

# ISAS Working Paper

No. 91 – Date: 24 September 2009

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## **The Next Stage of Singapore-India Relations: Possibilities and Prospects**

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### **Executive Summary**

The history of relations between India and Singapore pre-dates their birth as independent nation-states. In the post-independence phase, relations between the two states have been subject to both low and high points, reflecting different degrees of engagement. In the last 15 years, however, Singapore-India relations have been on a relative upswing, characterised by closer association across a range of areas. This paper aims to provide an assessment of these more recent trends in relations between the two countries, looking at both traditional issue areas such as economic and defence-strategic ties as well as interrogating areas that are deemed relatively 'non-traditional' in nature, namely, education-knowledge transfer and building societal-level links between the two countries. This assessment will involve exploring both the future possibilities and potential pitfalls attendant to this bilateral relationship.

Following an examination of India's relationships with Southeast Asian countries in the first three to four decades after its independence, the paper scrutinises economic relations between Singapore and India, symbolised by the signing of the Comprehensive Economic Cooperation Agreement (CECA) between the two countries in 2005. Beyond economics, Indo-Singapore relations are also built on concrete defence and strategic collaborations, and these are discussed in the paper, with specific focus on shared visions of regional order within the Asia-Pacific. Several other key developments, namely, co-operation in education and specific forms of knowledge transfer between the two countries, are also discussed in the paper. Lastly, the paper examines the intangible factors centred on societal and cultural ties between Singapore and India.

The pace of engagement between Singapore and India has grown rapidly in a relatively short phase of time and there is scope to further cement the bilateral relationship. The paper offers three major reflections that could impinge critically on future India-Singapore ties.

First, while Singapore and India have actively fostered the growth of an 'Indian lobby' in Singapore, the same cannot be said for a 'Singapore lobby' in India. There is a need and

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urgency for such a lobby, as building and cultivating such a ‘Singapore lobby’ in India will prove critical to the long-term depth of this bilateral relationship.

Secondly, both countries must be aware of each other’s domestic limitations. A key example of this is the need for Singaporean businesses to overcome their apprehensions vis-à-vis the Indian bureaucratic process and appreciate that doing business in India requires a more aggressive engagement with a wide range of Indian stakeholders. In short, adopting the ‘China model’ of doing business to the Indian context will not work. This point needs to be properly grasped.

Thirdly, for both India and Singapore, any suggestion of a ‘pseudo-exclusive’ relationship is not desirable and, therefore, should not be expected. Instead, while maintaining deep relations with each other, Singapore and India should come to expect and appreciate that both countries want to work towards having well-balanced relations with all the major states in the Asia-Pacific region. Both sides recognise the fact that such a pattern of relations would help in fostering the general stability and security of the region, which both India, as an emerging economy, and Singapore, as a maritime trading state, desire.

## Introduction

Singapore and India share a history of interaction that pre-dates their respective formation as independent states. In the post-independence phase, relations between the two states have gone through various stages, reflecting different degrees of engagement. In the last 15 years, however, Singapore-India relations have been on a relative upswing, characterised by closer collaboration across a range of areas. This paper aims to provide an assessment of these more recent trends in relations between the two countries, looking at both traditional issue areas such as economic and defence-strategic ties as well as areas that are deemed relatively ‘non-traditional’ in nature, namely, education-knowledge transfer and building societal-level links between the two countries. This assessment will involve exploring the future possibilities and potential pitfalls attendant to this bilateral relationship.

There are five main sections in this paper. The first section looks at the relationships India fostered with Southeast Asian countries in the first three to four decades after its independence to serve as a context in which to locate more recent developments. The second section scrutinises economic relations between Singapore and India, symbolised by the signing of the Comprehensive Economic Cooperation Agreement (CECA) between the two countries in 2005. The third section examines defence and strategic relations, focusing on both concrete bilateral developments as well as specific shared visions of regional order within the Asia-Pacific. The fourth section’s focus is on co-operation in education as well as specific forms of knowledge transfer between the two countries. The fifth section examines more intangible factors centred on societal and cultural ties between Singapore and India. This paper concludes by briefly recapping the main points of this paper as well as offering certain reflections on the future complexion of the Singapore-India story.

### 1. Prologue – India’s Relations with Southeast Asia, 1940s-1980s

In the immediate aftermath of India’s independence, Indonesia, with its legacy of a difficult struggle against Dutch colonisation, became India’s ‘natural’ partner in Southeast Asia. Under the leadership of Sukarno, India and Indonesia were the leading states within the Afro-Asian group and later the Non-Aligned Movement (NAM).<sup>2</sup> This joint commitment to non-alignment and anti-colonialism meant close political ties between these two countries in the late 1940s and much of the 1950s. However, relations with Indonesia started to deteriorate in the early 1960s over the issue of the Malaysian Federation, the formation of which Indonesia opposed. India’s relations with Malaysia blossomed during this period – India lent Malaysia diplomatic support during the Malaysian-Indonesian confrontation episode (popularly known as *Konfrontasi* in Malaysia and Indonesia) and the latter similarly backed India during the 1962 border war with China.<sup>3</sup>

By the 1970s, however, this relationship with Malaysia, though still cordial, became less important. The beginnings of political and strategic collaboration between China and the

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<sup>2</sup> For an in-depth discussion of the first Afro-Asian meeting and the beginnings of the NAM, see Itty Abraham, “From Bandung to NAM: Non-Alignment and Indian Foreign Policy, 1947-65”, *Commonwealth and Comparative Politics*, 46(2), 2008, pp. 195-219.

<sup>3</sup> For a Malaysian perspective on this issue, see Hari Singh, “Malaysia and the Cold War”, *Diplomacy and Statecraft*, 6(2), 1995, pp. 522-4.

United States in the early 1970s – against the backdrop of India’s strong ties with the Soviet Union – necessitated a shift in Indian foreign policy towards Southeast Asia.<sup>4</sup>

The Kampuchean conflict brought such a shift to the fore. The Association of Southeast Asian Nations (ASEAN) states, together with China and the United States, put their full diplomatic weight behind the Khmer Rouge regime in Kampuchea (the DK or Democratic Kampuchea government), strongly condemning the Vietnamese-installed regime in Kampuchea (the PRK or the People’s Republic of Kampuchea).<sup>5</sup> The latter regime was, in turn, propped up by Vietnam and the Union of Soviet Socialist Republics (USSR). India initially, in 1978, at the time of the Vietnamese invasion of Kampuchea, was eager to remain even-handed, as the Janata Party government at that time sought to project an image of India being truly non-aligned in this conflict between the two superpower blocs. However, with the return of Indira Gandhi’s government to power in 1980, India moved to recognise the PRK government in July that year.<sup>6</sup> This, for most observers, put India squarely in the Vietnam-USSR camp diplomatically and adversely affected relations with most of the ASEAN states, and especially Singapore, which at this time was one of the most strident voices against the PRK regime.<sup>7</sup> This pattern of relations, structured by the wider global politics of the Cold War, continued throughout most of the 1980s, with India and the ASEAN countries on opposite sides of the political-strategic divide.<sup>8</sup> This would change very dramatically by the early 1990s, a discussion which will frame the next section of this paper.

## **2. India-Singapore Economic Relations: Comprehensive Cooperation and Beyond**

The end of the Cold War, combined with India’s need to liberalise its economy in the wake of the 1991 currency crisis, set the conditions for India’s growing bilateral economic relations with Singapore. The implosion of the USSR not only motivated India to seek other economic and strategic partners but also relaxed the tensions between Singapore (and ASEAN) and India, which had lingered since their opposing stances over the Cambodian issue. The currency crisis also led to the growing realisation that India’s state-led import substitution industrialisation model had failed to deliver economic prosperity and that India needed to liberalise its economy to generate economic growth. It was in this context that the then-Indian Prime Minister P. V. Narasimha Rao articulated the ‘Look East’ policy.

While the policy, initiated in 1992, and more forcefully articulated at Rao’s 1994 ‘Singapore Lecture’, highlighted both India’s strategic and economic interests in Southeast Asia, it (at least initially) was “motivated primarily by economic considerations” which “coincided with a strategic shift in India’s foreign policy outlook”.<sup>9</sup> Since then, the policy has formed the

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<sup>4</sup> Details of the Sino-US rapprochement during this period are laid out in Parris Chang, “US-China Relations: From Hostility to Euphoria to Realism”, Annals of the American Academy of Political and Social Science, Vol. 476, pp. 156-70.

<sup>5</sup> Indonesia, however, tried to take a more neutral position on the Kampuchean conflict although it was constrained by the need for ASEAN public solidarity on this issue. For a more detailed discussion see Mohammed Ayoob, India and Southeast Asia: Indian Perceptions and Policies (London: Routledge, 1990), pp. 53-7.

<sup>6</sup> Leszek Buszynski, Soviet Foreign Policy and Southeast Asia (London: Croom Helm, 1986), p. 232.

