The Domestic Determinants of Hedging in Singapore’s Foreign Policy

TERENCE LEE

In response to the intensifying US-China rivalry, Singapore ostensibly “hedges”, a strategy that avoids choosing between Washington and Beijing and maximizes gains from cooperating with both powers while avoiding confrontation. Hedging also extenuates Singapore’s central location in Asia and its role as an established commercial and financial hub. As such, it appears to reflect the imperative of any small state: survival. However, in contrast to the argument that domestic politics does not matter in Singapore’s foreign policy, this article demonstrates how the domestic imperative of legitimizing the political dominance of the ruling People’s Action Party (PAP) shapes the government’s hedging strategy.

Keywords: Singapore, hedging, China-US rivalry, domestic politics, legitimacy, People’s Action Party.

... sometimes, the steps we take may look like it is more aligned with one country, other times it may look as if we are more aligned with another country, but actually we are always only aligned to one country—Singapore, ourselves and our principles. ... The consistent message is: We act, always, based on what is in Singapore's interests and our principles-based approach.¹

In this statement made on 5 February 2023, Singaporean Minister for Home Affairs and Law K. Shanmugam described Singapore's

TERENCE LEE is Associate Professor of Political Science at the National University of Singapore. Postal address: National University of Singapore, Faculty of Arts & Social Sciences Department of Political Science, AS1, #04-33, 11 Arts Link, Singapore 117570; email: terence_lee@nus.edu.sg.
foreign policy in seemingly schizophrenic terms. He portrayed it as cooperative and aligned, yet independent and neutral. For observers of Singapore’s foreign policy, these contradictions describe “hedging”, a concept that eschews the realist concepts of “balancing” and “bandwagoning” as irrelevant in explaining how small states respond to security challenges. Hedging also entails an evident “inclination to diversify, to preserve policy independence, or to keep options open”. Singapore hedges by not choosing between Washington and Beijing. Instead, it seeks to benefit from the economic opportunities offered by its relations with China while striving to keep a US military presence in the region for stability and security. Singapore is far from alone in articulating this strategic preference; several Southeast Asian states pursue similar proclivities.

Prima facie, hedging is prudent as it mitigates risk while keeping fallback options, mixing engagement with balancing while “maximizing policy autonomy and minimizing provocation of either great power” and “reserving the flexibility to align in the future should either great power come to constitute [a] direct threat”. However, if foreign policy reflects the means to achieve the interests and values of nation-states, what ends does hedging seek to attain? Paraphrasing Clausewitz, what are a hedging state’s political goals if foreign policy is the continuation of politics by other means? In other words, what are Singapore’s political objectives if hedging is its strategy to guide its diplomatic interactions with the United States and China?

This article answers these questions by examining the domestic sources of Singapore’s foreign policy. While acknowledging certain shortcomings in the existing literature, the article does not seek to add to the theorizing on hedging in International Relations. Instead, it explores how hedging addresses the political goals of Singapore’s ruling elite. Because the government, the ruling elite and the People’s Action Party (PAP) are analogous in Singapore, examining their political goals offers insights into why it hedges when dealing with China and the United States. Thus, this elite-centred analysis is consistent with the observations that foreign policymaking in Singapore is divorced from the broader public.

By hedging, Singapore’s foreign policy legitimizes the PAP, which has ruled the city-state since its independence in 1965. Unpacking this process further, this article reveals that hedging fosters legitimacy for the PAP through “specific” and “diffuse” support mechanisms. Specific in that support from the population is circumscribed to
officeholders or government bodies based on evaluations of their actions and decisions. *Diffuse* in that support is determined by attachments to prescribed principles, values and norms.\(^8\)

This article is organized as follows. The first section provides a brief overview of how Singapore hedges in dealing with China and the United States. It then discusses how the existing literature fails to explain why states hedge and how this practice achieves foreign policy objectives. The next section then presents the theoretical explanation of how hedging, as a foreign policy tactic, can effectively contribute to the goals of domestic legitimation. The empirical discussion of the article shows how the theoretical argument works in the case of Singapore. Finally, the conclusion summarizes the key findings and offers preliminary thoughts on whether Singapore’s domestic legitimation considerations are likely to persist.

**How Does Singapore “Hedge”?**

Most scholars identify Singapore as a typical hedger.\(^9\) According to Evelyn Goh, the city-state’s hedging entails “strong engagement with China and the facilitation of a continuing US strategic presence in the region to act as a counterweight or balance against rising Chinese power”.\(^10\) Singapore views the United States as indispensable to security and stability in the Indo-Pacific.\(^11\) The two countries share a close defence relationship, which Tim Huxley has called a “quasi-alliance”.\(^12\) Singapore has supported the United States’ presence in Asia, hosting US naval and aircraft deployments. Its facilities were utilized by US forces *en route* to Afghanistan and for use in various counterterrorism operations following the 9/11 attacks. Under the “Rebalance to Asia” policy during the Obama administration, which the Trump administration continued, Singapore agreed to the forward deployment of US Littoral Combat Ships (LCS). The LCS deployment was followed by that of the P-8 Poseidon surveillance aircraft and the conclusion of an enhanced bilateral Defence Cooperation Agreement, both in 2015.\(^13\)

