



BSP 3516 Singapore and ASEAN: Geoeconomics and Geopolitics of Business

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Introduction

With the ASEAN (Association of Southeast Asian Nations) changing gears from security and politics in 1967 to economic integration since the first oil crisis in 1973 (another war in the Middle East, the Yom Kippur War, ASEAN10 is emerging as a force to be reckoned with as it faces geopolitical and geoeconomic tidal waves. Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand as original ASEAN6 with Cambodia, Laos, Myanmar and Vietnam (CLMV) completing as ASEAN10 remain as diverse in economic growth and development, but equally committed to be counted as one as a relatively successful trade bloc among many others.

From Indonesia as the world's fourth largest by population to Singapore as small as Brunei in size, but not as rich by the latter's oil wealth, the ASEAN Way as non-aligned, non-interference in domestic affairs and its ASEAN-X formula to allow members to proceed with ASEAN projects has worked in its own way. Singapore is relatively developed by competitive advantage based on strategic policies, not by comparative advantage (Ricardian natural resource-based).

In particular, Singapore's policy options based on business competitiveness remain anchored in 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 development model as unique as it shares certain ASEAN idiosyncrasies to warrant looking into in this course. Mutual advantage is clear within ASEAN10 as one.

Singapore's policy options based on business competitiveness remain anchored in both in the ASEAN Way of non-interference in domestic events in other ASEAN partners and ASEAN subscribing to Non-aligned Movement (NAM). Small, open, city-state Singapore has its government-led model working with direct foreign investment (DFI) and multinational corporations (MNCs) as strategic pragmatism. Singapore's business model is unique and *sui generis* in sharing ASEAN idiosyncrasies as straddling both broader geoeconomics and geopolitics with ASEAN as a buffer to East-West cross currents.

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 ASEAN governments 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 does affect DFI and MNCs in entering various ASEAN economies, thus matter. This drives competitive advantage.

As Singapore puts both geoeconomics and geopolitics together as two sides of the same coin for survival, it has increasingly emphasised its competitive advantage as headquarters for MNCs from both West and East for both goods and services. Its history and legacy as a traditional *entrepôt* have

paved its way to finesse modern 21st-century *entrepôt* facilitation in ASEAN. Geoeconomics is a clear fusion of government-led policy-making and business market-based *laissez-faire* decisions.

Course description

While ASEAN in economic integration is generally well covered, BSP3516 sees business opportunities to tap by understanding diversities, differences and nuances in various ASEAN business models and ways of doing business. It is grounded on doing business in open economies with international trade and exchange. Openness to the rest-of-the-world (ROW) is a matter of degree in Indonesia's *pribumi* or Malaysia's *bumiputera* socio-political business models. All face challenges and opportunities from billion-plus populated rising China and potentially rising India. Tighter ASEAN economic integration is as pivotal as how the new ASEAN2025 Vision comes to fruition to tap all ASEAN-plus Asian business.

More than any other modules on Asia Pacific Business in general, or ASEAN in particular, BSP3516 covers economics, politics, socio-cultural norms differentiated by geography and history. Twinning geoeconomics and geopolitics enables the business angle in microeconomics to work with macro policies for ASEAN to act as a buffer in three ways. One is as a consumer market with a population of 620 million plus a rising middle-income class for Asian exports. Two is ASEAN is a potential food basket, implying food security to feed China which turned from a food exporter to importer as it follows the flying geese model as Asian miracle economies. Three is buffering Sino-US politics as well as Sino-ASEAN politics as all entangled directly or indirectly in Spratly Islands with implications for Senkaku Island as Sino-Japan, all involving international maritime waters.

These mark the product differentiation of BSP3516 while the World Bank series of Doing Business and many others as the World Economic Forum (WEF), World Economic Yearbook (WCY) and Economic Intelligence Unit (EIU) offer their respective rankings. BSP3516 enables course participants to see how business opportunities arise to mitigate gaps, enabling ASEAN economies to catch-up, while Singapore is as mindful of facilitating such ASEAN catching-up process as to respond as threats.

The course comprises 15 sessions (TBC) 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 1971. It has some theoretical and conceptual principles of international trade, strategies of attracting DFI and MNCs. In turn, this leads to policies and strategies of trade liberalisation in ASEAN states by bilateral free trade agreements (FTAs), ASEAN regional FTAs and at the broadest level, multilateralism as World Trade Organisation (WTO).

