Small-State Diplomacy: ASEAN and Strategic Balance: Comparison with Geneva and Hong Kong

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Neutrality and consistency

Switzerland and Singapore are both small states that have turned their foreign policy into an asset for their financial centres. Their methods differ. Switzerland has a status of permanent neutrality recognised since 1815, which made Geneva the natural seat of international organisations and a place where adversaries could meet. Singapore has no such status. It has built a reputation for consistency instead, through its defence arrangements, its commitment to international law and its readiness to take positions.

The difference narrowed in 2022, when on 28 February the Swiss Federal Council decided to adopt the sanctions of the European Union against Russia in full, a step that Swiss commentators considered a departure from traditional practice.[1] Singapore announced its intention to impose sanctions on the same day and published its measures on 5 March 2022. Both states justified their decision by the

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gravity of the violation of international law. Both have since faced the question of how far a small state with a large financial centre can go in applying measures that its neighbours or trading partners do not share.

The two centres remain different in how they apply sanctions. Switzerland largely adopts the measures of the European Union, its principal partner, so that its regime follows that of a neighbouring bloc. Singapore designs its own measures and applies them narrowly, which preserves its freedom of manoeuvre in Asia. For clients, Singapore's narrower regime can be an advantage. It also requires them to understand that the foreign regimes applying to their banks may be wider than Singapore's own.

Hosting international life

Geneva has a long lead as a host of international organisations, which the Geneva volume describes in detail. Singapore hosts fewer organisations, though its convening power has grown with the Shangri-La Dialogue, the summits of 2015 and 2018 and the regional offices described in Chapter F.V. Geneva's international life is multilateral and rests on the United Nations system. Singapore's is regional and pragmatic, centred on Asia and on the meetings that great powers want to hold on neutral ground.

Hong Kong and the absence of a foreign policy

The comparison with Hong Kong is instructive in a different way. Under Article 13 of the Basic Law, the Central People's Government is responsible for the foreign affairs of the Hong Kong Special Administrative Region.[2] Article 151 allows Hong Kong to maintain relations and conclude agreements in economic, trade, financial, monetary and other fields under the name "Hong Kong, China".[3] Hong Kong can therefore conduct economic diplomacy. It cannot position itself between Beijing and Washington, since its political allegiance is fixed.

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This structural difference explains part of the competition between the two centres that Chapter K.III examines. Clients who want a jurisdiction able to take its own decisions in a conflict between the great powers find in Singapore a sovereign state with its own foreign policy. Clients who want proximity to mainland China find in Hong Kong a centre that is part of China. Dubai, the third competitor, belongs to a federation whose foreign policy is conducted in Abu Dhabi, so its position resembles that of Hong Kong more than that of Singapore.

In figures

Independence: 9 August 1965. Admission to the United Nations: 21 September 1965 (117th member). Bangkok Declaration: 8 August 1967, five founding members. Eleven members since Timor-Leste joined on 26 October 2025, ASEAN population about 683 million. Forum of Small States: founded 1992, 108 members. Global Governance Group: founded 2009, 30 members. Pedra Branca judgment of the International Court of Justice: 23 May 2008, twelve votes to four. US–Singapore FTA: signed 6 May 2003, in force 1 January 2004. CPTPP: in force 30 December 2018. RCEP: in force 1 January 2022, about 30 per cent of world population and output. EU–Singapore FTA: in force 21 November 2019. EU investment stock in Singapore €249.8 billion and Singapore investment stock in the EU €273.9 billion (2024). Implemented free trade agreements: 29 (August 2026). Tax agreements with around 100 jurisdictions. Trade equivalent to about 320 per cent of GDP (2020). Sanctions against Russia: 5 March 2022, four Russian banks named. Cost to Singapore of the 2018 summit: S$16.3 million.

Notes

1. Ressos, *Genève, place financière internationale*, Part H, chapter III: decision of the Federal Council of 28 February 2022 to adopt the European Union's sanctions against Russia in full, including the freezing of assets, on the basis of the Embargo Act of 22 March 2002 (SR 946.231). ↩
2. Basic Law of the Hong Kong Special Administrative Region, Article 13 (basiclaw.gov.hk, accessed November 2026): “The Central People's

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Government shall be responsible for the foreign affairs" relating to the Region; the Ministry of Foreign Affairs establishes an office in Hong Kong; the Central Government authorises the Region to conduct relevant external affairs on its own in accordance with the Basic Law. ↩

3. Basic Law of the Hong Kong Special Administrative Region, Article 151 (basiclaw.gov.hk, accessed November 2026): the Region may on its own, using the name "Hong Kong, China", maintain and develop relations and conclude and implement agreements with foreign states and regions and relevant international organisations in the appropriate fields, including the economic, trade, financial and monetary fields. ↩

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