<sup>7</sup> For a more detailed examination of Singapore’s and ASEAN’s stand on the issue of the PRK regime and the broader Kampuchean conflict, see Amitav Acharya, Constructing a Security Community in Southeast Asia: ASEAN and the Problem of Regional Order (New York: Routledge, 2000), pp. 80-101.

<sup>8</sup> See Tan Tai Yong and See Chak Mun, “The Evolution of India-ASEAN Relations”, India Review, 8 (1), pp. 23-5.

<sup>9</sup> See Chak Mun, India’s Strategic Interests in Southeast Asia and Singapore (New Delhi: Institute of South Asian Studies & Macmillan, 2009), pp. 2-3.

cornerstone of India's Southeast Asian foreign (economic) policy, with Singapore occupying a central position.<sup>10</sup> As early as 1991, Singapore was identified as a key partner by the then-Indian Finance Minister (and now Prime Minister), Dr Manmohan Singh, who, in a speech delivered at a conference co-hosted by the Indian government and Singapore's Trade Development Board (now International Enterprise Singapore), said that Singapore's "tremendous strategic location", which made the island-state home to "over 3,000 multinationals", marked Singapore as the place to start marketing the "New India".<sup>11</sup> Singapore, on its part, reciprocated eagerly and invested in the approximately US\$150 million Bangalore Information and Technology Park, a joint bilateral project, launched during the then-Singapore Prime Minister Goh Chok Tong's 1994 visit to India.<sup>12</sup>

## 2.1 Comprehensive Economic Cooperation

Economic relations between Singapore and India received another push when discussions for a comprehensive bilateral economic agreement were first started in 2002 and resulted in the signing of the CECA on 29 June 2005.<sup>13</sup> The CECA envisions free trade in goods and services and promotes investments between Singapore and India. It also promotes mutual recognition agreements (MRAs) to avoid "duplicative testing and certification of products in specific sectors where there are mandatory technical requirements" and includes an agreement to avoid double taxation of income in the two states.<sup>14</sup> The agreement also included an Early Harvest Scheme, under which tariffs on 506 products were immediately removed.<sup>15</sup>

It would appear that the CECA discussions and its subsequent implementation had an immediate impact on India-Singapore bilateral economic relations. From 2003-04, Indian exports to Singapore more than doubled and, by 2005-06, Singapore became India's fourth largest export market.<sup>16</sup> At the same time, in 2004, India became Singapore's 12<sup>th</sup> largest export destination and the 14<sup>th</sup> largest source of imports.<sup>17</sup> Hence, bilateral trade jumped from approximately US\$5.5 billion in 2003 to US\$11.5 billion in 2005 and US\$16.2 billion in 2007.<sup>18</sup> Foreign Direct Investment (FDI) from Singapore into India also increased from around US\$873.5 million in 2005 to US\$2.9 billion in 2007.<sup>19</sup> Also, by 2007, over 3,000 Indian companies had established operations in Singapore, up from 1,644 in 2005.<sup>20</sup>

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<sup>10</sup> Amitendu Palit, India's Economic Engagement with Southeast Asia: Progress and Challenges, ISAS Working Paper No. 60, Institute of South Asian Studies, 2009, p. 1.

<sup>11</sup> Cited in Kripa Sridharan, "The Evolution and Growth of India-Singapore Relations" in Yong Mun Cheong and V. V. Bhanaji Rao, Singapore-India Relations: A Primer (Singapore: Singapore University Press, 1995), p. 33.

<sup>12</sup> Kripa Sridharan, "The Evolution and Growth of India-Singapore Relations", p. 34.

<sup>13</sup> Alka Chadha, CECA Implementation: A First Look, ISAS Working Paper No. 9, Institute of South Asian Studies, 2006, p. 1.

<sup>14</sup> Guide to India-Singapore Comprehensive Economic Cooperation Agreement (Singapore: Rajah & Tann, 2005), p. 3.

<sup>15</sup> *Ibid.*, p.10.

<sup>16</sup> Alka Chadha, CECA Implementation: A First Look, p. 3.

<sup>17</sup> *Ibid.*, p.5.

<sup>18</sup> Amitendu Palit and Sasidaran Gopalan, Singapore's Trade with China, Japan and India: Similarities and Contrasts, ISAS Working Paper No. 54, Institute of South Asian Studies, 2009, p. 3.

<sup>19</sup> Statistics Singapore, Singapore Government, Republic of Singapore, Key Indicators of Singapore's Investments Abroad, 2003-2007 (Singapore: Statistics Singapore, 2009) <http://www.singstat.gov.sg/stats/themes/economy/biz/sia2007keyindicators.pdf>.

<sup>20</sup> "3,084 Indian firms set up shops in Singapore in 2007", *The Press Trust of India*, 19 March 2008.

However, despite these gains, a closer study of the CECA and its 'early harvest' programme indicates that the CECA alone may not be responsible for the growth in trade between India and Singapore. According to a recent study, an examination of a sample of 'early harvest' items shows that "customs duty elimination...has had a selective impact on exports and re-export from Singapore to India" and that "an across-the-board robust growth of Indian industry has increased its demand for imports from Singapore", which, in some segments, may have been merely "reinforced by the duty eliminations offered by the [Early Harvest Scheme] and CECA".<sup>21</sup>

Certainly, some of the developments anticipated in the CECA have yet to come to fruition. The MRAs to facilitate the movement of Indian professionals trained at various Indian institutes and other sectors, such as telecommunications equipment, have yet to materialise.<sup>22</sup> Similarly, large and highly-publicised projects like the Tata-Singapore International Airlines and the Singapore-Madras corridor did not take off.<sup>23</sup> While these highly visible disappointments can damage investor enthusiasm on both sides, given that Singapore is a thriving regional hub with an open economy, it is more likely that Singaporean investors are more hesitant to go into India than vice-versa. It has been reported that Singaporean companies have been "frustrated...[with] the bureaucratic obstacles to success" and that "not many Singapore firms have established any significant presence in India".<sup>24</sup> As a result, the "potential of economic cooperation has remained hugely underutilised."<sup>25</sup>

Nevertheless, the significance of the CECA should not be understated. It is the first comprehensive free trade agreement (FTA) that India has ever signed and the first FTA Singapore has signed with a South Asian country. This not only opens up one of the fastest growing economies in Asia and the world to Singapore, but also positions Singapore to act as a gateway into Southeast Asia and East Asia for Indian investors. The latter point was stressed by the then-Singapore Minister for Trade and Industry (now Foreign Minister) George Yeo who envisioned Singapore as the "eastward extension of India into East Asia" and felt that Singapore could be to India what Hong Kong is to China.<sup>26</sup> Also, the CECA, India's first such agreement, is a "path finder" or model for India's economic relations with other economies, including ASEAN.<sup>27</sup> In fact, India signed FTAs with ASEAN and South Korea in August 2009.<sup>28</sup> Moreover, even while the CECA has fallen short of some of its bolder promises, the jump in trade from 2003 to 2009 is a good indication of the huge potential India holds for Singapore's economy and domestic ventures looking to expand overseas. Finally, further developments should not be discounted as economic reforms and liberalisation in India are likely to continue and will further boost the benefits accruing from the CECA over the long term.

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<sup>21</sup> Amitendu Palit, India-Singapore Trade Relations, ISAS Working Paper No. 46, Institute of South Asian Studies, p. 13. (Emphasis original).

<sup>22</sup> Yogendra Singh, India-Singapore CECA Enters Second Phase, Institute of Peace & Conflict Studies Article No. 2481, 2008; IDA, "Mutual Recognition Arrangement on Telecommunications Equipment" IDA, 01 September 2008, [http://www.ida.gov.sg/Policies %20and%20Regulation/20060602142302.aspx](http://www.ida.gov.sg/Policies%20and%20Regulation/20060602142302.aspx).

<sup>23</sup> S. D. Muni, "India and Singapore: Bilateral Issues" in N. N. Vohra, Emerging Asia: Challenges for India and Singapore (New Delhi: Manohar, 2003), p. 40.

<sup>24</sup> S. Narayan, "Openings for S'pore firms in India", *The Business Times*, 24 July 2009.

<sup>25</sup> Yogendra Singh, India-Singapore CECA Enters Second Phase.

<sup>26</sup> Cited in Asad-ul Iqbal Latif, India in the Making of Singapore (Singapore: Singapore Indian Association, 2008), pp. 76-7.

<sup>27</sup> Guide to India-Singapore Comprehensive Economic Cooperation Agreement, p. 4.

<sup>28</sup> "India/Asean: government rebuts domestic critics' fears that liberalised trade could widen deficits with Asean countries", *Thai News Service*, 21 August 2009; "S. Korea gets head start over rivals in India with FTA", *The Sydney Morning Herald*, 7 August 2009.

