriously threatened by armed conflict since independence, and that its prospects for survival as a nation-state would in fact appear to have improved steadily over the past 45 years, it would be hard to argue against the ostensible success of Singapore's defense policy. Nevertheless, while the

correlation between the adoption of its defense policy and its improving security situation is undeniable, an objective determination of a successful defense policy ultimately hinges on there being a clear causal relationship between the two. There are a couple of facets to this: the first is to demonstrate that Singapore really was vulnerable to begin with, to establish a rational basis for its defense policy; the second is to demonstrate that Singapore's defense policy was indeed effective in alleviating the country's vulnerability.

Was Singapore Really Vulnerable?

If it is established that the country may not have been as vulnerable as its leaders perceived it to be, this would limit the amount of credit that can be ascribed to Singapore's defense policy for having reduced the country's vulnerability over the years. This would in turn inform the analysis of whether Singapore's defense policy is excessive going forward.

In an effort to distinguish hyperbole from reality, we will draw on theoretical factors that influence the choices states make to enhance their security. More specifically, this section will examine Gray's¹ and Loo's² analyses on the impact of geography, as well as Hirshleifer's³ notion of complementary and competing preferences, as a means to gauge the initial predisposition to conflict in the region.

¹ Colin Gray, "Inescapable Geography," *The Journal of Strategic Studies* 22, no. 2 (June 1999): 165-166.

² Bernard Loo, "Geography and Strategic Stability," *The Journal of Strategic Studies* 26, no. 1 (March 2003): 162-167.

³ Jack Hirshleifer, *The Dark Side of the Force: Economic Foundations of Conflict Theory* (New York: Cambridge University Press, 2001), 1.

Geography and Political Space

Singapore's leaders have regularly cited the country's small size and lack of strategic depth as a critical vulnerability. Implicit within this sense of geographical vulnerability is a keen awareness of regional context, without which a lack of size would, if anything, be more of an inconvenience than a geostrategic liability. As Gray observed, the relative location of states has a significant role in determining each state's perception of its "political space," which according to Loo then shapes each state's calculation of how much the use of force will factor into interstate relations.

In this regard, Singapore's political space within Southeast Asia has often been described by politicians, analysts and academics in terms of its prevailing ethnic-Chinese identity in a predominantly Malay-Muslim locale. Indeed, one could plausibly argue that during the uncertain circumstances surrounding Singapore's birth as an independent state, both Indonesia and Malaysia behaved as though they perceived Singapore to be within their respective political spaces, with the implication that either country may have been tempted to exert their control over the small city-state through the use of coercive force.

For example, although Indonesia did not make any explicit claim to Singapore's territory at the time of its independence, President Sukarno had earlier instigated the *Konfrontasi*, which Leifer described as a form of coercive diplomacy,⁴ to challenge Malaysia's international legitimacy while Singapore was still a part of the Federation. This campaign included acts of terror and intimidation within Singapore, one of which led to the execution of two Indonesian commandoes in 1968. In light of events such as

⁴Michael Leifer, *Singapore's Foreign Policy – Coping with Vulnerability* (London: Routledge, 2000), 2.

this, it is no surprise that Singapore's founding generation of leaders opted to pursue a robust defense policy.

Today, the notion that either of its most proximate neighbors harbors any insidious designs on Singapore's territorial sovereignty would appear far-fetched, as the overt tensions that may have existed through to the early 1970s have abated significantly with time and mutual economic development. Nevertheless, this does not change the fact that Singapore's long-standing paradigm of vulnerability was rooted in rationality, and will always remain a factor as a consequence of the country's immutable geographical realities. For example, even though Singapore continues to diversify its sources of essential materials, the country's traditional dependence on its neighbors for natural resources such as fresh water and sand is never far removed from the Singaporean consciousness as yet another lever through which the island nation could be subject to pressure.

Preferences

Besides their relative locations and geographical endowments, another key factor shaping the nature of the relationship between neighboring countries is the compatibility of their respective state preferences. According to Hirshleifer, a state's preferences describe the outcomes that the state desires. Where these outcomes or interests are directly opposed to the interests of another state, there is a source of friction and the accompanying prospect of conflict.⁵

⁵Hirshleifer, 13-14.

At the broadest level, it would appear that Singapore's preferences are not fundamentally opposed to its neighbors'. In fact, despite occasional disagreements and diplomatic flare-ups, it could be argued that Singapore, Malaysia and Indonesia have in common the intertwining preferences for peace and economic prosperity at the core of their respective national existences. While this certainly does not preclude a measure of economic competition and one-upmanship between Singapore and its neighbors, this would be tempered by the shared realization that a "beggar thy neighbor" policy would ultimately undermine the development of their respective economies in the long run. This is unlike the situation in the Middle East, for example, where several Arab states are fundamentally opposed to the existence of the nation-state of Israel. Indeed, the existence of complementary core preferences could help to account for the fact that Singapore's relationships with its neighbors have been characterized in the main by positive, win-win exchanges, as well as a commitment to cooperation that has largely overshadowed any bilateral differences.

