

had a profound effect on reducing the prominence of the PAVN. First, with its economy in near collapse, the Vietnamese Government has been forced to cut spending in many areas, particularly military spending, owing to galloping inflation, shortages and a fall in state revenue. Secondly, the tapering of Soviet military aid has made it necessary to trim down the size of the army. Finally, with the withdrawal of Vietnamese main-force elements from Cambodia in 1989 and the improvement of Vietnam's relations with China and ASEAN, the threats to Vietnamese security is no longer evident.

Regardless of its reduced strength, the PAVN will still continue to remain a formidable military force in the context of Southeast Asia. A successor volume on Vietnamese military history after 1954 will have to re-evaluate the role of the PAVN in a Vietnam dominated more and more by economic rather than military considerations.

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Singapore: City-State in South-East Asia. By Philippe Regnier. Translated by Christopher Hurst. London: Hurst, 1991. 301 pp.

Almost inevitably, any book dealing with Singapore and ASEAN is out of date by the time it is on the market. Regnier's examination of Singapore's economic development is no exception. First published in French in 1987, this edition is an "up-dated" English translation. Although some of the conclusions and prognostications may as a result be incorrect, the book does provide an overview of Singapore's regional economic relationships from 1965, when the city-state attained independence, to the creation of ASEAN in 1967, and until the late 1980s.

Singapore's outlook was hardly promising when it was thrust into independence. This fact has coloured the development of the country ever since. Brigadier General George Yeo put it well: "The psyche of Singapore was deeply affected by the trauma of that unwanted independence. A profound sense of insecurity took over. It was not just the insecurity of being small. It was also the insecurity of being largely Chinese in a largely non-Chinese Southeast Asia". It is precisely this sense of insecurity that moves the ruling People's Action Party to constantly exhort Singaporeans

to self-discipline, hard work and obedience. This is the background against which Regnier works out his economic analysis. An integration of the two factors, economic and socio-political, would have resulted in a more satisfying book.

The book deals almost entirely with Singapore's relationship with ASEAN in general, and Malaysia and Indonesia in particular. The idea of emporium provides the basis for Regnier's interpretation, which is grounded solidly in official statistics and an extensive bibliography. Singapore's prosperity evolved, he tells us, through a deliberate, structured transformation of its economy from a declining trading entrepôt in the 1960s to a manufacturing workshop. By the early 1980s, Singapore was moving into high-technology industries and advanced services. It involved a "move from quantitative intensive development (in the 1970s) to more qualitative development today" (pp. 231-32). The transformation was made possible by factors which were lacking in Malaysia and Indonesia: an incorrupt and single-minded government; shrewd capable leadership; traditional Chinese respect for hard work and self-discipline; and an urban population in a small area which could be easily controlled. Realizing the need for foreign investment if Singapore was to survive, the PAP geared its strategy towards the provision of a solid political and economic infrastructure which would inspire confidence abroad. Thus was created a package which included a free port, free currency convertibility, no exchange controls, tax exemptions, modern port, and communications facilities. The thematic organization of the book is perhaps responsible for Regnier's failure to link clearly the creation of political stability, through a combination of firm social controls and social programmes, dealt with in some twenty pages at the end of the book, with economic prosperity.

Despite an admonition on the first page of the introduction about "the danger of overlooking the lessons of history", the pre-independence history of Singapore is dismissed in twenty-five pages. Thereafter, historical continuity is alluded to only in throw-away lines, such as the remark that conflict between Singapore and Indonesia over trade "is merely a prolongation of the old trade rivalry between the British colonies on the Straits and the exclusive Dutch monopoly based in Java" (p. 170). The first half of the book is concerned with the regional function of the Singapore economy. The second half examines Singapore's political relations within ASEAN.

For Regnier, Singapore's importance is as the dynamic city-centre, the hub of Southeast Asia. It is in this context, he believes, that Singapore's economic success, indeed, its survival, has to be understood. In 1987, he tells us, thirty per cent of Singapore's external trade was with ASEAN (p. 36); nineteen per cent of external trade was with Malaysia

and Indonesia, as opposed to forty per cent in 1965 (p. 40); up to 1983–84, ASEAN as a whole was Singapore's foremost trading partner. The figures raise some fundamental questions about Regnier's interpretation. Surely, it could be argued, the significance of the figures is that seventy per cent of external trade was with countries outside ASEAN? The figures suggest also that Singapore's dramatic economic growth took off as the country attracted large-scale investment from the United States and Japan. The private sector of Singapore's trade and industry is dominated by foreign and transnational companies whose business is in markets which are external to ASEAN. We might even extend the argument to suggest that it is partly because so much of Singapore's external trade is with countries outside the region, particularly the United States, that the country has been able to survive regional upheavals and threats. Furthermore, we can ask whether or not it is valid to discuss ASEAN as if it were already a coherent economic community, especially when the author singles out Malaysia and Indonesia for analysis, and at a time when these countries are only beginning to experiment with long-term economic co-operation.