Singapore’s hedging involves actively courting China as well as the United States. Singapore seeks a range of cooperative economic opportunities with Beijing, including Singaporean investment in China and encouraging Chinese investment in Singapore. It is a supporter of the Beijing-led Regional Comprehensive Economic Partnership (RCEP), was one of the founding members of the China-backed Asian Infrastructure Investment Bank (AIIB) and is an enthusiastic promoter of the Belt and Road Initiative (BRI).
Singapore has also increased defence cooperation with China. For example, they signed the Agreement on Defence Exchanges and Security Cooperation in 2008. However, according to Darren J. Lim and Zack Cooper, the “scope and depth of Singapore’s defence cooperation with the United States far exceeds that with China, Singapore has been careful to cultivate positive security relations with Beijing.”

When Singapore hedges, it maintains “policy autonomy” and “independence” vis-à-vis the great powers. Although close to the United States, Singapore has remained independent in several instances. In 1988, for example, the Singaporean government expelled a US diplomat, E. Mason Hendrickson, for meeting and allegedly cultivating opposition politicians, which Singapore claimed amounted to interference in its internal affairs. During the “Asian Values” debate of the 1990s, Singaporean leaders were forthright in challenging the United States’ position that democratic freedoms and human rights are universal.

Singapore has also been cautious and tempered in its perceived military alignment with the United States. For instance, in 2003, it declined the offer to become a “major non-NATO ally,” preferring not to antagonize China (nor its Muslim-majority neighbours). When hosting the US Air Force and Navy, Singapore has frequently stressed that US military assets are not permanently based in Singapore.

While courting China, Singapore has asserted its sovereign right to act no matter what Beijing thinks. In 2004, Prime Minister Lee Hsien Loong made a “private visit” to Taiwan. Singapore has also voiced concerns about China’s increasing militarization of the South China Sea. It has stood up to what it has perceived as Chinese pressure, interference and subversion. It has rebuffed Beijing’s expectations that it should pay due deference to Beijing because it is a small Chinese-majority nation. Singapore responded robustly to 2016 accusations carried in the Global Times. It refused to cede to Chinese pressure about its military training in Taiwan despite China detaining the Singapore military’s Terrex fighting vehicles in Hong Kong. Also, it revoked the permanent residence status of the Chinese-American academic Huang Jing, accusing him of being an “agent of influence” seeking to subvert Singapore. In 2018, Singapore’s veteran diplomat Bilahari Kausikan publicly alleged that Chinese covert influence operations had targeted Singapore.
Why Do States “Hedge”? 

As Singapore’s relationship with China and the United States illustrates, hedging denotes a mixed foreign policy, combining cooperative and conflictive approaches and a mix of engagement and balancing. However, there is a notable gap in the existing literature regarding what states do when they hedge, why they hedge, what ends hedging attains, and if hedging realizes a state’s goals.

There are at least three theoretical explanations for why states hedge: as a form of alignment; as a means for risk management; and as a strategy. In essence, states hedge to avoid decisive alignment amid a major-power competition. According to Evelyn Goh, hedging is a “middle position that forestalls or avoids having to choose one side at the obvious expense of another”. Denny Roy sees it as a midpoint between outright balancing and bandwagoning, to keep options open “against the possibility of a future security threat”. Hedging may also be viewed as non-alignment and a “multi-pronged” alignment, simultaneously “cultivating, maintaining, and enhancing partnerships with as many powers and players for as long as feasible”.

However, the existing understanding of hedging is imprecise regarding what alignment behaviour it entails. Hedging is a catch-all concept encompassing any combination of engagement and protective measures, ubiquitous for a broad range of state actions, rendering the term analytically inconsequential. In addition, without a precise specification of what type of foreign policy behaviour hedging is (or isn’t), assessing successful (or unsuccessful) hedging in relation to a state’s goals becomes challenging.

Relatedly, assuming that foreign policy results from a deliberative process, why do states choose hedging as their preferred mode of diplomacy? Prior scholarship has suggested that hedging is the preferred “fallback” option to mitigate potential future losses in the face of multiple risks and high uncertainties. Alternatively, it supposes that states hedge because it is a “returns-maximizing” or “gain-seeking” form of economic and diplomatic engagement and a protective “risk-contingency” military measure. However, how exactly does hedging help achieve these ostensible goals? Again, when states (and governments) decide to hedge, does this foreign policy approach have a higher likelihood of achieving the desired national outcomes and goals compared to alternative approaches?

These critiques suggest that the third conceptualization of hedging, as a strategy, may also have its flaws. Strategy involves studying
ends and means, value systems and preferences of actors, and how these are connected within a particular political environment, often the consequence of opposing preferences and political struggles.\textsuperscript{30} The lack of specification of \textit{ends} and how hedging attains these \textit{ends} have already been discussed. Moreover, the existing literature has presented hedging as a logical (and seemingly only) strategy in response to external factors such as risk and uncertainties, but this view presents several problems.