The net analysis suggests that Singapore's vulnerability to the threat or use of military force, while most acute in the years immediately preceding independence, has been ratcheted down by the region's shared core preferences for peace and economic prosperity. At the same time, one cannot ignore the possible impact of Singapore's considerable defense expenditure over the years on its reduced vulnerability today--even though it is difficult to quantify, by mere observation, the extent to which this reduced vulnerability is the result of a consistently robust defense policy. The following subsection will thus examine the possible basis for a causal relationship between

Singapore's defense policy and what appears to be the gradual improvement in its security environment.

Deterrence and the Power of Perceptions

Singapore's defense policy has always been predicated on deterrence, although its defense philosophy has matured over the years as the country's capability to defend itself has improved in step with its economic achievements. This is reflected in the mission statement of Singapore's Ministry of Defence and the Singapore Armed Forces, which is "to enhance Singapore's peace and security through deterrence and diplomacy, and should these fail, to secure a swift and decisive victory over the aggressor."⁶ Here, the wording of the mission statement is critical--while the ability to secure a decisive victory is crucial in reducing the country's susceptibility to the threat of force, the primacy of deterrence and diplomacy is sacrosanct and ultimately circumscribes the role of Singapore's military forces.

Evaluating a defense policy of deterrence poses some unique challenges, not least of which is the difficulty in drawing nuanced conclusions about its success. What is required in the case of a country like Singapore, which espouses a policy of deterrence and has not been attacked since gaining independence, is a determination of the extent to which its defense policy can be held responsible for deterring would-be attackers. Such a determination would necessarily rest on some degree of inference and extrapolation, although these uncertainties can be mitigated through the judicious selection of a sound theoretical framework.

⁶Official website of the Ministry of Defence, Singapore, http://www.mindef.gov.sg/imindef/about_us/mission.html (accessed 4 Apr 2010).

In this regard, we draw on Blainey's analysis on the sources of conflict, and in particular his emphasis on the role of state leaders' perceptions in determining the probability of interstate conflict.⁷ According to Blainey, a state's decision on whether to go to war is shaped not only by its perception of the prizes and penalties of using military force, but also by its perception of the power distribution between states. Each state's assessment of relative power in turn rests on seven factors: (1) military strength; (2) predictions of how other states would behave in the event of war; (3) perceptions of internal unity; (4) perceptions of prosperity and of the ability to sustain war; (5) the memory of past sufferings of war; (6) nationalism and ideology; and (7) the personality and mental qualities of the leaders in charge.⁸ Since the concept of deterrence operates very much within the perceptive realm, Blainey's analysis is especially germane to an analysis of Singapore's defense policy.

Restated in Blainey's terms, then, the success of Singapore's defense policy--insofar as its deterrence objectives are concerned--hinges on its ability to shape the relative power equation in the calculations of its potential adversaries, to the extent that the perceived penalty of attempting the use of military force against Singapore is deemed prohibitive. This analysis contends that Singapore's very public commitment to a robust defense policy would have strengthened at least three of the above seven factors directly in Singapore's favor, at least in the mind of a rational actor. First, the perception of Singapore's military strength would have been augmented by the consistent investment in

⁷ Geoffrey Blainey, *The Causes of War*, 3rd ed. (New York: The Free Press, 1988), 113-122.

⁸Blainey, 113-123.

its armed forces. Second, its anticipated behavior in the event of war or the threat of war would be to respond vigorously, backed by a determined leadership and a well-resourced military. And third, Singapore's policy of universal male conscription should improve perceptions of its internal unity.

In addition, a fourth factor could benefit indirectly from its defense policy, as Singapore's perceived ability to sustain war should be bolstered by a pattern of consistent defense spending that has been relatively impervious to economic fluctuations. With the last three factors (the memory of past sufferings of war; nationalism and ideology; and the personality and mental qualities of the leaders in charge) likely to remain neutral to policy factors, Blainey's theory would thus predict a net deterrent effect on Singapore's potential adversaries, as a consequence of Singapore's defense policy's ability to shape the perceptions of rational decision-makers.

