

## **BSP 3516 Singapore and ASEAN: Geoeconomics and Geopolitics of Business**

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### **Introduction**

Why Singapore and ASEAN (Association of Southeast Asian Nations)? Among ASEAN10 (Brunei, Indonesia, Malaysia, the Philippines, Singapore Thailand as original ASEAN6 with Cambodia, Laos, Myanmar and Vietnam (CLMV) completing as ASEAN10), Singapore may be as small as Brunei, but not as rich by oil wealth. Singapore is relatively developed by competitive advantage (Porter, 1990, Competitive Advantage of Nations) based on strategic policies, not by comparative advantage (Ricardian natural resource-based).

Singapore's policy options based on business competitiveness remain anchored in the ASEAN Way of non-interference in domestic events in other ASEAN partners. Singapore has its own government-led model and working with direct foreign investment (DFI) and multinational corporations as similar as those in the rest of ASEAN. This makes Singapore's business model as unique as it shares certain ASEAN idiosyncracies to warrant looking into in this course.

Why geoeconomics and geopolitics? Business and competitive strategies are driven by economics in profit maximisation, efficiency and productivity at the core. Policy-making is driven by politics as elected governments in ASEAN need to satisfy electorates as well. In the final analysis, all politics is domestic rather than international as local voters, not the world-at-large put politicians in office. The sensitivity and priority placed by Singapore and other ASEAN partners on geopolitics which affect DFI and MNCs in entering various ASEAN economies, thus matter.

Singapore in putting both geoeconomics and geopolitics together as two sides of the same coin for survival has increasingly emphasised its competitive advantage as headquarters for MNCs from the West and East in producing both goods and services. Its history and legacy from serving as a traditional *entrepôt* have paved the way to provision of modern 21<sup>st</sup>-century *entrepôt* facilitation in ASEAN. The geoeconomics stands out clearly as a mix of government-led policy-making and market-based *laissez-faire* in business corporate development.

### **Course description**

While ASEAN in economic integration is generally well covered, the business opportunities to be tapped by understanding the diversities, differences and nuances in various ASEAN business models and ways of doing business is what BSP3516 is catering to business students. The course is grounded on doing business in open economies with international trade and exchange. This economic-business model is applicable to small and open city-state Singapore and also enables it to first tap the (ASEAN) before wider outreaches to billion-plus populated China and India. ASEAN as tighter in economic integration is pivotal as China is more aggressively competitive since the 1970s with India awakening as well. Such ASEAN-plus business opportunities for Singapore-based companies, both foreign and indigenous in forging business alliances and ventures are to tap natural resources in production and markets for sales and revenue.

More than any other modules on Asia Pacific Business in general or ASEAN in particular which may cover some broad aspects of economics, politics and geography as in this module, BSP3516 is specifically aimed at a combined understanding geoeconomic and geopolitical dimensions. It takes

the business angle as the micro issues emanating from macro policies. With some 600 million in and a rising middle-income class amidst ASEAN a potential food basket, implying food security as a political concern, this is the product differentiation of BSP3516. The World Bank series of Doing Business offers the ranking (Singapore tops annually), so BSP3516 enables course participants to see how business opportunities arise to mitigate the gaps enable other ASEAN economies to catch-up, while Singapore is also mindful of such ASEAN catching-up process.

The course comprises 13 sessions which will be developed around thematic cores, beginning with an [overview and introduction to ASEAN](#), from its founding in 1967 based on political security to more economic integration since the first oil crisis in 1973. Some theoretical and conceptual principles of international trade including strategies of attracting DFI and MNCs are provided. In turn, this leads to policies and strategies of trade liberalisation by ASEAN states in bilateral free trade agreements (FTAs), ASEAN regional FTAs as well as multilateral FTAs as under the World Trade Organisation (WTO).

Going further down, the competitiveness of various ASEAN states and cities are surveyed as by the World Bank (Doing Business), The Economic Intelligence Unit (Hot Spots), Ernst & Young (Attractiveness), Tholon (Top Outsourcing) and Centre for Liveable Cities, Singapore. The end-goal is ASEAN 2025 as one vision, one identity, and one community.