Hedging is a suboptimal strategic response. While exercising maximal autonomy through ambiguous and mixed diplomatic stances, the hedging state communicates confusing and contradictory stances. More importantly, hedging sends unclear intentions. As scholars of international relations have noted, uncertainty about the capabilities, intent or resolve of leaders and states has long been identified as an essential cause of armed conflict.\textsuperscript{31} Moreover, in treating hedging as an almost reflexive state response to external stimuli, it regards national governments as unitary actors and their domestic politics as hidden or not readily understood. Most studies do not capture how the interplay of elite politics and the interactions between the institutions—such as defence ministries, foreign ministries, key executive agencies and civil-military relations—that shape hedging behaviour.\textsuperscript{32}

While the existing literature on hedging has begun to recognize the importance of domestic politics, it does not fully capture the complex relationship between politics and foreign policy. Indeed, there is no systematic theorizing of how and under what conditions domestic politics influences hedging behaviour.\textsuperscript{33} This article addresses these shortcomings by examining the domestic determinants of Singapore’s hedging strategy.

\textit{Domestic Politics and Foreign Policy: Legitimation in Authoritarian Regimes}

A non-controversial axiom is that politicians seek to stay in power and that policymaking reflects this imperative. Leaders are not neutral but wield influence over policy processes to pursue their self-interests and to reward supporters who keep them in power.\textsuperscript{34} The same logic may be extended to foreign policy decision-making: leaders conduct external affairs to preserve their power and policy agenda at home. State survival and the maximization of national power and influence are commonly prescribed foreign policy objectives, but this necessarily includes regime survival.\textsuperscript{35} A regime’s survival depends on it securing
power bases and controlling resources. Political survival depends on the leadership’s ability to manage the external-internal nexus. Paraphrasing Robert Putnam, leaders navigate both international and domestic realms, playing a two-level “game” in their foreign policy choices to satisfy both domestic and international audiences. In other words, leaders need to justify their foreign policy initiatives vis-à-vis national priorities and scrutiny by non-elites.

Legitimacy is central to power and stability in any political regime, democratic or otherwise. According to Seymour Martin Lipset, political systems must be able “to engender and maintain the belief that the existing political institutions are the most appropriate one for the society”. No political regime can merely rely only on repression and co-optation. All types of regimes need to justify their rule to maintain longevity. As a result, legitimation manufactures active consent, compliance with the rules, passive obedience or mere toleration from the population. Thus, the question becomes not whether but rather how and to what extent a regime procures legitimacy from its foreign policy.

Regimes can achieve legitimation through their foreign policies in two ways. First, foreign policy can bring concrete benefits to the country and the regime. Even dictatorships are performance-dependent, relying on quasi-social contracts in which political acquiescence is granted in return for socio-economic development and a government’s ability to maintain internal order and social security. Foreign policy successes, such as the concluding defence and trade agreements, reinforce a government’s capacity and deliver tangible security and economic benefits to citizens. This is analogous to David Easton’s notion of “specific support”, in which legitimation is obtained from “quid pro quo for the fulfilment of demands” and “satisfactions that members of a system feel they obtain from the perceived outputs and performance of the political authorities”.

Second, foreign policy could buttress legitimacy and create “diffuse support” for the regime through the rally-around-the-flag effect. To develop such public support, leaders can engage in external acts of assertiveness, sabre-rattling, conflict behaviour or other forms of belligerence. Through these actions, legitimacy claims appeal to patriotism, the nation’s identity or the national interest. “Diffuse support” for the regime can arise through the following logic. At first, the rally-around-the-flag effect buttresses support for a government and encourages critics of a regime to look past their differences. Opposition forces are likely to either support the administration’s policies or be stymied by broad popular support for
the government. This phenomenon has been linked to sociology’s general in-group/out-group hypothesis that greater conflict with an out-group may improve bonds within the in-group. At the same time, through foreign policy, the leadership can demonstrate its competence to the public, which in turn raises public approval of the government.

The legitimacy of Singapore’s ruling PAP has been described as based on “pragmatic” or “instrumental acquiescence”, in which its support is premised on its ability to deliver security, political stability and acceptable material standards of living in exchange for the curtailment of certain civil liberties. Performance legitimacy is the foremost source of political support for the PAP and is analogous to Easton’s understanding of “specific support”. In practice, for Singapore (and the PAP government) to enjoy continued economic success, it must be open to foreign investments, neoliberal market practices, globalization and free trade.

Concomitant with performance legitimacy is the hegemonic discourse of vulnerability and survival, a reminder to Singaporean citizens of how the PAP has developed the nation “from Third World to First” and how Singapore’s accomplishments, though substantial, are fragile. This discourse is peppered with portents of Singapore’s smallness and insecurity and how the ruling party has kept the city-state safe through diplomatic relations and considerable investment in defence. By continually highlighting the severity of Singapore’s vulnerability, the PAP presents itself as the guarantor of the country’s sovereignty, augmenting its bases of diffuse support.