## 2.2 From CECA to CECA-Plus?

To realise the economic potential India holds for Singapore, it is necessary that more Singaporean firms overcome their reluctance to invest in and enter the Indian market. There are many areas in which Singapore and India can cooperate to actualise the full potential of the CECA and move into a ‘CECA-plus’ future. An August 2005 *BusinessWeek* analysis of financial data for over 340 publicly-listed companies showed that Indian companies generally outperformed their Chinese counterparts on return on equity and invested capital.<sup>29</sup> The same is also true for multinationals (MNCs) based in both economies. A Boston-Consulting Group report found that only 45-50 percent of the MNCs in China reported profits, whereas in India, 90 percent of the MNCs reported profits.<sup>30</sup> Moreover, 60 percent of the 90 percent that reported profits in India also “report[ed] higher profitability averages in India than they do globally”.<sup>31</sup> Indeed, as noted by Minxin Pei, “[i]n six major industrial sectors (ranging from autos to telecom), from 1999 to 2003, Indian companies delivered rates of return on investment that were 80 to 200 percent higher than their Chinese counterparts”.<sup>32</sup>

Given these observations, it seems counterintuitive that there are more Singaporean companies active in the Chinese economy than in the Indian economy. That this is happening can be inferred from the disparity in the investment figures between Singapore and the two Asian giants. By 2007, Singaporean FDI in China amounted to over US\$27 billion, compared to a relatively paltry US\$2.9 billion in India.<sup>33</sup> In fact, by 2007, China ranked first as a destination for Singaporean FDI, while India trailed behind at number 15.<sup>34</sup> Also notable are the FDI inflows from China and India into Singapore. By 2007, Indian FDI in Singapore stood at around US\$8.8 billion, compared to US\$1.5 billion of Chinese FDI.<sup>35</sup> Clearly, Indian investment in Singapore has been far more enthusiastic than Singaporean investment in India. Also, Singaporean businesses demonstrate a clear preference for investing in the Chinese market. These disparities are especially significant, given that the Singapore-China FTA, which was signed in late 2008, took effect only in January 2009, about three and a half years after the CECA came into effect.<sup>36</sup>

One reason for this ‘China preference’ may well be familiarity. Singapore’s economic relations with China date back to the late 1970s, when Deng Xiaoping started the ‘Four Modernisations’ in China and moved to liberalise the Chinese market. Much impressed by the economic growth of the Asian ‘dragons’, and Singapore especially, Deng saw Singapore as a model for Chinese development and for the Chinese economy.<sup>37</sup> Thus, Singapore’s government-linked companies, followed by private firms, entered the Chinese market on the basis of “strong inter-

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<sup>29</sup> “Who’s Got Performance”, *BusinessWeek*, 22 August 2005.

<sup>30</sup> Cited in Vivek Sinha and Nandini Sengupta, “MNCs find India hotter than China”, *The Economic Times*, 14 November 2006.

<sup>31</sup> Ibid.

<sup>32</sup> Minxin Pei, “The Dark Side of China’s Rise”, *Foreign Policy* 153, 2006, p. 34.

<sup>33</sup> Statistics Singapore, Singapore Government, Republic of Singapore, *Key Indicators of Singapore’s Investments Abroad, 2003-2007* (Singapore: Statistics Singapore, 2009) <http://www.singstat.gov.sg/stats/themes/economy/biz/sia2007keyindicators.pdf>.

<sup>34</sup> Ibid.

<sup>35</sup> Statistics Singapore, Singapore Government, Republic of Singapore, *Foreign Direct Investment in Singapore by Country/Region, 2002-2007* (Singapore: Statistics Singapore, 2009) <http://www.singstat.gov.sg/stats/themes/economy/biz/foreigninvestment.pdf>.

<sup>36</sup> “Singapore, China sign Free Trade Agreement”, *ChannelNewsAsia.com*, 23 October 2008, <http://www.channelnewsasia.com>.

<sup>37</sup> Nicholas D. Kristof, “The World; China Sees Singapore As a Model for Progress”, *The New York Times*, 9 August 1992.

government relations.”<sup>38</sup> Moreover, in China’s government-led model of economic development, the Chinese authorities have often provided preferential treatment, in the way of tax breaks, priority access to scarce resources or infrastructure and favourable financial terms, to foreign firms and Chinese firms partnered with foreign firms, especially in the sectors that deal with advanced technology and management techniques.<sup>39</sup> Arguably, these factors have fostered a high degree of comfort for Singaporean firms entering the Chinese market. Moreover, given the nature of China’s political system, its socio-political setting remains fairly stable, implying steady economic policies. This is in contrast to a multi-party democracy such as India, where governments can change frequently, and these changes can potentially lead to transformations in economic policies, adding to a sense of insecurity amongst potential investors.

However, two things should be noted. First, ever since the currency crisis in 1991, a general consensus on the need for economic liberalisation has been forged in India. Thus, despite the fact that the Congress-led United Progressive Alliance and the Bharatiya Janata Party-led National Democratic Alliance have alternated in power since that time, the commitment to economic liberalisation has remained, and India has been opening up and integrating into the global economy. Second, on the ground, conditions in India and China are not radically different in that foreign businesses must adapt to local conditions in both countries. Apart from agreements made at the central level, it is necessary for firms to engage with local authorities and adapt to local conditions. This is true even in a one-party controlled China, as even there, “the mountain is high and the emperor is far away”.<sup>40</sup>

The need to understand and adapt to local conditions even in centralised China was clearly illustrated in the Suzhou International Park (SIP) case. The SIP, which made a profit of US\$7.6 million in 2001, was an iconic joint project agreed between Beijing and Singapore.<sup>41</sup> The project, which is now seen as a success, had been undermined by the Suzhou New District (SND) in the beginning. Unlike the SIP, the SND was an initiative by the province’s municipal authority and was its direct responsibility. This prompted the local authority to copy the SIP practices while undercutting it in costs.<sup>42</sup> In fact, the initial losses sustained by the SIP motivated Singapore to cut its stake down to 35 percent from its original 65 percent, and hand over the management of the park to a Chinese partner by 2001.<sup>43</sup> Similar conditions abound in India. It is a vast, diverse country with a multiplicity of conditions and local authorities. Thus, to succeed in either country, it is necessary to “adopt a long-term perspective” and really understand “the ecosystem within which operations will be embedded”.<sup>44</sup>

There are sectors where Singapore’s expertise and India’s needs coincide, giving Singaporean firms many opportunities. One is India’s poor infrastructure, which has constrained the pace of its development.<sup>45</sup> India has only just started to invest in its infrastructure and could use

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<sup>38</sup> Henry Wai-chung Yeung, The Political Economy of Singaporean Investments in China, EAI Working Paper No. 22, East Asia Institute, 1999, p. 18.

<sup>39</sup> Yadong Luo, “Partnering with foreign businesses: perspectives from Chinese firms”, Journal of Business Research 55, 2002, p. 483.

<sup>40</sup> Cited in Asad-ul Iqbal Latif, Between Rising Powers: China, Singapore and India (Singapore: ISEAS Publications, 2007), p. 176.

<sup>41</sup> *Ibid.*, p. 175.

<sup>42</sup> *Ibid.*, pp. 168-77.

<sup>43</sup> *Ibid.*

<sup>44</sup> Anil K. Gupta and Haiyan Wang, Getting China and India Right: Strategies for Leveraging the World’s Fastest-Growing Economies for Global Advantage (San Francisco: John Wiley and Sons, 2009), p. 91.

<sup>45</sup> *Ibid.*, pp. 42-3.



foreign investment and expertise in this area.<sup>46</sup> India could also use Singaporean investment and knowledge in its manufacturing sector. Currently, manufacturing accounts for only 28 percent of India's gross domestic product.<sup>47</sup> As noted by Singapore's Minister Mentor Lee Kuan Yew in 2005, India needs to develop this sector to realise its economic potential.<sup>48</sup> India has started investing in manufacturing but continues to lag far behind China.<sup>49</sup>

It is imperative that Singapore does not lose its 'first-mover' advantage in India at this stage. It is clear that India is poised to be one of the biggest economies in the world in the years to come. As a small, resource-less state, it has also always been in Singapore's interest to diversify its economic partners. Thus, entering India alongside China would help realise the idea of "Singapore Unlimited", with the world as the Republic's hinterland.<sup>50</sup>

### 3. India-Singapore Defence Relations: Strategic Partnership

In the post-Cold War era, India and Singapore have also worked to deepen their defence relations along with the aforementioned economic ties. Talks on bilateral defence cooperation started in 1992, when Rao and Goh met during the Non-Aligned Summit in Jakarta.<sup>51</sup> From 1993 onwards, Singapore and India started regular naval exercises and, from 1994 onwards, these exercises included anti-submarine warfare (ASW) manoeuvres.<sup>52</sup> In September 1994, the two states also signed a Memorandum of Understanding to institutionalise their bilateral naval cooperation and to allow the Republic of Singapore Navy access to Indian submarines and ASW training, something India had never done before with any other state.<sup>53</sup> At the same time, India initiated a series of multilateral naval exercises in the region, such as Exercise MILAN, in which Singapore, along with other ASEAN countries (which had been included over time), has participated consistently since its inception.<sup>54</sup>

#### 3.1. Deepening Defence Ties: The Defence Cooperation Agreement

The confidence built by these rapidly warming ties led to the signing of the Defence Cooperation Agreement (DAC) between Singapore and India in 2003, which upgraded the bilateral defence cooperation between the two states. Under the agreement, Singapore and India focused on the threat of international terrorism and maritime security and sought to

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<sup>46</sup> Ibid.