When More Can Mean Less

Although a strong military and a robust defense policy have definite deterrent effects, there are also countervailing forces associated with increased military spending that could potentially reduce a country's overall security. In this regard, Singapore's leaders have long demonstrated a keen awareness that an "over-development" of military capabilities, relative to the rest of the region, may be counterproductive in a benign regional strategic environment. As Dr. Goh Keng Swee, then deputy prime minister and defense minister, argued in 1978, Singapore would not want to be armed "to the teeth" for fear of starting "an arms race in our part of the world."⁹ As such, Singapore's defense

⁹Huxley, 67.

ministers often reiterate the six percent cap of its defense budget (as a percentage of its GDP). In addition, Singapore resolutely refrains from commenting directly on arms purchases or military modernizations undertaken by other countries, preferring instead to maintain a dignified silence in an effort to prevent a competitive dynamic from developing.

Realistically, Singapore's ability to obviate the risk of a regional security dilemma developing is constrained by the fact that its military capabilities are already widely perceived to be the most advanced in the region. In this sense, its small size and lack of expansionist ambition probably works to Singapore's advantage in mitigating regional concerns. Even so, it will likely face an uphill battle in reassuring its immediate neighbors for as long as it pursues its current defense policy trajectory. This is particularly so when the Singaporean definition of a credible deterrence now effectively entails having military superiority over its potential adversaries. As Huxley observed in 2000, although Singapore was never viewed as a serious security threat from a Malaysian standpoint, many of the latter's recent military acquisitions were almost certainly intended at least in part to redress the perceived military imbalance between the two countries.¹⁰ Ultimately, however, the most relevant outcome is arguably that the specter of interstate conflict no longer persists in Southeast Asia, and part of the reason for that could be attributed to Singapore's robust military deterrence.

The analysis is slightly less clear-cut, however, when the question of present and future tradeoffs comes into play. While one could argue that Singapore's defense policy decisions as a newly-independent country were rational and perhaps even prudent

¹⁰Huxley, 65-66.

investments to fend off existential threats, it would also be defensible to say that the same policy trajectory has become excessive as the security environment has gradually become more benign. Singapore's interconnectedness within the global economic system, for example, would possibly afford it a measure of protection against an attack by another state.

Such arguments, allied with the high cost of pursuing its current defense policy, beg the question of whether Singapore would in fact be better off tapering down its defense budgetary commitments. To the extent that the country's vulnerabilities can be traced back to immutable geographical factors, this would suggest that Singapore's leaders cannot afford to take its security for granted, and that the maintenance of a credible deterrence capability is likely to remain an important stabilizing factor in the region. The question, then, becomes one of degree--at which point does "credible" become "excessive," and the opportunity cost of that defense dollar outweigh its marginal utility? To put this issue in the proper perspective, the following section will examine Singapore's defense policy within the broader ambit of national power, in consideration of the second identified national goal--that of increasing Singapore's international influence.

National Power, International Influence and Singapore's Defense Policy

In the realm of international relations, the ability to influence other states comes in many forms. The preceding section examined the extent to which the military instrument has contributed towards reducing Singapore's vulnerability, primarily through deterrence. The next step is to look beyond the military instrument of power, to take a broader view of how Singapore's defense policy has shaped the country's ability to

achieve its desired objectives. In this regard, this section will focus on Singapore's economic and diplomatic instruments of power, which are arguably most synonymous with the Singapore success story amongst the various sources of national power. In particular, the analysis will examine how Singapore's defense policy has complemented these two instruments in expanding Singapore's international influence, which was identified earlier as a national objective based on Singapore's paradigm of desiring self-sufficiency in defense.

Defense Policy and the Economic Instrument of Power

Singapore's remarkable economic growth has been the primary source of the Republic's plaudits over the years. As Leifer observed, "Economic success is the main reason for Singapore's high status and disproportionate influence in international affairs."¹¹ One of the key pillars of Singapore's economic growth, particularly in the immediate post-independence years, has been the amount of foreign capital that Singapore has been able to attract. This has been critical in providing the employment, expertise and access to international markets that the country would not otherwise have been able to develop on its own. In his memoirs, Lee declared that if there was one word to explain Singapore's early success in attracting foreign investors to the fledgling state, it was confidence¹²--confidence that the government was a dependable partner, confidence in Singapore's investment environment, and confidence in the very viability of the state. Lee's observation highlights a crucial area of overlap between Singapore's

¹¹Leifer, *Singapore's Foreign Policy*, 10.

¹²Lee, *From Third World to First*, 68.

military and economic instruments of power, whereby the security and stability afforded by the military instrument has helped to create the conditions conducive to foreign direct investment.

Today, by extension, the military instrument--insofar that it is able to stay relevant in the face of evolving threats and not just interstate ones--remains important to preserve the conditions for economic growth. Indeed, mindful that the threats to Singapore may appear increasingly diffuse to the average Singaporean with each passing year of prosperity, the current generation of leaders have likened the country's investment in defense to an insurance policy. This emphasizes that now, more than ever, there is something in Singapore worth protecting against the possibility of a catastrophic event, however improbable such an event may seem today. Evoking the insurance analogy has certainly been useful in maintaining political support for Singapore's defense spending, since it implies prudence, risk-averseness, and perhaps most importantly, the logic of increasing your coverage as the value of what you want to protect increases.