This article contends that hedging stabilizes Singapore’s one-party rule through specific and diffuse support mechanisms, and it demonstrates in the following sections that Singapore’s engagement in cooperative diplomatic activities with China and the United States aids specific support, whereas asserting Singapore’s autonomy and independence vis-à-vis Beijing and Washington sustains diffuse support.

Cooperative Foreign Relations and Specific Support

Economics and Specific Support

The contention that the PAP derives performance legitimacy and, thus, specific support from cooperation with China and the United States is not controversial. Singapore’s economy depends considerably on the two powers. Since 2013, China has been Singapore’s largest
trading partner. The United States is its third-largest trading partner, fourth-largest export market and third-largest supplier of imports.\textsuperscript{48} Singapore’s economic links with the two countries are largely facilitated by the US-Singapore Free Trade Agreement (signed in 2003) and the China-Singapore Free Trade Agreement (signed in 2008), respectively, and these comprehensive bilateral trade agreements were the first that each of the superpowers signed with an Asian nation.

Singapore depends on Beijing and Washington’s initiatives to enhance the Indo-Pacific’s financial and trading architecture. Singapore was an early advocate of China’s BRI, a founding member of the Beijing-led AIIB and the first country to ratify the RCEP. Singapore is a key financing hub for the BRI and a source for third-country partnerships.\textsuperscript{49} Similarly, it was among the first countries to back the Biden administration’s Indo-Pacific Economic Framework (IPEF), which is consistent with its early support for the Obama administration’s abortive Trans-Pacific Partnership (TPP).\textsuperscript{50}

Singapore is the largest foreign investor in China, beginning in the 1980s as Beijing opened up its economy. Some of these private sector-led, government-supported projects include the Singapore-Sichuan Hi-Tech Innovation Park, the Nanjing Eco High-Tech Island and the Jilin Food Zone. There were also state-led investment projects, including the China-Singapore Suzhou Industrial Park, the Sino-Singapore Tianjin Eco-City, the China-Singapore (Chongqing) Demonstrative Initiative on Strategic Connectivity and the China-Singapore Guangzhou Knowledge City.

The United States remains by far the largest single-country investor in Singapore, with direct investments totalling over US$270 billion (as of 2020). Singapore receives more than double the American FDI invested in other Asian countries.\textsuperscript{51} In the manufacturing sector, US investment in Singapore is almost 50 per cent more than what it invests in all of Asia. US investment in financial and insurance services is 60 per cent larger than that from the European Union (EU), Singapore’s second largest investor.\textsuperscript{52}

While Chinese FDI in Singapore remains small relative to the United States and other developed countries, Chinese private wealth has poured into the city-state. Affluent mainlanders have moved their assets and set up family offices in Singapore, believing it to be a safe haven.\textsuperscript{53} Wealthy Chinese have invested in private property—they accounted for 42 per cent of the private condominiums sold to overseas buyers in Singapore in the first eight months of 2022. Mainland Chinese constitute the biggest group of investors buying
luxury properties in prime districts, purchasing almost a fifth of apartments with price tags exceeding US$3.5 million.\textsuperscript{54}

Chinese companies have redomiciled or registered in Singapore to hedge against rising geopolitical risks as tensions escalate between Beijing and Washington. Online fast-fashion retailer Shein, electric vehicle maker Nio and IT services provider Cue were among the first to switch parent companies or global headquarters to Singapore, list on the local stock exchange, acquire local businesses and form joint ventures in the city-state.\textsuperscript{55}

Before the COVID-19 pandemic, China was Singapore’s top source of tourist arrivals, with more than 3.6 million travellers, accounting for roughly 20 per cent of all international arrivals. China was also the top contributor to Singapore’s tourism receipts in 2019, generating S$900 million (US$1.2 billion) in revenue.\textsuperscript{56}

\textit{External Security and Specific Support}

Defence ties with the United States are critical for protecting Singapore’s independence and territorial integrity and are a source of \textit{specific} support for the government. Although Singapore seeks to be self-reliant, such as through its significant investment in its armed forces, it depends on the benevolence of the United States and its security commitments in the Indo-Pacific. For Singapore, the United States is the benign hegemon. According to Michael Leifer,

\begin{quote}
Since Britain’s withdrawal in the 1970s, and despite clashing with Washington over political values, the USA has long been the preferred primary source of external countervailing power ... for Singapore, balance of power is a policy which discriminates in favour of a benign hegemon as opposed to one which guards against any potential hegemonic state.\textsuperscript{57}
\end{quote}