### **Objectives**

Given this background on ASEAN formed in 1967 by geoeconomics and geopolitics, this course has three main objectives:

- 1) First, the broad objective to offer students a bird's eye view as suggested by the course title.
- 2) Second, in drilling down to Singapore and ASEAN, the contrasting models and styles of competitive and comparative advantages are demonstrated for a more well-rounded micro analysis as country case studies. These two objectives tie up in a third objective.
- 3) Third is for a more integrated and cohesive approach for ASEAN10 which are as diverse in economic resources and political leadership and management of public policies affecting business.

These three objectives are as relevant and timely as ASEAN heads of governments met in the 27<sup>th</sup> ASEAN Summit in 2015 to make the Kuala Lumpur Declaration on ASEAN 2025: Forging Ahead Together. This has one vision, one identity and one community. The ASEAN Community Vision 2025 encompasses three pillars as ASEAN Political-Security Community Blueprint 2025, ASEAN Economic Community Blueprint 2025 and ASEAN Socio-Cultural Community Blueprint 2025.

### **Learning outcomes**

By the end of this course, the general learning outcomes are:

- 1) Better understanding of socio-cultural, geopolitical and geoeconomic system in ASEAN in the first instance, notably with Singapore business model as connecting those in ASEAN, including new directions as Myanmar opens for business, for instance.
- 2) Identify business opportunities presented by emerging industries in ASEAN as a whole, to be complementary and supplementary to Asian and global growth and development in a globalised business context, that is, ASEAN cannot afford to be left behind.
- 3) Course participants gain insights into business and/or career opportunities by understanding the *modus operandi* of Singapore-based companies with operations in ASEAN as identified and as ASEAN business grows and expands

## Teaching modes

Given a duration of 3-hour per session, the first part will be the instructor's presentation of some trends and development of key events. After a break, it will be followed by discussion of material assigned by session. All class materials will be distributed on IVLE ahead of time. Students are expected to review this material and other assigned reading so that they are ready to participate actively in the learning in class. The instructor will highlight key aspects of the material and focus on elaborating on important details, but will try to avoid extensive lectures. The question will be posed when all the slides are put together with the assigned material in IVLE.

While the purpose is not giving lessons as current affairs, updating certain business events which relate to Singapore and ASEAN do matter. Some highlights as relevant will be raised to provide an opportunity to apply concepts and ASEAN frameworks, to evaluate their relevance and applicability. Ideally, this will allow us to understand underlying issues, predict what will happen and demonstrate any changes as need be for ASEAN 2025 as envisioned, or if not, then business as usual.

The course is thus as theoretical and conceptual in economic growth and development with the primary focus for policy-makers, practitioners, consultants and some well-intentioned authors from at home and abroad not to make inappropriate generalisations from very specific ASEAN experiences. A greater understanding and appreciation of what ASEAN does as a group and individually is the pathway to suggest new ideas rather than fall into the trap of how ASEAN is diverse internally as well as different from the West in geoeconomics and geopolitics.

## Assessment methods

Class participation	30%
Team case presentation	30%
Team case write-up	20%
Individual write-up as lessons & personal reflections	20%
Total continual assessment	100%
Total final examination	0%
Total assessment	100%

Teams will be formed for case-studies which can be chosen from all other readings given in IVLE for each topic apart from the reading used for class discussion.

After the team presentations, with Q&A and some feedback, the team will be given one week (during Reading Week, date TBC) to finish the team case write-up together with the individual write-up on lessons and reflections (see below). Late submissions will not be allowed.

## Class discussions

Sharing of views, experiences and perspectives will contribute significantly to learning in class. All should express your views at all times, but particularly when you disagree or when you believe the lessons are faulty. Contributions should be complete and insightful, not consultant-speak or sound bites. We will all learn more by learning from each other, so you must consider all opinions, though you are free to reject them all.

Another important aspect is to avoid using or introducing any term that is not found in the dictionary. The aim is simple - to avoid jargon, fads and complex terminology, so that we can focus on core principles, concepts and key determinants of firm success.

### **Lessons and Reflections**

The content of our discussions will offer different lessons for each of us. The Individual assignment is to encourage you to reflect, consolidate and adapt this content, and to report your lessons and reflections from our module. Focus on what you have learnt, what you intend to change and what you will do differently on the job. This report can be in any format or length, and is to be uploaded on IVLE in the "Lessons and Reflections" workbin by date (TBC) during the Reading Week.