In addition to undergirding the country's economic success, Singapore's defense policy has also played a tangible role in strengthening the country's economic instrument of power. Just 42 years after its humble beginnings in 1967, for example, the defense industry's flagship conglomerate, ST Engineering (Singapore Technologies Engineering), reported an annual turnover of S\$5.55 billion (US\$3.99 billion) for the provision of both civilian and defense-related products and engineering services across the land, maritime

and aerospace domains¹³--a significant contribution towards Singapore's S\$258 billion (US\$185 billion) gross domestic product for 2009.¹⁴

Defense expenditures have also been a useful tool of fiscal policy, as when the defense ministry stepped up its construction spending to help mitigate the severity of the 2008 global economic crisis on Singapore's economy.¹⁵ Although the government is careful to emphasize that defense spending levels are responsive to a long-term strategy rather than to short-term impulses, the scope and overall stability of Singapore's defense policy does afford the government some discretion in managing Singapore's economic growth trajectory, whether through "pump-priming" during economic downturns or by scaling back spending to cool off an overheating economy.

For all its positive effects, however, it is also important to consider how Singapore's investment in its military instrument of power may have detracted from the development of its economic one. The preponderance of empirical evidence suggests an inverse relationship between defense spending and economic performance, which Deger and Smith and Feffer¹⁶ attribute to the crowding out of private sector investments by

¹³ST Engineering Press Release, "ST Engineering's Net Profit Grew 27% in 4Q09 Compared to 4Q08," Singapore, 18 February 2010, http://www.stengg.com/pressroom/press_releases_read.aspx?paid=1524 (accessed 8 April 2010). Ron Matthews and Nellie Zhang Yan had estimated that approximately 49 percent of ST Engineering's efforts in 2007 were focused on defense output.

¹⁴Singapore Department of Statistics, "GDP at Current Market Prices," Q4/2009, <http://www.singstat.gov.sg/stats/themes/economy/ess/aesa11.pdf> (accessed 8 April 2010).

¹⁵Teo, "Speech at Committee of Supply Debate 2009".

¹⁶Saadat Deger and Ron Smith, "Military Expenditure and Growth in Less Developed Countries," *Journal of Conflict Resolution* 27, no. 2 (June 1983): 344-347.

relatively inefficient state-directed spending. The sheer scale of Singapore's defense spending would seem to suggest that its economy should have suffered this to some degree.

That said, it has been difficult to isolate for this effect due to the consistently robust performance of the Singaporean economy since the early 1970s, and the fact that the defense industry was an important, but ultimately not fundamental part of its overall development. As Adrian Kuah pointed out, Singapore's defense industrialization occurred amidst a steady growth dynamic that was centered on textiles in the 1970s, semi-conductors and memory chips in the 1980s, to the present focus on knowledge-intensive industries such as financial services, information technology and biotechnology.¹⁷ Thus, for as long as the government steered clear of gross imprudence on defense, its defense policy was arguably never in danger of derailing Singapore's economic success story.

In fact, beyond doing no harm to Singapore's economy, Ron Matthews and Nellie Zhang Yan argued that Singapore's investment in its defense industry has had a strongly synergistic effect on the economy, particularly with the growing prevalence of dual-use technologies in an increasingly globalized world. A key consequence of this trend has been the shifting reliance of advanced militaries on global suppliers, with the notable exception of the U.S. where many of these suppliers reside. This has in turn allowed companies like ST Engineering to expand both their civilian and military customer bases, while simultaneously reducing their reliance on either sector. More significantly, this has

¹⁷Adrian W. J. Kuah, "The Political Economy of Defence Industrialisation in Singapore: The Costs, Trade-Offs and Synergies," *Defence Studies* 5, no. 2 (June 2005): 224.

enabled the local defense industry to complement the Singapore government's broader efforts to build up an indigenous research and development capability, thus facilitating the transfer of technology and skills between the military and civilian sectors.¹⁸

The overall analysis of Singapore's defense industrialization process thus appears to reinforce Kirshner's argument that military spending could have a positive net effect on the economy through judicious state leadership, which views the defense industrialization impetus through the prism of the country's overall level of development.¹⁹ Initially, Singapore adopted a mercantilist approach towards its early defense industrialization, as attaining self-sufficiency in defense took precedence over strict economic efficiency. Since the 1990s, however, the industry has become increasingly diversified and less reliant on Ministry of Defence contracts, consistent with the government's push for Singaporean companies to compete independently on the international market.²⁰ Indeed, it is possible to trace Singapore's defense industry's steady climb up the value chain through a focus on innovation and technological expertise, in order to secure its current industrial niche somewhere between the European and American powerhouses and the low-cost engines of the developing world. In this sense, it has mirrored Singapore's overall economic growth path, and although the industry has never occupied a dominant role in the economy, it has been an important source of employment, human capital development and technology creation,

¹⁸Ron Matthews & Nellie Zhang Yan, "Small Country 'Total Defence': A Case Study of Singapore," *Defence Studies* 7, no. 3 (September 2007): 388-389.