Singapore’s first prime minister, Lee Kuan Yew (1959–90), said during a visit to Washington in April 1986 that the United States is best suited to providing the security assurance Singapore needs because Southeast Asians are more acutely aware of the uncertainties of US policies than other regions of the world. They remember the American retrenchment in the 1970s followed by a decade of self-doubt. Hence ASEAN countries drew towards each other to seek greater strength in self-reliance. They found that together in ASEAN, they could better overcome their problems; but they still need the United States to balance the strength of the Soviet
ships and aircraft. The renewal of self-confidence in America has reassured us that America will help maintain the peace and stability of the region. It is this balance of power which has enabled the free-market economies to thrive.\textsuperscript{58}

Speaking in New York in 1992, Lee Kuan Yew justified Singapore’s proactive support for the United States’ continued role as the region’s “central player”, stating

No alternative balance can be as comfortable as the present one with the US as a major player. But if the US economy cannot afford a US role, then a new balance it will have to be. However, the geopolitical balance without the US as a principal force will be very different from that which it now is or can be if the US remains a central player.\textsuperscript{59}

To this end, Singapore actively encourages the United States’ military presence in the region. In 2019, it extended the 1990 memorandum of understanding (MOU) that facilitated US military access to its air and naval bases and logistics support to US personnel, aircraft and naval vessels. While not directly participating in the Quadrilateral Security Dialogue (Quad) and AUKUS, an alliance between the United States, the United Kingdom and Australia, Singapore implicitly supports these new US-led security arrangements.\textsuperscript{60}

The defence capabilities of the Singapore Armed Forces (SAF) would not be as extensive without the country’s strong security ties with the United States. It is the main source of the SAF’s hardware via the US’ Direct Commercial Sales (DCS) and Foreign Military Sales (FMS) system. Prominent FMS sales include advanced fighters (F-15SG and F-35B), AH-64D Apache Helicopters and guided munitions. At the same time, the top categories in DCS were aircraft parts and components, gas turbine engines and military electronics. The SAF enhances its professionalism through military exercises and exchanges with the United States. Singapore exercises bilaterally with the United States—the navy’s “Pacific Griffin” and the army’s “Tiger Balm”—as well as in multilateral exercises, such as the “Rim of the Pacific” (RIMPAC) and “Red Flag”. More than 1,000 Singaporean military personnel participate in training, exercises and professional military education in the United States annually. According to the US State Department, Singapore is one of its “strongest bilateral partners in Southeast Asia [that] plays an indispensable role in supporting the region’s security and economic framework” \textsuperscript{61}
The Ethnic Chinese in Singapore and Specific Support

Cooperative and sound ties with China also generate domestic political (specific) support for the PAP government, particularly from ethnic Chinese Singaporeans and their business interests. Positive Sino-Singapore relations portray the ruling party as a defender of “Chineseness” and Chinese-Singaporean business interests. The necessity for doing so, while strategic, stems from repairing the PAP’s previous antipathy towards the Chinese-educated and their business activities.

Although the ethnic Chinese in Singapore comprise approximately three-quarters of the population, this community is bifurcated into two—“Chinese-educated” (huaxiaosheng) and “English-educated” (yingxiaosheng)—based on the dominant language of education. The Chinese schools were established, some prior to independence, by clan associations (huiguan) with funding from philanthropists and the business community. For instance, Hokkien Huay Kuan, a cultural and educational foundation, was established in 1840 to promote education and social welfare and to preserve the Chinese language and culture among Chinese Singaporeans and other overseas Chinese groups in Southeast Asia. The Hokkien Huay Kuan played a prominent role in establishing Nanyang University (known as “Nantah”), the first Chinese-language university in Southeast Asia and the region’s focal point of Chinese education and culture. The Hokkien Huay Kuan donated the land on which the university was built in the 1950s while other Chinese business leaders contributed financially. However, around the time of Singapore’s independence, graduates from Chinese schools did not find jobs as easily as their English-speaking counterparts. In addition, Chinese-educated students were especially involved in political activism, contributing to a stereotype of them being pro-China or pro-Chinese Communist Party (CCP).

After Singapore’s independence in 1965, the PAP believed it was strategically necessary to avoid being seen as a “third China”, so the emphasis was put on “de-Chineseness”, in which the government consciously sought to build a multiracial society and develop a “Singaporean Singapore” identity. “De-Chineseness” can also be attributed to Lee Kuan Yew’s belief that Chineseness was tied to China’s active support of communism in Southeast Asia in the 1950s and 1960s:

... it was difficult to identify good Chinese-educated candidates who would remain loyal when the communists opened fire on us
[PAP] ... we were fishing on the same pond as the communists, who exploited both Chinese nationalism and Marxist-Maoist ideas of egalitarianism ... Their mental terms of reference were Chinese history, Chinese parables and proverbs, the legendary success of the Chinese communist revolution as against their own frustrating life in Singapore.\(^{65}\)