The caveat notwithstanding, Regnier does provide a valuable summary of Singapore's recent economic development and of the country's relations with ASEAN. From 1967 through the 1970s, an emphasis on labour-intensive heavy industry (shipyards, construction and petroleum) provided full employment and made the city-state the region's industrial centre as well as the major agent "for capital goods and consumer products exported from the developed world" (p. 55). A shortage of labour for heavy industry actually worked to Singapore's advantage, forcing it to diversify. The country could provide a well-trained work-force and a sophisticated infrastructure which appealed to foreign investors. Consequently, the early 1980s saw the adoption of a high-tech strategy, the priority sectors of which were electronics, information technology, precision engineering, optics, aeronautics, chemicals, pharmaceuticals, telecommunications, and bio-technology. This shift was accompanied by the delocalization of the most labour-intensive sectors, many of which moved to Malaysia and Indonesia. This, Regnier says, is an orientation which will reinforce "the complementarity between Singapore offering state-of-the-art services and techniques and its neighbours — producers of energy, raw materials and manufactured goods" (p. 57). The development of the Johor–Singapore–Riau Growth Triangle and the discussions at the recent ASEAN summit (events too recent to be commented on by Regnier) suggest that he is correct. The re-orientation allowed Singapore to weather the recession of 1985–86 and to make an extraordinary recovery. By 1986, there were 7,500 foreign companies operating in Singapore. They provided fifty-eight per cent of employment and produced eighty-seven per cent of direct exports.

Singapore's drive for high-tech industrialization, Regnier points out, has several obstacles to surmount. The shortage of highly trained personnel, the limitations of size and a tiny internal market may well be compounded by the long-term ambitions of Singapore's neighbours. But, on this score, Regnier is optimistic. The city-state's secondary role as an emporium is still significant. More importantly, however, the complementarities with Malaysia and Indonesia outweigh the competition. The lack of industrial competitiveness in Indonesia and Malaysia had its origins in those countries' failure to transform their own socio-economic structures rather than in competition from Singapore. Foreign investment in labour-intensive manufacturing in ASEAN has reinforced Singapore's delocalization strategy, bringing benefits all round. The city-state's increasing concentration on services, such as its port and financial facilities, are complementary to the extent that Singapore today functions as a "regional pole for development" (p. 98). Nevertheless, Regnier believes that the prospect of "a common market remains . . . in the realm of fiction" (p. 175).

Although Regnier says that it is "obvious that such a small state as Singapore will never be able to claim any significant influence on the pattern of world and even regional affairs" (p. 229), the thrust of his analysis suggests just the opposite. Indeed, in the concluding chapters he argues that economic success has made Singapore the lynchpin of ASEAN and that it exerts a regional influence out of all proportion to its size. He shows how Singapore's pragmatic selection of foreign policy issues to concentrate on with a long-term view of Singapore's stability and international standing, has given the city-state a high profile at the United Nations and in regional affairs. If a real settlement is reached over Cambodia, Singaporean initiatives (Tommy Koh's efforts in New York and Washington, for example) will be largely responsible for keeping world attention on the issue.

The economic miracle and Singapore's influence outside its borders have not been the result of physical or economic advantages but are products of a relentlessly driving political machine guided by the philosophy of the "total mobilization" of all areas of society. Although Regnier labels this "the ideology of the permanent struggle" (p. 243), conjuring up a neo-Marxist vision, what he describes is a non-ideological pragmatism which has allowed the PAP to bend with the wind and to change course according to its perception of national interest. Part and parcel of the prevailing pragmatism is the concept of "total defence", modelled on the civil-military defence systems of Sweden, Switzerland and Israel. Additionally, Regnier tells us, like other ASEAN countries, power in Singapore is monopolized by a dominant political party with the army playing "a more or less direct

role. . . the PAP encourages the involvement of army cadres in politics'' (p. 237). Regnier misses the point. Singapore's military leaders are mostly civilians in uniform. That so many political figures and high-ranking civil servants have served in the military is an indication that the PAP is firmly in control of the military, not the other way round. The major example of this is Brigadier-General Lee Hsien Loong, Lee Kuan Yew's son, who may be poised to succeed Goh Chok Tong as Prime Minister. There is in Singapore no military viewpoint which is independent of the PAP's drive for "total mobilization". Hence, unlike some of its ASEAN neighbours, Singapore's government does not operate under military influence, and a military coup is virtually impossible.

In summary, Regnier's book offers a rich collection of statistical data and facts about the development of Singapore's regional economic relations. A thought-provoking introduction of manageable size, it might make a good starting-point for examining the place of a predominantly Chinese society of two million amidst two hundred million Malays.

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