¹⁹Jonathan Kirshner, "Political Economy in Security Studies After the Cold War," *Cornell University Peace Studies Program, Occasional Paper no. 20* (April 1997): 21.

²⁰Kuah, 213-227.

encapsulating in many ways the country's philosophy with regard to economic development.

Defense Policy and the Diplomatic Instrument of Power

As a small state lacking in natural resources, Singapore is heavily dependent on a favorable external environment for its development. There are several elements that would constitute such an environment from Singapore's perspective: these include the preservation of its freedom of action, the perpetuation of a system that safeguards the interests of small states like Singapore, and the cultivation of relationships that recognize Singapore's value as a partner. The following section will discuss the role of Singapore's defense policy in reinforcing each of these elements to the city-state's advantage.

The role of the military in preserving Singapore's freedom of action has already been alluded to earlier. Firstly, Singapore's freedom of action as an independent state is partly assured by having a robust military deterrence, which encourages other states to pursue a Coase-ian rather than Machiavellian approach towards relations with the island nation. Secondly, in addition to fending off potentially hostile states, a strong military can also maximize freedom of action by reducing Singapore's dependence on other states for security. This would in turn afford it the political space to chart its own destiny with regard to both its foreign and domestic policies.

Singapore's contemporary relationship with the U.S. provides a useful illustration of this latter dynamic. Singapore's leaders clearly recognize the security benefits of keeping the U.S. military meaningfully engaged in Southeast Asia, and have gone to some lengths to facilitate this. This includes building the berthing infrastructure to

accommodate nuclear-powered aircraft carriers, the likes of which Singapore is unlikely to ever acquire.

But Singapore is also no vassal of the U.S., and has demonstrated this by the determined fashion in which it resists any perceived meddling in its internal affairs. The caning of an American youth in 1994 for vandalism, despite high-level U.S. representations (including by then President Clinton) for a non-corporal alternative, stands out as one of the better-known examples of Singapore standing firm in the face of considerable U.S. diplomatic pressure. One could reasonably speculate that the eventual outcome may have been different had Singapore been reliant on the U.S. as its exclusive security guarantor. The point here is not that Singapore can afford to disregard U.S. preferences on account of having a robust military. Nevertheless, by virtue of providing for its own defense, Singapore has arguably increased its capacity to make dispassionate decisions--whether on naval access rights or on the caning of foreign nationals--based on principles that are in the national interest.

Besides the primarily passive role of the military in preserving Singapore's freedom of action, it is clear that Singapore's leaders also envisaged a broader role for the armed forces as an active instrument of diplomacy. As Teo declared, "[The Ministry of Defence] contributes to the regional security architecture . . . by having a capable SAF which can engage meaningfully with our ASEAN friends and partner countries, and contribute useful capabilities towards our regional cooperative activities. Without [this],

Singapore would play a much more diminished role and we would not have the same voice at the table.”²¹

This desire for a “voice at the table” is synonymous with Singapore’s national goal of expanding its international influence, and Teo’s description of the role of the military in securing that right to speak reveals a level-headed realization that Singapore needs to find some way to belie its small size if it wants to play with the “big boys.” In this sense, Singapore’s defense policy makes a crucial contribution towards strengthening its diplomatic instrument of national power, to the extent that the Singapore military is exercised as a well-honed tool of foreign policy.

As a small yet thriving state, Singapore has evidently found a niche for itself within the existing international system. This in turn has made it firmly committed to the preservation of the current system, or at least those characteristics of the system that allow a small state like Singapore to flourish. These include the institutions and norms reinforcing the mechanisms of global trade that have long constituted Singapore’s economic lifeblood. In this regard, Singapore’s leaders have identified terrorism and insecure sea lines of communication as two contemporary threats to Singapore’s livelihood. To mitigate these threats, which are global in nature and beyond the scope of any one country to decisively influence, the Singapore military has been contributing regularly to multinational stabilization and reconstruction efforts in Afghanistan and Iraq since 2001 and 2003 respectively. At the same time, Singapore’s navy conducts joint patrols with its Malaysian, Indonesian and Thai counterparts to secure the Straits of Singapore and Malacca for international shipping, in addition to coordinating information

²¹Teo (12 February 2009).

sharing arrangements with extra-regional user states. These military deployments signal Singapore's commitment to preserve the broad workings of the current international system, as well as its willingness to shoulder increased responsibilities as a member of the international community in a fashion that is commensurate with the country's resources and capabilities.