### **Academic honesty and plagiarism**

Academic integrity and honesty is essential for the pursuit and acquisition of knowledge. The University and School expect every student to uphold academic integrity and honesty at all times. Academic dishonesty is any misrepresentation with the intent to deceive, or failure to acknowledge the source, or falsification of information, or inaccuracy of statements, or cheating at examinations/tests, or inappropriate use of resources.

Plagiarism is 'the practice of taking someone else's work or ideas and passing them off as one's own' (The New Oxford Dictionary of English). The University and School will not condone plagiarism. Students should adopt this rule - You have the obligation to make clear to the assessor which is your own work, and which is the work of others. Otherwise, your assessor is entitled to assume that everything being presented for assessment is being presented as entirely your own work. This is a minimum standard. In case of any doubts, you should consult your instructor.

Additional guidance is available at:

<http://www.nus.edu.sg/registrar/adminpolicy/acceptance.html#NUSCodeofStudentConduct>

Online Module on Plagiarism:

<http://emodule.nus.edu.sg/ac/>

### **Text book**

Textbook to provide theories, concepts and models in economic growth and development is: Michael Todaro and Stephen Smith, 2014, Economic Development Economic, Pearson, 12 ed.

### **Other Readings** (include those in IVLE, in red for discussion)

Asia Foundation, 2012, Local and economic Governance in Indonesia.

Studwell, Joel, (2013) How Asia Works: Success and Failure in the World's Most Dynamic Region, Grove Press, 2013.

Tin Maung Maung Than, ed, 2014, "Integrating Myanmar into the Global Economy", Journal of Southeast Asian Economies, Vol 31, No 2, August.

Tham Siew Yean and Sanchita Basu Das, eds (2015), "Moving the AEC Beyond 2015: Managing Domestic Consensus for Community-Building, *Journal of Southeast Asian Economies*, Vol 32, No 2, August.

Sanchita Basu Das, Jayant Menon, Rodolfo C. Severino and Omkar Lal Shrestha (eds), *The ASEAN Economic Community: A Work in Progress*, Asian Development Bank and Institute of Southeast Asian Studies, 2013.

Low, Linda, (2003), "Policy Dilemmas in Singapore's RTA Strategy", *The Pacific Review*, Vol 16, No 1, February/March, pp 99-127.

Menon, Jayant, (2013), "Narrowing the Development Divide in ASEAN: The Role of Policy", *Asian-Pacific Economic Review*, Vol 27, No 2, Nov, pp 25-51.

Kis-Katos, Krisztina and Gunther G Schulze, (2013), "Corruption in Southeast Asia: A Survey of Recent Research" in *Asia-Pacific Economic Literature*, Vol 27, No 1, May, pp 71-109.

Wattanapruttipaisan Thitapha, (2014), "Competition Policy and Intellectual Property Rights in the Information and Communications Technology Sector: Policy Implications and Options for ASEAN", *Asia-Pacific Economic Literature*, Vol 28, No 1, May, pp 1-28.

### **Schedule and Readings (posted in IVLE for class discussion)**

The course comprises 13 sessions (TBC) with readings in IVLE (item in IVLE for class discussion after the break is highlighted in red) as follows:

1) Introduction to ASEAN from political security in 1967 to economic integration since 1973  
Todaro, Chap 1

Readings in IVLE for discussion: **Flying Geese**, Asian Miracle

Discussion Question: How relevant is the Flying Geese Model for ASEAN in the 21<sup>st</sup> Century given globalisation, technology changes including robotics challenging low-cost labour-intensive industrialisation?

2) Overall geoeconomic and geopolitical landscape and business activities in ASEAN, comparative models

Todaro, Chaps 2 & 4-10

Readings in IVLE for discussion: **How Asia Works**, Joel Studwell

Discussion Question: Discuss the ASEAN Way in terms of geoeconomics, geopolitics, socio-cultural and political economy aspects as the "right" way to go?