<sup>47</sup> Ibid., p. 41.

<sup>48</sup> Cited in Asad-ul Iqbal Latif, *India in the Making of Singapore*, p. 124.

<sup>49</sup> Anil K. Gupta and Haiyan Wang, *Getting China and India Right*, pp. 41-2.

<sup>50</sup> G. Shantakumar, "Human Resources Complementarities Between Singapore and India: Formulating Strategy for a Win-win Situation" in Yong Mun Cheong and V. V. Bhanoji Rao, *Singapore-India Relations*, p. 251.

<sup>51</sup> S. D. Muni, "India and Singapore: Bilateral Issues" in N. N. Vohra, *Emerging Asia*, p. 44.

<sup>52</sup> "Rao's S'pore trip will boost ties: Envoy", *Straits Times*, 25 June 1994.

<sup>53</sup> "Indian PM's visit to S'pore a boost for bilateral ties", *Straits Times*, 15 August 1994.

<sup>54</sup> Mrityunjay Mazumdar, "Exercise Milan 08: Friendship Across the Seas", *Bharat Rakshak*, January 2008, <http://www.bharat-rakshak.com/NAVY/Articles/Article11.pdf>.

The first Exercise MILAN was held in 1995 and involved the navies of India, Singapore, Indonesia, Thailand and Sri Lanka. By 2006, other regional states, including ASEAN members Malaysia and Myanmar, also joined in the exercises. The latest Exercise MILAN was held in January 2008 at Port Blair in the Andaman and Nicobar Islands. Naval participants included all previous participants (India, Sri Lanka, Bangladesh, Indonesia, Malaysia, Singapore, Myanmar, Thailand and Australia – deploying a ship for the first time), along with the first time participation of the naval delegations from ASEAN members Brunei and Vietnam, and non-member, New Zealand.

establish intelligence exchanges and a defence policy dialogue apart from expanding and deepening exchanges and exercises between the two defence forces.<sup>55</sup>

Following up on the DAC, the annual India-Singapore Defence Policy Dialogue began in March 2004. The dialogue allows for regular high-level discussions on bilateral and regional security issues and forwards defence relations between Singapore and India.<sup>56</sup> The two militaries have also expanded their bilateral cooperation to include joint exercises between their armies and air forces and also steadily deepened and expanded the scope of their cooperation in each service. For example, naval exercises, which started in 1994 with ASW exercises, have expanded to include air, surface and sub-surface dimensions.<sup>57</sup> The latest round of the annual Singapore-India Maritime Bilateral Exercise (SIMBEX), from March to April 2009, was held in the South China Sea and included manoeuvres by the maritime patrol aircraft from both sides.<sup>58</sup> The Republic of Singapore Air Force (RSAF) also participated in the exercise by simulating aerial attacks.<sup>59</sup> Also, as Singapore and India continue to enhance their bilateral naval ties via port visits, joint exercises and exchanges,<sup>60</sup> the two have also increased their interaction with the United States navy. In 2002, Singapore hosted Indian warships that had joined United States ships in patrolling and protecting ships from potential terrorist threats in the Malacca Straits and, in 2007, India invited Singapore to join in Exercise Malabar 07-2, traditionally a bilateral exercise between the United States and Indian navies, along with the Australian and Japanese maritime forces.<sup>61</sup>

Additionally, Singapore also received unprecedented access to Indian military training facilities. In October 2004, India and Singapore signed an agreement allowing the Singaporean army and air force to conduct exercises on Indian territory and over Indian airspace.<sup>62</sup> In October 2007, another agreement institutionalised the cooperation between the RSAF and the Indian Air Force (IAF) and granted Singapore a five-year lease of the Kalaikunda air base in West Bengal. This allows the RSAF to not only train in India, but also to place its personnel and equipment in the country over the long term.<sup>63</sup> Similarly, in August 2009, Singapore and India signed another five-year agreement institutionalising defence ties between the Singapore Armed Forces (SAF) and the Indian Army (IA). The agreement grants the former greater access to Indian firing ranges for artillery and armour exercises, and allows the SAF to position its assets in India for the duration of the agreement.<sup>64</sup>

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<sup>55</sup> “India, Singapore to sign MoU on defence cooperation”, *Organisation of Asia-Pacific News Agencies*, 13 October 2009; and “Singapore-Defence”, *The Press Trust of India*, 13 October 2009.

<sup>56</sup> Ministry of Defence, Singapore Government, Republic of Singapore, “Inaugural India-Singapore Defence Policy Dialogue” (Singapore: Ministry of Defence, 22 March 2009), [http://www.mindef.gov.sg/imindef/news\\_and\\_events/nr/2004/mar/22mar04\\_nr.html](http://www.mindef.gov.sg/imindef/news_and_events/nr/2004/mar/22mar04_nr.html).

<sup>57</sup> “Rao’s S’pore trip will boost ties: Envoy”; Ministry of Defence, Singapore Government, Republic of Singapore, “Singapore, India Conduct Naval Exercise” (Singapore: Ministry of Defence, 2 April 2009), [http://www.mindef.gov.sg/imindef/news\\_and\\_events/nr/2009/apr/02apr09\\_nr.html](http://www.mindef.gov.sg/imindef/news_and_events/nr/2009/apr/02apr09_nr.html).

<sup>58</sup> Ministry of Defence, Singapore Government, Republic of Singapore, “Singapore, India Conduct Naval Exercise”.

<sup>59</sup> Ibid.

<sup>60</sup> Vibhanshu Shekhar, *India-Singapore Relations: An Overview*, IPCS Special Report No. 41, 2007, p. 2.

<sup>61</sup> “Sky’s the limit with S’pore-India defence pact”, *Straits Times*, 17 October 2003; Ministry of Defence, Singapore Government, Republic of Singapore, “Reply to Media Queries on Ex Malabar 07-2” (Singapore: Ministry of Defence, 29 July 2007), [http://www.mindef.gov.sg/imindef/news\\_and\\_events/nr/2007/jul/29jul07\\_nr.html](http://www.mindef.gov.sg/imindef/news_and_events/nr/2007/jul/29jul07_nr.html).

<sup>62</sup> “India to Singapore: you can hold military exercises on our soil”, *Indian Express*, 7 April 2004.

<sup>63</sup> Josy Joseph, “Singapore ‘leases’ IAF base for 5 yrs”, *DNA – Daily News & Analysis*, 10 October 2007.

<sup>64</sup> “After Kalaikunda, Singapore to train at India Army firing ranges”, *Indian Express*, 13 August 2008.

Joint exercises between the two defence forces have also flourished. For example, in March 2009, the SAF and the IA held their fifth bilateral armour exercise in central India, and the RSAF and IAF held their sixth joint exercise in December 2008.<sup>65</sup> Singapore and India also conduct regular exchange programmes, courses and staff talks in all three services.<sup>66</sup> To facilitate intelligence exchange and counter-terrorism cooperation, the two countries also established a Joint Working Group on combating terrorism in December 2003.<sup>67</sup> In June 2005, the two also signed a Mutual Legal Assistance Treaty to allow authorities on either side to assist the other in the investigation of serious criminal offences.<sup>68</sup>

Finally, India and Singapore also established a Defence Technology Steering Committee in October 2006 to facilitate defence technology cooperation between India's Defence Research and Development Organisation and Singapore's Defence Science and Technology Agency.<sup>69</sup> Reportedly, the two agencies have been involved in defence technology cooperation, although the nature and depth of such cooperation is unclear.<sup>70</sup> In all, the depth and breadth of defence cooperation between Singapore and India is exceptional and signals a deep commitment to the bilateral relationship on the part of both states. Indeed, the changing location of the joint naval exercises, in particular, is indicative of India's growing interest and commitment to not just Singapore, but also Southeast Asia as a whole.