Besides contributing militarily to causes that support a broader international interest, Singapore also uses its military as a tool with which to engage key partners. Indeed, because of the prevailing regional dynamic where it is surrounded by larger states, Singapore has always felt compelled to cultivate relationships with extra-regional powers in an effort to make Singapore's continued independent existence a matter of their interest and concern. Fortunately for Singapore, the strategic importance of the region, and in particular of the Malacca Strait that runs through it, has ensured that the powers have always maintained some level of engagement with the region, albeit with an eye towards safeguarding their own economic and security interests.

Singapore has capitalized on this by utilizing the products of its defense policy to construct a dense web of bilateral defense relationships with regional and extra-regional powers, complementing existing economic and political linkages with these countries. Singapore's relationships with the U.S., China and India, for instance, while predicated on non-military (chiefly economic) characteristics, have been broadened and deepened by growing defense cooperation. For example, Singapore continues to leverage heavily on U.S. technology and training space--recently inaugurating an F-15SG detachment in Mountain Home, Idaho in 2009--while allowing the use of its air and naval bases to facilitate a U.S. military presence in Southeast Asia. Singapore's bilateral defense

cooperation with India has also expanded rapidly in the past decade, with policy and technology exchanges as well as bilateral air, land and naval exercises now regular fixtures within the defense relationship. And in 2008, Singapore and China signed the Agreement on Defence Exchanges and Security Cooperation, which has since paved the way to annual policy talks and the inaugural bilateral training exercise between the two militaries in June 2009. Singapore's ability to maintain these defense relationships is, to a significant degree, proportionate to its military capability. Just as having a weak military would preclude Singapore from contributing meaningfully to multilateral engagements, it would also reduce the incentive for larger powers to engage the small city-state in the realm of defense cooperation.

Another aspect of this derives from the element of competition that often exists between powerful states, which are typically loathe to see a competitor or near-competitor gain an advantage in any area of strategic importance. This dynamic is arguably already being played out in various locations around the world, particularly between the U.S. and China and between China and India as far as Asia is concerned. Singapore's ability to cultivate any of these powers, then, especially in an area as sensitive as defense cooperation and in a region as significant as the Malacca Strait, is likely to increase Singapore's attractiveness to the other powers as well. In this way, Singapore's defense policy can be said to reinforce the diplomatic instrument of national power by providing an expanded range of foreign policy options with which the country's leaders can seek to increase Singapore's international influence.

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Singapore's decision early on to pursue a robust defense policy appears to have paid immediate dividends by helping to insulate the country from its inherent vulnerabilities en route to its current economic success. This also paved the way for Singapore to exercise an independent foreign policy, un-beholden to regional or extra-regional powers for its security needs.

The role of Singapore's defense policy has since evolved alongside changes in the security environment. As the threat of interstate conflict has receded, the significance of Singapore's defense policy has become increasingly associated with its contributions to Singapore's non-military instruments of power, and in particular its economic and diplomatic instruments. Framed in terms of Singapore's national goals, this analysis contends that the primary motivation underlying Singapore's defense policy has shifted away from a provision of security and towards an increase in the country's international influence. This trend is represented visually in the figure below:

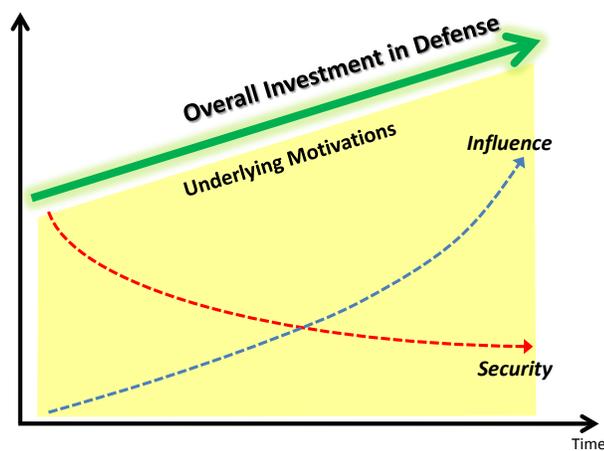


Figure 1. Evolution of Singapore's Defense Policy Trajectory
Source: Created by author.