Going further and deeper, competitiveness of various ASEAN states and cities are surveyed as by the World Bank (Doing Business), Ernst & Young (Attractiveness), Tholon (Top Outsourcing) EIU (Hot Spots) and Centre for Liveable Cities, Singapore. They are all relevant for the ASEAN Community Vision 2025 encompassing three pillars as ASEAN Political-Security Community Blueprint 2025, ASEAN Economic Community Blueprint 2025 and ASEAN Socio-Cultural Community Blueprint 2025. ASEAN 2025 is one vision, one identity and one community with different states and cities in relative paradigms of strengths-weaknesses, challenges-responses. Singapore is as mindful of ASEAN politics.

Objectives

For Singapore and ASEAN by geoeconomics and geopolitics, this course has three main objectives:

- 1) The broad objective is to offer students a bird's eye view as suggested by the course title.

- 2) In drilling down to Singapore within 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) A more integrated and cohesive approach for ASEAN10 to cater to its diversity in economic resources and political leadership, all to balance management of public policies affecting business.

These three objectives are as relevant and timely as ASEAN heads of governments met in the 27th ASEAN Summit in 2015 to make the Kuala Lumpur Declaration on ASEAN 2025: Forging Ahead Together, envisioning, one identity and one community. Deeds not words matter for ASEAN10.

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. ASEAN10 as two-tiered (ASEAN6 + CLMV) or even three-tiered (ASEAN4+VIP+CLM) may be debated. Notably, Singapore business model is for ASEAN connectivity with Myanmar's opening.
- 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. ASEAN cannot be left behind by China's new normal ending the commodity boom.
- 3) Course participants gain insights into business and/or career opportunities by understanding the *modus operandi* of Singapore-based companies with operations in ASEAN and ASEAN-plus.

Teaching modes

Mini-lectures presenting trends and development of key events provoke questions, discussions and debates in three-hour sessions as all economics and politics are normative to be subjective, based on value judgement rather than positive as in hard sciences. All class materials are distributed on IVLE ahead of time. Students are expected to review all materials and other assigned readings to be ready to participate actively in learning in class. The uploaded slides will highlight key aspects with focus on elaborating important details, drawing out various viewpoints from different settings and disciplines.

BSP3516 is not about lessons in current affairs, but updating certain business events related to Singapore and ASEAN, matters to review strategies as threats and opportunity. The aim is to apply concepts and ASEAN frameworks to evaluate their relevance and applicability in the real world. Ideally, this will allow an understanding of underlying issues, predict what will happen, scenarios and demonstrate as changes as needful 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 politics. The primary focus for policy-makers, practitioners, consultants and some well-intentioned authors from at home and abroad is 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. Echoing Indonesia's motto, paradoxically, ASEAN unity in diversity is all-important, but how politics fits economics is another paradox and dilemma. In a nutshell, BSP3516 is on the political economy of ASEAN.

Assessment methods

Class participation	20% continuous class participation
Team case presentation	20%
Team Report	20%
Individual Report	40%
Total continual assessment	100%
Total final examination	0%
Total assessment	100%

Teams (five per group) will be formed for five case-studies (first-come, first-served basis) with participants free to offer cases from all other readings given in IVLE, before the Recess Week.

After team presentations (20-minute), Q&A (10-minute) and some feedback, team have one week to finish team case write-up and individual case write-up as personal reflections; no late submissions.

Class discussions as class participation 20%

Sharing of views, experiences and perspectives will contribute significantly to learning in class. All should express views at all times, but particularly when you disagree or believe in other alternatives. Contributions should be complete and insightful, not consultant-speak or sound bites. We will all learn more by learning from each other. Do consider all opinions, while free to reject them as well.

Another important aspect is to avoid using or introducing terms that are not found in the dictionary. The aim is for simplicity, appealing to all, elites and the masses; so avoid jargon, fads and complex terminology and lexicon so that we can focus on core principles, concepts and key determinants of success. Translating issues down the line to workers and voters is the hardest part.

Team case presentation 20%

Groups (of 5) to be formed and select topics as:

1. Seasonal Haze and Greening of Asia: How ASEAN Works?
2. China's One-Belt-One-Road (OBOR) and Asia Infrastructure Investment Bank (AIIB)
3. Territorial dispute with ASEAN in Spratly Islands
4. Singapore Liveable-Smart City State: Resource Curse or Blessing in Disguise?
5. 4th Industrial Revolution: Remaking Asia Miracle, Flying Geese Model?
6. ASEAN2025: An Outsider's View (especially as non-ASEAN, external parties)
7. Topic of your choice (check with me first)

Your job is to pose a question within the topic which your team wants to analyse, identify challenges, opportunities, strategies, solutions, recommendations, etc, where appropriate. Be clear and specific in what your team is focused on, given the time constraint (20-minute presentation). Quality of analysis not quantity of slides/information is stressed, that is, assuming the rest of the class would have read the readings in the various topics, so you do not need to waste time on summarising the materials in your presentation.