### 3.2 Mutual Interests and Motivations

As noted in the section on the bilateral economic relations between Singapore and India, India's 'Look East' policy, at least initially, emphasised the importance of India's economic relations with Singapore and the rest of the Southeast Asian region. However, despite this emphasis, India also sought to forward its politico-military engagement with the region, especially as its economy took off in the early years of the new millennium.<sup>71</sup> This was all the more necessary, as at the end of the Cold War, India had been left bereft of allies and needed to find new partners to counter its sense of insecurity.<sup>72</sup> Additionally, as its economy took off, it also sought to break out of the subcontinent and fulfil its own 'great power' ambitions.<sup>73</sup> Thus, as outlined by the Indian Prime Minister in 2003, India's strategic environment now stretched

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<sup>65</sup> Ministry of Defence, Singapore Government, Republic of Singapore, "Singapore, Indian Armies Exercise Together" (Singapore: Ministry of Defence, 21 March 2009), [http://www.mindef.gov.sg/imindef/news\\_and\\_events/nr/2009/mar/21mar09\\_nr.html](http://www.mindef.gov.sg/imindef/news_and_events/nr/2009/mar/21mar09_nr.html); and Ministry of Defence, Singapore Government, Republic of Singapore, "S'pore, Indian Air Forces in Joint Military Training" (Singapore: Ministry of Defence, 16 December 2008), [http://www.mindef.gov.sg/imindef/news\\_and\\_events/nr/2008/dec/16dec08\\_nr.html](http://www.mindef.gov.sg/imindef/news_and_events/nr/2008/dec/16dec08_nr.html).

<sup>66</sup> Ministry of Defence, Singapore Government, Republic of Singapore, "Singapore, India Conduct Naval Exercise"; Ministry of Defence, Singapore Government, Republic of Singapore, "Singapore, Indian Armies Exercise Together"; Ministry of Defence, Singapore Government, Republic of Singapore, "S'pore, Indian Air Forces in Joint Military Training".

<sup>67</sup> Vibhanshu Shekhar, *India-Singapore Relations: An Overview*, p. 2; "India, Singapore to enhance cooperation on combating terror", *The Press Trust of India*, 14 March 2005.

<sup>68</sup> Vibhanshu Shekhar, *India-Singapore Relations: An Overview*; "Singapore, India sign legal agreement", *The Business Times*, 30 June 2005.

<sup>69</sup> Chen Wei Li, "Indian Defence Secretary calls on Mr Teo", *CyberPioneer*, 10 October 2006.

<sup>70</sup> "India, Singapore Review Defence, Military Cooperation", *India-Defence.com*, 10 October 2008, <http://www.india-defence.com/reports-4046>; "Launch of TechX Challenge", *DSTA: Newsroom*, 23 January 2007, [http://www.dsta.gov.sg/index.php?option=com\\_content&task=view&id=4284&Itemid=401](http://www.dsta.gov.sg/index.php?option=com_content&task=view&id=4284&Itemid=401).

<sup>71</sup> Sumit Ganguly and Manjeet S. Pardesi, "Explaining Sixty Years of India's Foreign Policy", *India Review* 8(14), 2009, pp. 13-4.

<sup>72</sup> Ibid.

<sup>73</sup> A. Z. Hilali, "India's Strategic Thinking and Its National Security Policy", *Asian Survey* 41(5), 2001, pp. 738-42.

from “the Persian Gulf to the Straits of Malacca”.<sup>74</sup> India’s 2004 Maritime Doctrine reiterated the same and also emphasised India’s interest in the choke points along the sea lanes of communication (SLOCs) such as the Straits of Hormuz and the Malacca Straits.<sup>75</sup> Also, as India’s economy liberalised and its economic interaction with Southeast Asia and East Asia increased, it, like any other littoral state, was naturally concerned with the security of the vital SLOCs flowing through the Indian Ocean and Southeast Asia. This is hardly surprising as the Straits of Malacca alone transports around half of the world’s trade.<sup>76</sup>

From Singapore’s viewpoint, India is equally, if not more, strategically important. The island’s small size, lack of resources and geographic location in an area of interest to great powers have given rise to a perennial sense of vulnerability. In a 2007 interview with the *International Herald Tribune*, Minister Mentor Lee articulated Singapore’s insecurity and opined that, in a world without balance of power and international law, Singapore would cease to exist.<sup>77</sup> Thus, Singapore has always sought to cultivate great power interest in Southeast Asia in general, and in Singapore in particular, to give these powers a stake in Singapore’s survival and in the region’s stability.<sup>78</sup> Moreover, it has always sought diversity in its partners to avoid becoming tied to any one power, as that would not only curb the Republic’s manoeuvrability, but may also increase tensions in the region by motivating neighbouring states to seek similar ‘patron’ relationships.<sup>79</sup> Moreover, India’s geostrategic location in the Indian Ocean and its growing integration into the Asia-Pacific economically have made it an attractive partner for Singapore.<sup>80</sup>

These reasons also prompted Singapore to act on India’s behalf within ASEAN and ASEAN-led institutions. It was through Singapore’s active diplomacy that India became a full dialogue partner of ASEAN in 1995, was admitted into the ASEAN Regional Forum (ARF) in 1996 and attended the inaugural East Asia Summit in 2005.<sup>81</sup> For Singapore, bringing India into ASEAN is a necessity. Given that the city-state’s vulnerabilities do not make it possible for it to ‘transcend’ Southeast Asia in any way, ASEAN has been a central tenet of its foreign policy.<sup>82</sup> Indeed, Singapore’s active championship of India has made it a central part of India’s ASEAN policy, which itself is a central component of India’s ‘Look East’ policy.<sup>83</sup> Certainly, ASEAN domination in the ARF and other regional institutions is important to India, as that prevents any other power, like the United States and China, both also actively engaged in the region,

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<sup>74</sup> Cited in Tan Tai Yong and See Chak Mun, “The Evolution of India-ASEAN Relations”, *India Review* 8(1), 2009, p. 36.

<sup>75</sup> Asad-ul Iqbal Latif, *Between Rising Powers*, p. 261; A. Z. Hilali, “India’s Strategic Thinking and Its National Security Policy”, p. 755.

<sup>76</sup> See Chak Mun, *India’s Strategic Interests in Southeast Asia and Singapore*, p. 66; R. R. Sharma, “Asia’s Quest for Identity and Security” in R. R. Sharma, *India and Emerging Asia* (New Delhi: Sage, 2005), p. 44.

<sup>77</sup> “Excerpts from an interview with Lee Kuan Yew”, *International Herald Tribune*, 29 August 2007.

<sup>78</sup> Kripa Sridharan, “Transcending the Region: Singapore’s India Policy” in N. N. Vohra, *Emerging Asia*, pp. 15-32; Bilveer Singh, “Security Issues in South-East Asia: A Singaporean Perspective” in N. N. Vohra, *Emerging Asia*, pp. 103-20.

<sup>79</sup> Asad-ul Iqbal Latif, *Between Rising Powers*, pp. 26-36.

<sup>80</sup> Kripa Sridharan, “Transcending the Region: Singapore’s India Policy” in N. N. Vohra, *Emerging Asia*, pp. 26-7; Ishtiaq Hossain, “Singapore-India Relations in the Post-Cold War Period: A Singapore Perspective” in Yong Mun Cheong and V. V. Bhanoji Rao, *Singapore-India Relations*, pp. 48-9.

<sup>81</sup> Kripa Sridharan, “Transcending the Region: Singapore’s India Policy” in N. N. Vohra, *Emerging Asia*, pp. 26-9; Rajiv Sikri, *Challenge and Strategy: Rethinking India’s Foreign Policy* (New Delhi: Sage, 2009), pp. 115-27.

<sup>82</sup> Asad-ul Iqbal Latif, *Between Rising Powers*, pp. 192-3; Bilveer Singh, “Security Issues in South-East Asia: A Singaporean Perspective” in N. N. Vohra, *Emerging Asia*, pp. 106 & 118.

<sup>83</sup> Rajiv Sikri, *Challenge and Strategy*, p. 115.

from achieving dominance.<sup>84</sup> Moreover, as India finds its feet in the region, it would be far more useful for it to engage with the ASEAN states either collectively or bilaterally under the overarching framework provided by ASEAN. On the other hand, if ASEAN became irrelevant, the United States and China, who have been active in Southeast Asia for much longer, would have an advantage and may well marginalise India's (potential) role in the region.