To “de-Chinese” Singapore, the PAP government made English the first language for education, international commerce and industry. Conspicuously, it merged Nanyang University with the University of Singapore to form the National University of Singapore. To dilute the influence of ethnic Chinese clan associations and Chinese businessmen who had considerable resources and support to sway local politics,\(^{66}\) especially on issues of culture and language, the PAP developed new para-political and para-statal organizations such as the People’s Association, Citizens’ Consultative Committees and Community Centre Management Committees. These organizations directed grassroots activities in the newly developed public housing estates that gradually replaced ethnic enclaves.\(^{67}\)

In its economic development strategy, the PAP pushed aside Chinese businesses and relied instead on foreign multinational corporations. In its eyes, family-owned Chinese enterprises were synonymous with unproductive rentier activities.\(^{68}\) As a result, “de-Chineseness” led to suspicion among the Chinese-educated that the PAP, which drew primarily from the English-educated, was engaging in political and cultural marginalization. This created a division in Singapore’s social fabric between the Chinese-educated and English-educated Chinese Singaporeans.\(^{69}\) During his 1999 National Day Rally speech, then-Prime Minister Goh Chok Tong noted the persistent cleavage between the English-educated professionals who constituted Singapore’s “cosmopolitans” and dialect-speaking “heart-landers”.\(^{70}\)

Two occurrences rendered the PAP’s policy of “de-Chineseness” politically unsustainable. An economic downturn in 1985, a result of a global recession, led to significant business failures, especially among former “Nantah” graduates and other Chinese-educated Singaporeans. This forced the PAP government to re-evaluate its economic policies and its efforts to promote local business internationalization.\(^{71}\) The government decided to develop a “Second Wing” of the national economy and incentivized Singaporeans to tap into China’s vast potential as a market and business partner.\(^{72}\) The PAP government viewed “Chineseness” as an advantage for Singapore, permitting it to play a middleman role, parlaying its
Sinic affinities and its ability to straddle East and West to tap the growing economic opportunities in China.

The second circumstance compelling the PAP to reconsider its “de-Chineseness” policy was the erosion of the party’s electoral support among Chinese-educated Singaporeans. When the ruling party lost seats to the Workers’ Party and Singapore Democratic Party in the 1984 and 1991 general elections, especially in Chinese working-class constituencies, analysts believed the government had neglected the Chinese educated and dialect speakers, and the election results were sending “the PAP an important signal”. Since then, the PAP has ensured it fields electoral candidates deemed acceptable to the Chinese-educated or with the necessary Chinese dialect proficiency. These politicians would campaign using Chinese dialects, especially in the heartlands. The government also formed the Chinese community liaison group, which comprises mainly Chinese-educated MPs, to help it be “attuned to sentiments in the politically important Chinese-speaking community … [and] to make sure this community does not feel marginalized in increasingly English-speaking Singapore”.

The re-emergence of the Singapore Chinese Chamber of Commerce and Industry (SCCCI) illustrates the reassertion of “Chineseness”. Founded in 1906, the SCCCI was the leading Chinese organization in Singapore, with membership encompassing the wealthiest and most influential businessmen, many of them serving as its leaders. Marginalized from its leading social and cultural roles during the period of “de-Chineseness”, the PAP turned to the SCCCI after the 1985 economic recession. It encouraged the clan associations to reconceptualize their role in cultural and economic life to attract younger members and to reap potential economic benefits from kinship ties with China. One early visible step to this revival was the SCCCI’s convening of the inaugural World Chinese Entrepreneurs Convention (WCEC) in 1991 and its subsequent creation of the online World Chinese Business Network. Thereafter, the SCCCI “used its status to put itself at the vanguard of the ethnic Chinese network at a time when the entire economic and political world was looking for ways to benefit from the economic opening up of the PRC” and “because the Chamber had the network, which the PAP government dearly wanted and needed, it could be the broker following, and protected by, the government’s diplomatic and political endeavours”.

Further examples of the Singapore government’s reassertion of Chineseness include the establishment of the Chinese Heritage
Centre in 1995, under the auspices of the Singapore Federation of Chinese Clan Associations, and the National Chinese Internet Programme to develop Singapore into a cyber-hub for the Chinese language internet. Mirroring the SCCCI, the government supported the creation of the Singapore Chamber of Commerce and Industry in China (SingCham) in 2002 to represent Singapore’s business interests in China and help businesspeople network with their Chinese counterparts. Today, SingCham has more than 1,000 members and chapters in nine provinces and cities, including Chongqing, Guangdong and Shanghai.\(^78\)

Another less overtly discussed overture to enhance Chineseness in Singapore is the PAP government’s policy to maintain the city-state’s “racial balance”, preserving Chinese-Singaporean demographic ascendancy at three-quarters of the total population. The policy was asserted in the context of the 2013 Population White Paper. According to Grace Fu, Minister in the Prime Minister’s Office,

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\text{It is our policy to maintain the ethnic balance in the citizen population as far as possible ... We recognize the need to maintain the racial balance in Singapore’s population to preserve social stability. The pace and profile of our immigration intake have been calibrated to preserve this racial balance.}^{79}\]