3) Doing Business in Singapore

Readings in IVLE for discussion for Topics 3-6: World Bank Doing Business, Ernst & Young, EIU, Tholon, CLC, **InnovationGapSpore**

Discussion Question: Is the innovation gap real or a myth, as success can take other forms and there are cases of innovative entrepreneurs (like Breadtalk)?

4) Business Models in other ASEAN6: Indonesia and Malaysia

Reading in IVLE for discussion: **Book Review**, APEL, May 2014, **Catching the Wind: Penang in a Rising Asia**

Discussion Question: Is Penang a potential rival to Singapore, from electronics clusters to services in

tourism, finance, banking and commerce?

5) Business Models in other ASEAN6: Brunei, Thailand, Philippines

Reading in IVLE for discussion: [Book Reviews on Built on Dreams, Grounded in Reality: Economic Policy Reforms in the Philippines](#)

Discussion Question: Neither the Asian Financial crisis in 1997 nor the Global Financial Crisis since 2007 seems to have affected the Philippines adversely. Why is this so and what makes the Philippines resistant to external financial crises?

6) Doing Business in CLMV: From Vietnam *doi moi* to opportunities in Cambodia, Laos and Myanmar

Reading in IVLE for discussion: [Book Review, APEL, May 2013, Built on Dreams, Grounded in Reality Identification: Practice and Policy Implications in Vietnam](#), Tin Maung Maung Than, ed, 2014, Integrating Myanmar into the Global Economy, Introduction and 5 Growth Strategies, *Journal of Southeast Asian Economies*, Vol 31, No 2, August

Discussion Question: Does Vietnam need a second *doi moi*, how and why?

7) ASEAN Economic Integration: ASEAN Free Trade Area

Readings in IVLE: ASEANRTA, APT, SporeFTAs, TPP, [RCEP-TPP](#)

Discussion Question: Check out [www.bilaterals.org](http://www.bilaterals.org) to identify the state of play of various ASEAN states in RCEP and TPP with some comments on the most and least active ASEAN states and why?

8) ASEAN Economic Integration: ASEAN Economic Community 2015

Readings in IVLE: [AEC and Conflicting Domestic Interests: An Overview](#), AEC and Malaysia, AEC and Philippines, AEC and Spore, AEC and Thailand, AEC and Vietnam

Discussion Question: Indonesia does not seem to have a response to AEC, can your team try to give a view as to Indonesia as positive or negative or appearing non-committed despite being the largest ASEAN state?

9) ASEAN 2025

Reading in IVLE for discussion: [ASEAN2025: Forging Ahead](#)

Discussion Question: How complete is AEC2015 to pave the way to ASEAN 2025?

10) ASEAN in international business relations: WTO trade liberalisation and non-trade issues (labour, environment, IPR and others)

Todaro, Chap 11-15

Reading in IVLE for discussion: [Thitapha, Wattanapruittipaisan \(2014\), "Competition Policy and Intellectual Property Rights in the Information and Communications Technology Sector: Policy Implications and Options for ASEAN"](#), *Asia-Pacific Economic Literature*, Vol 28, No 1, May, pp 1-28.

Discussion Question: The diversity of IPR policies and laws in ASEAN is clear, but it is enforcement that is the hardest part of implementation. Is this true or false, why with examples?

11) ASEAN in international business relations: tackling the 1997 Asian financial crisis with IMF and global financial crisis since 2007

Reading in IVLE for discussion: [Kis-Katos, Krisztina and Gunther G Schulze, \(2013\), "Corruption in Southeast Asia: A Survey of Recent Research"](#) in *Asia-Pacific Economic Literature*, Vol 27, No 1, May, pp 71-109, ADB, Indonesia Local & Economic governance, Book Review on Indonesia Rising: The Repositioning of Asia's Third Giant

Discussion Question: Corruption, cronyism and nepotism together as a human condition is no more or no less in ASEAN as in other Asian and non-Asian economies. Is this true or false, why with examples?

12) Prospects and engaging rising China and India with interests in ASEAN

Reading in IVLE for discussion: **One-Belt-One-Road**, Silk Road Old and New

Discussion Question: With ASEAN-China relations as relevant both historically and in contemporary terms, how can ASEAN6, CLMV or ASEAN10 altogether benefit from the One-Belt-One-Road initiative?

13) Class projects for presentation