This trend could be said to mirror the evolution of “vulnerability” within the Singapore context, from the existential threats that plague a weak, newly-independent nation, to the fear of irrelevance for a country that faces continuing pressures to create new opportunities for an increasingly affluent population. Given the capacity of a robust defense policy to reduce Singapore’s vulnerability in every sense of the word, it is perhaps little wonder that the city-state’s emphasis on defense has not tailed off, but instead has shifted gears to meet the country’s latest requirements.

It is necessary to clarify one point about the above diagram--while the arrow representing Singapore’s overall investment in defense tracks a steady upward trajectory that is broadly reflective of the situation in reality, it is not a deterministic formality that a shift in emphasis towards expanding international influence should necessitate an overall increase in defense spending. This analysis offers two possible reasons for why this may be so in Singapore’s case. First, Singapore’s desire to stay relevant as a military partner depends on its demonstrated ability to stay connected with the foremost military concepts and technology. In practical terms, this translates into an impetus to keep up with the proverbial Joneses, in order to be able to speak with credibility when afforded the cherished voice at the table.

Secondly, Singapore’s immutable geographical vulnerabilities mean that maintaining a credible deterrence will always remain the *raison d’être* of Singapore’s defense policy, even if the contemporary manifestation of that policy pertains more directly to expanding Singapore’s international influence. And since successful deterrence occurs within the perceptive realm, the discernable philosophy of Singapore’s

defense policy could be as important, if not more so, than what it actually spends those defense dollars on. Thus, the fact that Singapore had embarked on a robust military defense early on may to some degree compel it to maintain that same trajectory in order to preserve its deterrent effect. On the flip side, any scaling back on defense spending--while possibly prudent--may be construed as a sign of weakness or waning commitment by Singapore's potential adversaries.

CONCLUSION

One of the aims of this research was to determine if this focus on defense has been a prudent investment. To this end, it discussed the historical factors and peculiar characteristics of Singapore's regional security environment that led to the decision to pursue a robust defense policy. The analysis then established a plausible link between that policy's effect on external perceptions and the security that Singapore has enjoyed, and how this has in turn contributed to the country's economic wherewithal and ability to withstand diplomatic pressure. The aggregate of these would appear to validate Singapore's defense policy decisions, at least up to this point.

While the above findings may be of particular relevance to countries considering the applicability of the Singapore model to their own situations, of greater consequence to Singapore are the implications of what lies ahead. This means looking beyond whether Singapore's defense policy was rational, and even how effective it has been to date--what arguably matters most is where Singapore ought to go from here. This analysis will thus conclude by examining whether Singapore's current defense policy is sustainable or desirable in the long run.

Is the Current Trajectory Sustainable?

This question needs to be asked because of the sheer cost of maintaining Singapore's current defense spending trajectory. In light of the uncertain economic climate that has plagued global markets in recent times, an obvious source of concern would be a severe and prolonged recession, of a scale that would potentially derail the country's economic growth by several years.

Without downplaying the risk of such a crisis occurring, however, this analysis contends that such a crisis is *not*, in fact, the primary precipitating risk to Singapore's defense policy trajectory. Due to the highly-connected nature of Singapore's economy, it would likely require a truly global crisis to debilitate Singapore's economy to the extent that it is forced to reassess its fiscal priorities. Given that such a catastrophe is likely to have a comparable impact on other countries as well, any reduction in Singapore's defense spending under those circumstances should, in theory, be broadly commensurate with the actions of other states. Furthermore, as described earlier, Singapore has weathered economic crises in the past, during which its leaders have often highlighted the increased risks of regional instability to argue against any reactionary cuts to defense spending. This, coupled with the establishment's long-term view of defense planning as well as the often reiterated six percent cap on defense spending as a proportion of GDP, should insulate Singapore's current policy trajectory against reactionary impulses.

Neither are favorable external developments likely to bring forth the circumstances that would justify a reduction in defense spending. The "peace dividend" anticipated at the end of the Cold War, for example, ultimately did not materialize as the threat of interstate war was just replaced by new security challenges posed by failing

states and non-state actors. In the post-9/11 milieu, the likelihood that states will adopt a complacent attitude towards security threats is arguably even more remote.

Instead, the greatest risk to the sustainability of Singapore's defense policy is likely to come from within, perhaps in the form of popular discontent leading to a reevaluation of Singapore's priorities. It is true, for instance, that a self-imposed cap on defense spending as a percentage of GDP has been an important public assurance of fiscal discipline. However, there is no guarantee that the public's acquiescence to the present figure of six percent--which is significantly higher than the global average--will remain unwavering. After all, such spending is relatively painless while the economy is experiencing double-digit growth, but is likely to become considerably less palatable as annualized GDP growth continues to slow inevitably with the maturation of the economy.