According to Prime Minister Lee Hsien Loong, “We will maintain the racial balance among Singaporeans. The percentage of Malays among Singapore citizens will continue to be stable, even into the long-term.”\(^80\) As birth rates among Chinese Singaporeans continued to decline, substantively for the city-state, this meant encouraging more emigres from the mainland.\(^81\) Since the 2000s, mainland Chinese have become the second-largest source of migrants to Singapore.\(^82\)

Not all Chinese-Singaporean businesses were regarded as rentier and hence disregarded in the past. Several family-controlled enterprises, primarily those in banking, real estate and property development, remained influential in Singapore.\(^83\) For example, the late chairman emeritus, Wee Cho Yaw, of United Overseas Bank (UOB) had deep ties with the SCCCI and the broader Chinese-educated communities. He held strong connections with the chairmen of the government’s Citizens’ Consultative Committees, Chinese businesspeople and many members of the SCCCI network. Viswa Sadasivan, a former nominated member of parliament, described him as “the power” behind the SCCCI.\(^84\)

In tandem with the externalization of Singapore’s economy in the late 1980s, influential Chinese-Singaporean companies have seen
their business interests with the mainland grow and become more important to their revenue streams. Ensuring healthy Sino-Singaporean ties has become essential to their bottom lines. Mainboard-listed, privately owned Chinese-Singaporean companies operating significant China-based businesses include OCBC, which opened in the mainland in the 1920s; UOB, which set up its first representative office in Beijing in 1984 and incorporated UOB-China in 2007; UOB’s UOL Group, which opened UOB Building in Xiamen in 1996; and agribusiness Wilmar International’s Chinese subsidiary Yihai Kerry, which has been operating in China since the 1990s.85

Independent Foreign Policy and Diffuse Support

Foreign affairs do not feature prominently in Singaporean electoral campaigns. Nevertheless, in asserting Singapore’s independence vis-à-vis Beijing and Washington, the PAP educes diffuse support by appealing to the national interest and invoking the need for Singapore to defend its autonomy and sovereignty. In turn, this demonstrates the ruling party’s competence in confronting these external challenges to Singaporeans. However, the government’s assertion of foreign policy autonomy does not only serve these domestic imperatives. Clearly, championing Singapore’s national interests and withstanding pressure from other states, especially bigger powers, is necessary to survive.

But we can observe the envisioned legitimating goals by examining when Singapore pushes back against the great powers. Specifically, what issues did the Singaporean government assert its autonomy over? Who among the ruling elite explained the incidents, and to whom was their message directed? What was the forum the PAP used to expound its foreign policy actions? Apart from statements in parliament, key political officeholders assert Singapore’s independence and emphasize the importance of upholding sovereignty on occasions when there is grassroots support for the ruling party. These include constituency and cultural events, clan association celebrations, festivities to mark major national holidays and national events such as the Prime Minister’s holiday messages or National Day Rally speech.

One such event was the Hokkien Huay Kuan Spring Reception in February 2023. Minister for Home Affairs and Law K. Shanmugam stated during the festivities:

As a small country, we have to be clear on what are our principles. We must always put Singapore’s interests first, and never be afraid to act in our own interests … uphold our principles and positions.
consistently, impartially, objectively, and not let other countries, big or small, no matter how friendly, dictate to us what we do.\textsuperscript{87}

At the Pasir Ris West constituency’s Chinese New Year Dinner in 2017, Teo Chee Hean, the coordinating minister for national security and a local member of parliament, said

We should also conduct our foreign relations based on mutual respect. We have always stood by this principle whether we are conducting relations with countries, like the US or China, or with our neighbours ... all of whom are bigger than we are ... Standing by this principle allows every country to maintain our independence and sovereignty, and conduct our relations with other countries in the spirit of mutual respect ... Importantly, when we conduct ourselves in a principled way, it also allows Singapore and Singaporeans to hold our heads up in the world, rather than bending to the will of others.\textsuperscript{88}

The most visible platform Singapore’s leaders have used to assert its independence vis-à-vis the great powers is the National Day Rally (NDR).\textsuperscript{89} During the 2016 event, Prime Minister Lee Hsien Loong made clear Singapore’s support for the Permanent Court of Arbitration’s ruling against China’s claims in the South China Sea:

Big powers can insist on their own interests and often do ... China is not the only country to do this and nor is this the first time something like this has happened. Nevertheless, Singapore must support and strive for a rules-based international order ... If rules do not matter, then small countries like Singapore have no chance of survival.\textsuperscript{90}

At the 2022 event, speaking in Mandarin, with a clear hint to the intended audience, the prime minister spoke about Singapore’s principled position against the war in Ukraine:

But we have to be firm in our position and defend fundamental principles robustly. We cannot be ambiguous about where we stand. We believe the sovereignty and territorial integrity of all countries, big or small, must be respected. These principles are existential for all nations, but especially so for a small nation like Singapore.\textsuperscript{91}

At the same event, Lee also warned Singaporeans to be vigilant about messages shared on social media and actively guard against hostile foreign influence, but without naming China. He stated

We need to ask ourselves: where do these messages come from, and what are their intentions? And are we sure we should share
such messages with our friends? So please check the facts and do not accept all the information as truths. We must actively guard against hostile foreign influence operations, regardless of where they originate. Only then, can we safeguard the sovereignty and independence of our nation ... I am heartened that most Singaporeans support the government's position on the war in Ukraine, including Chinese Singaporeans who are active on Chinese-language social media.  