Another factor motivating both Singapore and India has been the rise of China. As both India and China emerge as regional and global powers, both have sought to increase their influence in their immediate region, leading to some rivalry. For India, "achieving equivalence, if not perfect parity with Beijing,...remains a major objective today".<sup>85</sup> Moreover, India has also been concerned with Chinese attempts to expand its maritime influence in the Indian Ocean and Southeast Asia.<sup>86</sup> At the same time, for Southeast Asian states and Singapore, India is a "useful counterweight to China".<sup>87</sup> For Singapore in particular, India is a useful partner as it does not want to be viewed as a 'third China' in a largely 'Malay world', which historically has been distrustful of communist China, especially given China's extant territorial disputes with some ASEAN countries in the South China Sea.<sup>88</sup>

In the post-911 world, Singapore and India have also been concerned with the threat of international terrorism, maritime attacks and piracy. On its part, India has expressed concern about the possibility of terrorist attacks in the Southeast Asian SLOCs, which would adversely affect its economy.<sup>89</sup> It has also been concerned about possible linkages between Southeast Asian Islamist groups and militant groups based in Kashmir and Pakistan. Indeed, it has been noted that at least some members of the regional Islamist organisation responsible for the October 2002 Bali bombings, the *Jemaah Islamiyah* (JI), had trained in Pakistan.<sup>90</sup> Accordingly, the latest Indian Maritime Doctrine, released in August 2009, which is the second such document, stressed the importance of countering "maritime terrorism, piracy and coastal security".<sup>91</sup> Similarly, Singapore has been equally concerned with the rise of Islamist terrorism, especially after the arrest of 31 JI members, who were plotting attacks on key Singaporean targets, between December 2001 and August 2002.<sup>92</sup>

### 3.3 From Strategic Partnership to Long-Term Alliance?

Current trends indicate that Singapore and India will continue to deepen their defence collaboration. The growing complexity of their military exercises signals the growing trust and commitment between the two states. Moreover, as this trend develops, it is possible that

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<sup>84</sup> S. D. Muni and C. Raja Mohan, "India's Options in a Changing Asia", in R. R. Sharma, *India and Emerging Asia*, p. 63.

<sup>85</sup> Robert M. Hathaway, "India transformed: parsing India's 'new foreign policy'", *India Review* 2(4), 2003, p. 6.

<sup>86</sup> C. Raja Mohan, *Sino-Indian Rivalry in the Western Indian Ocean*, ISAS Insight No. 52, Institute of South Asian Studies, 2009, pp. 1-6.

<sup>87</sup> Latif, *Between Rising Powers*, p. 259.

<sup>88</sup> Bilveer Singh, "Security Issues in South-East Asia: A Singaporean Perspective" in N. N. Vohra, *Emerging Asia*, pp. 103-20; Baladas Ghoshal, *India and Southeast Asia: Challenges and Opportunities* (New Delhi: Konark Publishers, 1996), p. 113.

<sup>89</sup> See Chak Mun, *India's Strategic Interests in Southeast Asia and Singapore*, pp. 69-72.

<sup>90</sup> Yong and Mun, "The Evolution of India-ASEAN Relations", p. 32.

<sup>91</sup> "Navy factors in terrorism, coastal security in revamped doctrine", *Times of India*, 30 August 2009; "Navy releases 2009 version of Maritime Doctrine", *The Hindu*, 29 August 2009.

<sup>92</sup> Ministry of Home Affairs Singapore, Republic of Singapore, *White Paper: The Jemaah Islamiyah Arrests and the Threat of Terrorism* (Singapore: Ministry of Home Affairs, 2003), [http://www.mha.gov.sg/publication\\_details.aspx?pageid=35&cid=354](http://www.mha.gov.sg/publication_details.aspx?pageid=35&cid=354).

Singapore and India will enhance their inter-operability by conducting combined exercises of all three services. This is indicated by the participation of the RSAF aircrafts in the recent SIMBEX exercises. There is also room for further defence cooperation, namely, in the realms of defence technology and arms sales. Currently, arms deals with the Indian military are difficult as much of the Indian military procurement process remains mired in allegations of corruption.<sup>93</sup> However, reports indicate that India is eager to modernise its military despite these hiccups as it sees military strength as an essential aspect of its rise as a power.<sup>94</sup> Thus, as India moves to modernise its military, more successful deals are possible in the future.

At the same time, it is likely that India will try to deepen and expand its defence relations with other regional players as well, such as Malaysia and Indonesia. Indeed, India has had defence relations with Malaysia since the 1990s and, in 1993, signed a bilateral agreement that provided for joint training and development of defence industries.<sup>95</sup> India has also sought to improve its relations with Indonesia and, in 2005, the two states agreed to work towards a 'New Strategic Partnership'.<sup>96</sup> This is only to be expected as India would want to and need to develop relations with all major Southeast Asian countries as it engages the region. Indonesia is particularly important given its geostrategic location across the Malacca and Lombok Straits and its traditional role as one of the leading states within ASEAN.

These moves by India are welcomed by Singapore as well. Firstly, Singapore has never sought exclusive relations with any power in Southeast Asia in order to maximise its foreign policy flexibility and avoid being perceived as a pawn of any power by its neighbours. Secondly, the more harmoniously India integrates with the region, the more effective a balancer it would be. To be sure, India's warming relations with Indonesia, traditionally chary of extra-regional activity in what it considers its strategic waters, has enabled it to undertake regular joint patrols in Southeast Asia.<sup>97</sup> Finally, the more comprehensively India engages with Southeast Asia, the more invested it would be in Southeast Asian stability.

It is obvious that Singapore's strategic location and eager engagement of India, both economically and politico-strategically, has made the island an exceptional partner for India. Singapore's activism on India's behalf in the region is well acknowledged and appreciated in Indian circles. Familiarity with Singapore, its strategic location and its role as a gateway into the rest of the Southeast Asia and East Asian region are also seen as invaluable. In addition, India's defence agreements with Singapore have given Indian forces an expanded reach into its declared strategic maritime region. In this context, Singapore as a much smaller partner is an easy companion for India as the latter makes its first forays into comprehensive defence cooperation. Thus, it is likely that Singapore's defence relations with India will remain relatively exceptional in the region, even as India develops military-to-military relations with other regional countries, for a long time to come.

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<sup>93</sup> Jonathan Manthorpe, "Competition to supply planes to India sets up fierce bidding war", *Vancouver Sun*, 31 August 2009.

<sup>94</sup> Rajat Pandit, "Rs 20k cr deals may end Army artillery drought", *Times of India*, 24 August 2009; Jonathan Marcus, "India-Pakistan military balance", *BBC News*, 9 May 2003.

<sup>95</sup> Baladas Ghoshal, *India and Southeast Asia*, p. 103.

<sup>96</sup> Rajiv Sikri, *Challenge and Strategy*, p. 121.

<sup>97</sup> Eric Watkins, "Obstacles to Closer Counter-Terrorism Coordination in Malacca Straits", *Terrorism Monitor* 5, 13 (2007): p. 11; Rajiv Sikri, *Challenge and Strategy*, p. 121.

#### 4. Education and Knowledge Transfer

An important site of relations between Singapore and India in recent times has been in education and knowledge transfer. There are mainly two major areas of contemporary importance, the first being public administration expertise and the second concerns potential for knowledge transfer in the realm of technical/vocational education. Both areas present unique opportunities and pitfalls in the context of Singapore-India relations.

Singapore has long been viewed as having a public bureaucracy that is efficient in discharging policies and tasks set for it by Singapore's political leaders.<sup>98</sup> As early as 1992, a Public Policy Programme was set up at the National University of Singapore with the aim of both promoting best practices in public policy scholarship as well as sharing, with students and civil servants in the Asian region, the Singapore experience in public bureaucracy efficiency. This Public Policy Programme was replaced by the Lee Kuan Yew School of Public Policy in 2004, whose aim is "educating and training the next generation of Asian policymakers and leaders (and) to raise the standards of governance throughout the region".<sup>99</sup> Indians, comprising civil servants as well as young scholars, have benefited from institutions like the Lee Kuan Yew School of Public Policy and others in Singapore, enabled especially by exchanges at the official level and provision of scholarships for academic study. Going beyond these institutions, there has also been a good amount of knowledge transfer via Indian public servants spending time acquainting themselves with the Singapore model of public governance in specific sectors such as the provision of public housing and public transport planning and development.<sup>100</sup>

Having a shared British colonial experience, and resultantly having inherited a similar civil service model at independence, there is much scope for the sharing of expertise and knowledge in the broad realms of public policy and governance between the two countries. However, one must be mindful of the fact that there are important differences in the context in which public servants from the two countries execute and implement policies, most significantly, in the way politics is conducted in the two countries. Singapore has always prided itself on a stable political leadership, one that is not affected by the prospect of frequent changes every few years. India, on the other hand, has often been described as a "noisy democracy", with the frequent need for its political leadership to balance long-term public policy with competing short-term demands from all sections of Indian society.<sup>101</sup> This balancing act impacts significantly on the career of a civil servant in India, dealing as he/she does with changes in political leadership at different levels, both at the central government and the federal states level.<sup>102</sup> This significant variation of conditions under which Indian civil servants implement public policy needs to be understood. Only then can the limits of applying the Singapore model

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<sup>98</sup> For a view from the 1980s, see Jon S.T. Quah, "Public Bureaucracy and Implementation in Singapore", *Asian Journal of Social Science*, 15(1), 1987, pp. 77-95.

<sup>99</sup> See Lee Kuan Yew School of Public Policy, section on "Overview and History" (<http://www.spp.nus.edu.sg>).

<sup>100</sup> For example in September 2003, representatives from several government agencies were part of a Singapore delegation to India led by Minister of National Development, Mah Bow Tan, which shared Singapore experiences at public housing and town planning with an Indian audience at New Delhi. For details, see Ministry of National Development, Speech by Mah Bow Tan, Minister for National Development, Singapore, 8 September 2003, Shah Jehan Hall, New Delhi, India (<http://www.mnd.gov.sg/content.htm>).