Still, we are unlikely to see a drastic departure from Singapore's current defense policy trajectory in the short to medium-term. A key reason for this is the continued stability of the incumbent leadership, which remains staunchly committed to a robust defense. Just as crucially, Singapore's leaders would appear to have skillfully removed any debate on Singapore's defense policy from the realm of economic cost-benefit analysis. Instead, the current policy is couched as necessary to maintain the unquantifiable concept of "deterrence", and to provide the stable environment necessary for foreign investment and productive economic activity. Such arguments are obviously extremely difficult to disprove, leaving the odds heavily stacked--at least for now--in favor of the status quo. Whether this trajectory can be sustained in the longer term will depend on at least three factors: (1) the public continuing to buy in to the vulnerability narrative; (2) sustained public confidence in the military as an efficient and effective use

of public resource towards reducing that vulnerability; and (3) the continued credibility of the political establishment insofar as making decisions that are consistent with the broader public interest.

Is the Current Trajectory Desirable?

More fundamental than the question of sustainability is the question of whether the current defense policy trajectory is in Singapore's best interests, or if pursuing a different path would be more likely to advance Singapore's national goals. The preceding analysis had suggested that a scaled-back defense policy would be less likely to accomplish Singapore's goal of reduced vulnerability, as potential adversaries may interpret such a deviation as a possible sign of weakness. For the sake of argument, let us assume that Singapore pursues just a measured scaling back of its defense policy, and that its leaders are able to do so while adroitly managing external perceptions in such a way that there is no discernable effect on the overall deterrence. In such a scenario, the long-term cost savings from a less expansive defense policy would have to be weighed against the likely impact this would have on Singapore's non-military instruments of power.

As far as Singapore's economic instrument of power is concerned, it is unlikely that a less expansive defense policy would have a devastating impact. Most importantly perhaps, based on the assumption that the deterrent effect remains largely intact, even a scaled-back defense policy would likely retain the capacity to underwrite the country's economic growth. Depending on how the scaling back is actually effected, there would probably be some impact on Singapore's economy from reduced defense spending, which at this point is already fairly well integrated within the country's economy. However, the

overall impact of this is unlikely to be severe since the defense industry is not one of the key drivers of the Singapore economy, and in the long run one would expect the cost savings to be productively re-allocated to other sectors.

The adverse impact of a scaled-back defense policy on Singapore's diplomatic instrument of power, however, is likely to be more pronounced than for its economic instrument. In particular, to the extent that a less expansive defense policy would hinder the ability of the SAF to contribute to multinational efforts, or reduce its perceived utility as a military partner, there is a risk that Singapore may inadvertently blunt an important instrument of its foreign policy. As discussed in the analysis, Singapore's military contributions in places ranging from East Timor to Afghanistan, and from the Strait of Malacca to the Gulf of Aden confer a degree of international influence that Singapore would not otherwise have as a small state. Furthermore, while defense may not be the dominant facet of many of Singapore's bilateral relationships, it certainly introduces breadth and diversity to its relationships. This added dimension ultimately makes these relationships more resilient to the occasional hiccup that may arise in any particular area. For a state that is heavily dependent on a favorable external environment for its security and prosperity, these are critical contributions by a robust defense policy.

Finally, it is important not to overlook the unique role that the military has come to play in Singapore society. It goes beyond the assurance of Singapore's survival as a nation; indeed, 45 years since its unplanned independence, Singapore's defense policy is now so finely interwoven into the tapestry that is the Singapore story that the two are arguably virtually inseparable. As a common experience for all Singaporean males regardless of privilege or ethnicity, national service has evolved into a vital nation-

building tool. That experience not only socializes the Singaporean man-in-the-street on the need for a credible defense; it also gives him a stake in it. No other institution serves a comparable function for this young country of immigrants, and for the Singapore establishment, this must rank as one of the most compelling reasons for maintaining a robust defense policy centered on conscription.

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So is Singapore's defense policy essential or excessive? Given the relatively advanced state of the country's defenses at this point, it stands to reason that Singapore has to spend a lot more to maintain and incrementally improve its defense capabilities as compared to when it first gained independence. At the same time, as its reputation has grown on account of its past defense policy achievements, so has the level of public and international scrutiny of its armed forces, while the tolerance for mistakes has decreased. In other words, not only is Singapore reaping diminishing marginal returns for each defense dollar spent, the marginal cost of maintaining a credible deterrence has also increased significantly.

Under such circumstances, economic theory would typically advise a re-allocation of resources away from defense. Singapore has rejected this option, however, first because its deterrence goals may be compromised by any deviation from its existing defense policy trajectory; second, because of the way the military complements its other instruments of national power; and third, because of the way defense has been integrated in the fabric of its national identity. In this sense, Singapore might be characterized as a willing victim of its own success, happy to pay what some would judge excessively for a product that it has assessed to be absolutely essential.