The team case write-up puts in words what your 20-minute presentation has shown, with some additional remarks from the Q/A 10-minute where appropriate.

Topics will be given in the first in the first session and the class is encouraged to form their own team by the second or third session.

Team Report 20%

The Team Report is based on the team presentation of cases done as groups as writing up, from powerpoint presentations to a written Team Report (length is whatever it takes to cover all the slides).

Individual Report 40%

The Individual Report is for each team member, to further reflect on your own takeaway from the case, essentially giving each member the opportunity to amplify on personal insight, reflection and lessons. Length of Individual Reports can be 2,000-3,000 words or whatever it takes as reasonable to express yourself on what you have learnt especially about the geoeconomics and geopolitics of the case you presented. It is not about right or wrong, but be provocative in your personal thinking as a multidisciplinary course.

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

There is no textbook for ASEAN as such, but one to provide theories, concepts and models in economic growth and development is:

Michael Todaro and Stephen Smith, 2014, Economic Development Economic, Pearson, 12 ed.

For applications in ASEAN as doing international business, another is:

John J Wild, Kenneth L Wild and Jerry CY Han, International Business: The Challenges of Globalization, 5th edition, Pearson, 2014.

Financial contagion is as devastating as frequent, especially made in America and Europe:

George K Zestos, The Global Financial Crisis From US subprime mortgages to European sovereign debt, Routledge, 2016.

Other Readings (include pdf uploaded in IVLE in red)

ADB Working Paper Series on Regional Economic Integration ASEAN Economic Integration: Features, Fulfillments, Failures and the Future Hal Hill and Jayant Menon No. 69 | December 2010

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

Bosworth, Barry P and Masahiro, Kawai, eds, 2015, Transpacific Rebalancing: Implications for Trade and Economic Growth 2015, ADBI, Tokyo & Brookings Institution Press, Washington DC.

Dosch, Jorn, The AEC: What Stands in the Way?, East-West Center, Asia Pacific Issues, No 119, Sep 2015.

Hill, Hal and Jayant Menon, 2010, ASEAN Economic Integration: Features, Fulfillments, Failures and the Future, ADB Working Paper Series on Regional Economic Integration, No 69, December

Juego, Bonn, The Political Economy of the ASEAN Regionalisation Process, 29. Oct. 2015

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

Linda Low and Lorraine Carlos Salazar, 2010, The Gulf Cooperation Council: A Rising Power and Lessons for ASEAN, ISEAS.

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

Mark Clifford, 2015, The Greening of Asia: The Business Case for Solving Asia's Environmental Emergency, Columbia Business School Publishing.

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, 2013, The ASEAN Economic Community: A Work in Progress, Asian Development Bank and Institute of Southeast Asian Studies.

Strange, Larry, 2011, The Political Economy of Progress Towards ASEAN Economic Community 2015 and Broader ASEAN Integration, Cambodia Development Resource Institute (CDRI)

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.

Wattanapruittipaisan 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.

Other publications by Institute of Southeast Asian Studies (ISEAS):

Know Your ASEAN, 2010

The Third ASEAN Reader, Compilers, 2015

ASEAN Community: Unblocking the Roadblocks, 2008.

Relevant websites include World Bank, Asian Development Bank, EIU ViewsWire, APEC, Wall Street Journal, The Business Times, The Economist, The Diplomat, etc.

See also EDB Singapore, www.edb.gov.sg

Venture Overseas - (IE) Singapore, www.iesingapore.gov.sg

Weekly schedule

The course comprises 15 sessions (TBC) as follows:

Session/Wk	Learning objectives
1 Wk 1	Why Spore & ASEAN, flying geese, Asian miracle, ASEAN 1967 to 1973
2 Wk 2	Why geoeconomics & geopolitics, comparative ASEAN models
3 Wk3	ASEAN in international political economy: WTO & non-trade
4 Wk 4	ASEAN6 business model: Indonesia & Malaysia
5 Wk 5	ASEAN6 Business model: Brunei, Thailand, Philippines, CLMV
6 Wk 6	ASEAN in international political economy: AFC 1997 to GFC 2007
Wk 7	Recess week
7 Wk 8	Doing business in Spore
8 Wk 9	ASEAN Economic Integration: AFTA, ATIGA, AFAS
9 Wk 10	ASEAN Economic Integration: AEC2015 and ASEAN2025
10 Wk 11	Territorial disputes involving ASEAN and China, rising China (AIIB, OBOR, etc)
11 Wk12	Prospects, engaging Japan, China, India, US, EU as dialogue partners
12 Wk 13	Preparation for Team Case Presentations
13,14 Wk 14, 15	Class projects for presentation and submission of assignments