<sup>101</sup> For an example, see Mahendra Prasad Singh, "The Crisis of the Indian State: From Quiet Developmentalism to Noisy Democracy", *Asian Survey*, 30 (8), 1990, pp. 809-19.

<sup>102</sup> One consequence is the sometimes rapid movement of Indian civil servants from the elite Indian Administrative Service from post to post at the behest of political leaders. For a fuller discussion see, Dan Banik, "The Transfer Raj: Indian Civil Servants on the Move", *The European Journal of Development Research*, 13(1), 2001, pp. 106-34.

of public policy and governance to the Indian case be truly appreciated. Such appreciation will allow for a more focused and effective transfer of knowledge and expertise between the two countries in this area.

Another potential area of knowledge transfer between the two countries is in the sphere of vocational technical education. Singapore's Institutes of Technical Education (ITEs) have long been at the forefront of providing quality vocational technical education, providing specific types of manpower resources required for the country's economic development.<sup>103</sup> In 2008, vocational technical education provided by the ITEs attracted about 25 percent of the school cohort in Singapore, even in the context of ever-increasing aspirations for university education in the general populace.<sup>104</sup> In comparison, a 2004 study revealed that less than two percent of the school cohort in India was enrolled in vocational technical education.<sup>105</sup> The need for technical education that is tailored to the needs of the Indian economy is especially pressing in the current period as India seeks to continue on its economic growth trajectory.

Although there is acknowledgement of the need for the Indian government to invest more in vocational technical education, there is huge scope for private investment in this sector. A recent World Bank study noted that returns on investment in formal post-secondary vocational education in India was 8.4 percent.<sup>106</sup> In the context of Singapore-India relations, a real opportunity exists here. This is especially the case since Singapore ITE now has a wholly-owned subsidiary, ITE Education Services (ITEES), which is the ITE's business arm, involved in the licensing of ITE courses, consultancy services and professional training in curriculum design, amongst others.<sup>107</sup> In India, ITEES staff has spent short stints in places such as Bangalore conducting brief modules for software engineers at India's Delphi Training Centre in areas such as vehicular testing software. However, the scope for ITEES to help raise the level of vocational education in India is still highly untapped. In comparison, ITEES has licensed its courses to be run at four private schools in China and Vietnam, with course content, module assessment and certification provided by ITEES in growing sectors like precision machining.<sup>108</sup> Relevant representatives from both countries should look closely at how similar tie-ups can be set up in India by ITEES, especially given that there is already a template for such knowledge transfer in relation to countries such as China and Vietnam. More definitely can be done in this area, especially since this will help deepen and strengthen the relationship between Singapore and India.

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<sup>103</sup> A recent World Bank study on Singapore's education system noted the important role of vocational technical education in Singapore's economic development. See Low Song Seng, "Vocational Technical Education and Economic Development – The Singapore Perspective", in Lee Sing Kong et al. (edited), Toward a Better Future: Education and Training for Economic Development in Singapore Since 1965 (Washington D.C.: The World Bank, 2008). Pp. 114-34.

<sup>104</sup> Ibid., p.121.

<sup>105</sup> See H. R. Patel & Nimish Shah, "Vocational Education for Better Employment Opportunities: Role of Government, Institute and Industry", in M. Sudhir Reddy et al. (edited), Human Resource Planning (New Delhi: Discovery Publishing House, 2005). p.114.

<sup>106</sup> Figure cited in Theodore Lewis, "Towards Reclaiming the High Ground in the Discourse of Vocationalism in Developing Countries", International Journal of Educational Development, 29(6). p.561.

<sup>107</sup> Seng, "Vocational Technical Education and Economic Development". p. 133. For more detail on ITEES, see ITE Education Services Pte. Ltd. (<http://www.itees.com.sg/>).

<sup>108</sup> See ITE's newsletter, Infinite, Issue 87, December 2006/February 2007 ([http://www.ite.edu.sg/about\\_ite/infinite/infinite\\_87/87\\_6.html](http://www.ite.edu.sg/about_ite/infinite/infinite_87/87_6.html)).



## 5. Building Societal Links

The increasingly closer links between Singapore and India have, in large part, thus far, been driven by political leaders in both countries on the basis of tangible benefits that both sides see from strengthening this relationship. However, both sides also realise that multi-layered links need to be forged between their respective domestic societies to further deepen and entrench the Singapore-India relationship. The central aim of such a project is to increase the number of different domestic constituencies in India and Singapore that will increasingly come to perceive themselves as having an important stake in closer ties between the two countries. In this respect, three specific issues need to be discussed. They are, closer people-to-people interaction, highlighting the cultural and historical links between the two countries, and cultivating strategic constituencies within India in relation to future Singapore-India ties. Each of these will be discussed in turn below.

An important step in the building of people-to-people ties was the launch in June 2005 by Prime Minister Lee Hsien Loong of the India-Singapore Parliamentary Forum, to enable parliamentarians from both countries to engage each other more meaningfully.<sup>109</sup> Another initiative has been the Singapore-India Partnership Foundation, launched in January 2006, which gives out awards and fellowships to outstanding individuals from both countries, in the fields of government, business and academia, to make short study visits within the larger goal of improving mutual understanding.<sup>110</sup>

The India-Singapore Strategic Dialogue (ISSD) is another important bilateral initiative. The ISSD, a 'Track Two' diplomacy initiative, was announced jointly by Minister Yeo and then-India's Minister of External Affairs, Pranab Mukherjee, in June 2007. Singapore hosted the inaugural ISSD in May 2008 while India organised the Second ISSD in New Delhi in February 2009. The dialogue aims to provide both sides with a dialogue platform, which can serve to bridge the understanding of each other's viewpoints and positions on global and regional issues in the realm of politics, security and economics – areas in which India and Singapore may have both convergent and divergent interests.<sup>111</sup>

Another equally important site of interaction is tourist flows between the two countries, which, besides the obvious monetary benefits it brings to both countries, also functions as an important socialisation tool, exposing different strata of people in both countries to each other. This helps build knowledge and information about both countries in their respective societies, a precursor to positive societal images in India about Singapore and vice-versa. The number of Indian tourists to Singapore in the period 1995-2001 has grown by 10.3 percent, moving Singapore from the 12<sup>th</sup> most-favoured global destination for Indian tourists in 1995 to 9<sup>th</sup> in 2001.<sup>112</sup> In fact, in early August 2009, Singapore and India signed the Joint Action Plan on tourism co-operation, with the aim of facilitating the awareness of tourist attractions in both countries as well as joint marketing collaboration in third countries such as the ASEAN countries and China.<sup>113</sup> The above are just some of the ways in which the political leaders of

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<sup>109</sup> See Ravi Velloor, "India Can Contribute in Many Ways to Asia, says PM Lee", *Straits Times*, 30 June 2005.

<sup>110</sup> See Joyce Teo, "Foundation to boost Singapore-India Ties", *Straits Times*, 15 January 2006.

<sup>111</sup> For an 'insider's' view of the important role the ISSD can play, see Kishore Mahbubhani, "South By South Text", *Hindustan Times*, 21 October 2008. For an account of how Track Two diplomacy can potentially succeed in a comparative context, see Sarah Graham and John Kelley, "US Engagement in East Asia: The Case for 'Track Two' Diplomacy", *Orbis*, 53 (1), pp.80-98.

<sup>112</sup> Figures are from Faizal Yahya, "Tourism Flows Between India and Singapore", *International Journal of Tourism Research*, 5 (5), 2003, p. 355.

<sup>113</sup> "India, Singapore, sign Joint Action Plan on tourism cooperation", *Hindustan Times*, 4 August 2009.

both countries are attempting to build deeper society-to-society bonds via facilitating more avenues for people-to-people interaction between the two countries.

The cultural linkages between India and Southeast Asia have been well-documented and acknowledged.<sup>114</sup> In the case of India-Singapore relations, highlighting and deploying such cultural linkages has become an important part of building closer societal bonds between the two countries. One example of such efforts was the holding of a mini-version of the *Pravasi Bharatiya Divas* (Overseas India Day) in Singapore in 2008, the second time this event has been held outside India.<sup>115</sup> To demonstrate the significance Singapore's leaders attached to this event, and to Singapore's cultural ties with India, Singapore's top four leaders participated in this event.<sup>116</sup> Another potential site of cultural connection is the upcoming Indian Heritage Centre in Singapore, scheduled to be opened in 2012, which will showcase various elements of Indian history and culture and their links to Singapore.<sup>117</sup> The aim of such initiatives and projects is to engage the Indian diaspora in Singapore, both 'old' and 'new', and deploy this section of the populace as a cultural link between the two countries.<sup>118</sup> Being able to get the Indian diaspora in Singapore to appreciate their cultural links with India will help build another important stakeholder community in the Singapore-India relationship - one that will further strengthen the relationship between the two countries.