Conclusion

This article contends that Singapore’s hedging strategy aids the domestic legitimation of the ruling PAP. It does so through the mechanisms of specific and diffuse support. The city-state relies on Beijing and Washington for its economy, defence and security. Thus, cooperative ties with the United States and China accrue performance legitimacy for the government. Separately, Singapore’s close relations with Beijing augment the PAP’s standing with the ethnic Chinese community and their business interests in the mainland, sustaining specific support. Finally, an independent and assertive foreign policy (against China, in particular), while necessary as a small state, creates a rally-around-the-flag effect and increases diffuse support for the ruling party.

The article’s findings contrast with neorealist perspectives of Singapore’s foreign policy, which emphasize a small state managing its vulnerabilities in a hostile international system. Singapore’s foreign policy has been characterized as inherently realpolitik. According to its first foreign minister, S. Rajaratnam, the “primary task” of Singapore’s foreign policy was “how to make sure that a small nation with a teeming population and no natural resources to speak of, can maintain, even increase, its living standards and also enjoy peace and security in a region marked by mutual jealousies, internal violence, economic disintegration and great power conflicts.” Even though it is a one-party, autocratic state with an elite-centred foreign policy decision-making process, domestic legitimation matters in Singapore. Indeed, to invert the oft-cited adage, domestic politics does not “end at the water’s edge”.

Are these domestic legitimation considerations likely to persist as the PAP prepares to transit from the “third generation” of leaders to the fourth when Lee Hsien Loong steps down (likely in late 2024)? How will these domestic imperatives affect Singapore’s foreign policies towards the United States and China? This study posits
that hedging—or being equidistant—will likely remain Singapore’s guiding foreign policy stance vis-à-vis China and the United States. According to Lawrence Wong, the presumptive next prime minister and the current deputy prime minister,

Singapore has longstanding bilateral relations and deep economic links with both the US and China. The US played a vital role in underwriting the post-war global order, paving the way for stability and prosperity in Asia. This is one of the reasons that Singapore has long supported the US’ presence in our region. [...] At the same time, we have supported China’s continued reform, and participated in China’s development journey over the decades. We will continue to foster close ties with China and the US, and strive to be a consistent and reliable partner to both. Our foreign policy is neither pro-US nor pro-China, but rather grounded on Singapore’s national interests.94

The PAP’s need for cooperative ties with China to elicit support from Chinese-speaking Singaporeans is also likely to persist, not least because of the Singaporean public’s favourable views of China and President Xi Jinping95 and the continued efforts by Beijing to cultivate a pro-China image through Mandarin-language outlets such as the city-state’s flagship broadsheet, the Lianhe Zaobao.96

NOTES


The debate about “Asian Values” was an attempt by leaders such as Lee Kuan Yew to push back against America’s advocacy of liberal democratic values after the end of the Cold War. See Donald K. Emmerson, “Singapore and the ‘Asian Values’ Debate”, *Journal of Democracy* 6, no. 4 (1995): 95–105.


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51 “2022 Investment Climate Statements: Singapore”, Bureau of Economic and Business Affairs, United States State Department, https://www.state.gov/reports/2022-investment-climate-statements/singapore/.


“Chineseness” refers to the importance and prominence of the Chinese language and culture as well as the idea that the racial-cultural identity of Chinese Singaporeans would assist cultural relevancy with mainland Chinese and Singapore’s economic and political engagement with Beijing. See Eugene K.B. Tan, “Re-engaging Chineseness: Political, Economic and Cultural Imperatives of Nation-Building in Singapore”, *China Quarterly* 175 (2003): 751–74.


Tan, “Re-engaging Chineseness”, p. 753.


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74 Tan, “Re-engaging Chineseness”, p. 763.


76 Ibid., chapter 6.

77 Ibid., p. 282.


81 The resident total fertility rate (TFR) for Chinese Singaporeans has declined from 1.08 in 2011 to 0.96 in 2021. The TFR for Malay Singaporeans has increased from 1.64 in 2011 to 1.82 in 2021. For Indian Singaporeans, it has decreased from 1.09 in 2011 to 1.05 in 2021. See “Population in Brief 2022”, National Population and Talent Division, https://www.population.gov.sg/media-centre/publications/population-in-brief/.


The NDR is an annual message delivered by the prime minister of Singapore on the first or second Sunday after the National Day Parade on 9 August. It is Singapore’s equivalent of the President of the United States’ State of the Union address. The prime minister uses the rally to review the country’s status, its key challenges, as well as to set the country’s direction, major policy changes, the economy, plans and achievements.


Ibid.