Having discussed the issue of building stakeholders in Singapore's society vis-à-vis the India-Singapore relationship, the issue of building important stakeholders in India's domestic realm in relation to this bilateral relationship also needs to be addressed. The notion of cultivating specific types of stakeholder groups or specific foreign policy lobbies abroad is usually employed in the context of discussions on American foreign policy.<sup>119</sup> However, an important part of strengthening ties between India and Singapore must involve building constituencies within Indian society that, over time, come to see themselves as having an important stake in the strong relations between the two countries. One possible avenue through which this process can be pushed forward is via the Singapore International Foundation (SIF) and its network of links with the Singapore clubs located in India.<sup>120</sup> At the moment, one central role of the SIF is

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<sup>114</sup> For an in-depth treatment of the historical material on this relationship, see I.W. Mabbett, "The 'Indianization' of Southeast Asia: Reflections on the Historical Sources", *Journal of Southeast Asian Studies*, 8 (2), 1977. Pp. 143-61.

<sup>115</sup> The first overseas mini *Pravasi Bharatiya Divas* was held in New York in 2007. The Parvasi Bharatiya Divas was inaugurated in 2003 in New Delhi, with the aim of reaching out to the global Indian diaspora and "as the largest gathering of the global Indian family". It has since been held yearly in different Indian states, the main organiser being the Indian Ministry of Overseas Indian Affairs. For more details of the inaugural session in 2003 see, Bakirathi Mani and Latha Varadarajan, "The Largest Gathering of the Global Indian Family", *Diaspora: A Journal of Transnational Studies*, 14(1), 2005. Pp.45-74.

<sup>116</sup> See "Top Singapore Leaders To Attend Parvasi Bharatiya Divas", *Times of India*, 6 September 2008.

<sup>117</sup> The Singapore government will contribute S\$29 million towards the construction and running of the Indian Heritage Centre, with the community raising S\$1 million. See Deepika Shetty, "S\$30 million for Heritage Centres", *Straits Times*, 11 March 2009.

<sup>118</sup> A discussion of the 'old' and 'new' Indian diaspora is provided in the section, "Singapore", in Brij Lal, Peter Reeves and Rajesh Rai (eds), *The Encyclopaedia of the Indian Diaspora* (Singapore: Didier Millet, 2006), pp. 186-88.

<sup>119</sup> For an examination of the role of specific lobbies on US foreign policy, see James M. Lindsay, "Getting Uncle Sam's Ear: Will Ethnic Lobbies Cramp America's Foreign Policy Style?", *The Brookings Review*, 20(1), 2002. Pp. 37-40. For a discussion of the growing strength of the 'India lobby' in US foreign policy-making, see Mira Kamdar, "Forget the Israel Lobby: The Hills's Next Big Player is Made in India", *Washington Post*, 30 September 2007.

<sup>120</sup> For details on the SIF, see Singapore International Foundation (<http://www.sif.org.sg/en>). For a discussion of some of the roles that the SIF has been undertaking, see Terence Lee, "New Regulatory Politics and Communication Technologies in Singapore", *Asia Pacific Media Educator*, 12(2), 2002. Pp. 20-1.

“to reach out to new audiences and friends of Singapore through a public and cultural diplomacy programme”.<sup>121</sup> Both through facilitating Singaporeans who wish to spend some time engaging in volunteer work in India as well as bringing facets of Singaporean culture to Indian audiences, artistic performances being an example, the SIF has a potentially important role in cultivating awareness about Singapore at different levels within Indian society. In conjunction with the Singapore Club in India, which has chapters in Chennai and New Delhi at the moment, there is room for reaching out more vigorously to different sections of the Indian political community, which potentially include members of both Indian national and regional political parties.

To provide a specific example of the room available for greater outreach, Singapore could organise a ‘Singapore Day’ in India. It has been held annually from 2007 to 2009 in cities such as London, Melbourne and New York.<sup>122</sup> Perhaps the absence of a critical mass of Singaporeans in India does not justify having such an event in the country. However, having a ‘Singapore Day’ can help Singaporeans in India reach out more effectively to Indians who show an interest in all things Singaporean. Such community outreach initiatives in India can potentially reinforce a vital part Singapore’s cultural diplomacy.

Such types of engagement will help build a broad, cross-party and cross-country connection to Singapore within India. This broad engagement will inevitably add another layer to the Singapore-India story, helping to deepen the bilateral relationship between the two countries.

## **Recommendations**

It is beyond debate that ties between Singapore and India have deepened since the early 1990s. Across a range of areas, both traditional and ‘non-traditional’, both countries have sought to build a stronger, multi-layered bilateral relationship. Going forward, relations between the two countries can be expected to progress along this same trajectory, in particular, in the four areas identified in this paper. However, there are also certain potential pitfalls in these four areas that need to be understood and, hopefully, redressed.

First, while Singapore and India have actively fostered the growth of an ‘Indian lobby’ in Singapore, the same cannot be said for a ‘Singapore lobby’ in India. The need and urgency for a lobby and the possible initial steps that could be taken in this respect have already been spelt out in the last section of this paper. Suffice to say, building and cultivating such a ‘Singapore lobby’ in India will prove critical to the long-term depth of this bilateral relationship.

Second, both sides must be aware of each other’s domestic limitations. A key example of this is the need for Singaporean businesses to overcome their apprehensions vis-à-vis the Indian bureaucratic process and appreciate that doing business in India requires a more aggressive engagement with a wide range of Indian stakeholders. In short, adopting the ‘China model’ of doing business to India will not do. This point needs to be properly grasped.

Thirdly, it should be noted that for both India and Singapore, any suggestion of a ‘pseudo-exclusive’ relationship is not desirable and, therefore, should not be expected. Instead, while

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<sup>121</sup> Quoted from Singapore International Foundation, section on “Who We Are”. For details on the role of the SIF within the larger scope of Singapore’s international cultural diplomacy, see Margaret Myszymirski, International Cultural Relations: A Multi-Country Comparison (Washington D.C. : Centre for Arts and Culture, 2003). See section entitled “Singapore”. Pp.1-4.

<sup>122</sup> See “About Singapore Day”, Overseas Singaporean Portal (<http://www.overseassingaporean.sg/>).

maintaining deep relations with each other, Singapore and India should come to expect and appreciate that both countries want to work towards having well-balanced relations with all the major states in the Asia-Pacific region. Both sides recognise the fact that such a pattern of relations would help to foster the general stability and security of the region, which both India, as an emerging economy, and Singapore, as a maritime trading state, desire.

## **Conclusion**

For most of their post-independence history, the bilateral relationship between India and Singapore was dictated by the bipolar politics of the Cold War. India's apparent alignment with the Soviet Union and Southeast Asia's united stand with the United States and China over the Kampuchea issue in particular, drove a wedge between the otherwise historically- and culturally-linked regions. As a small state, Singapore was especially sensitive to what it saw as the endorsement of a larger state's aggression towards a smaller state. It was not in Singapore's best interest to concur with such a dangerous precedent and it bitterly opposed India's recognition of the Heng Samrin regime.

This situation of mutual suspicion changed in the early 1990s. The end of the Cold War, the dissolution of the Soviet Union and the currency crisis in India not only enabled India and Singapore to engage with each other, but also changed the way they viewed each other. For India, under the purview of the 'Look East' policy, Singapore became an ideal gateway into Southeast Asia as it liberalised its economy and sought to integrate itself into the global economy. Conversely, Singapore recognised India's enormous economic potential and eagerly engaged with India. The initial economic basis for this bilateral relationship evolved steadily into one where both countries became increasingly keen to deepen politico-military relations as well, especially as their security interests in the region converged. It also became clear that India was becoming a regional, if not global, power in its own right. This politico-military engagement can be seen in the rapidly growing high-level exchanges and military exercises between the two countries, particularly since 2003.

Besides moving significantly forward in traditional fields such as economics and defence-strategic ties, Singapore and India have also shifted towards creating deeper ties in some 'non-traditional' spheres, two of which this paper highlights. In the realm of knowledge transfer, India and Singapore have noted synergies in their public administration systems, and are working to share best practices with each other. In this respect, Singapore is also uniquely positioned to help augment India's vocational technical education infrastructure, especially given the MRA agreements under the CECA. In the domain of societal linkages between the two countries, much progress has also been made. The two countries have, amongst other things, enabled conditions for fostering closer people-to-people linkages via tourism and cultural exchange.

Clearly, the bilateral relationship between Singapore and India is on an upward course, with both states eager to expand and deepen their interaction. Also, given the increasing convergence between their economic and strategic interests, these relations are likely to continue growing. This convergence, together with the deepening of links in the areas of education/knowledge transfer and societal interaction, augur well for the future of the India-Singapore bilateral relationship.

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