

SOURCES OF THE DYNAMICS OF DEVELOPMENT OF SOUTHEAST ASIAN COUNTRIES

Mirosław SMOLAREK*

* *Baltic Defence College, Tartu, Estonia*
e-mail: miroslaw.smolarek@baltdefcol.org

Received on March 27th 2015; accepted after revision in February 2015

Copyright © 2015 by Zeszyty Naukowe WSOWL



Abstract:

Today, the region of Southeast Asia is one of the fastest growing regions in the world. It is here that the most dynamic economies sometimes called "Asian tigers" are brought together, as well as some of the poorest countries of the world are located. This is a politically, religiously and economically diversified area, although dynamic political changes taking place now in the poor countries of the region raise expectations on the even more rapid development of economic potential in the near future. As early as in the 1960s the countries of Southeast Asia, based on the experience in integration in other regions of the world, began to create a joint platform for cooperation, in the first phase of political and military nature, which, however, quickly evolved into an economic and political forum making it possible to create regional policy and compete with the biggest and most developed world economies.

Keywords:

International organisations, Southeast Asia, ASEAN, the Association of Southeast Asian Nations

INTRODUCTION

The Southeast Asian region has always played an important role, both economic and political. Its economic potential was used for centuries by colonial states, which were occupying these areas. What is more, important sea trade routes from Europe and Africa have led that way to reach East Asian countries - China, Japan and South Korea. Possibilities for cooperation with these countries are gaining greater meaning especially in a globalising world and already represent a significant opportunity for economic

development of the region. It took a long time for the Southeast Asian countries to recover from the economic stagnation after the collapse of the colonial system, as they were ravaged by wars (e.g. the liberation war in Indochina, the Korean conflict, the Vietnamese –American war). Moreover, the public in some countries accounted for the area of political and systemic experimentations, the bloodiest example of which was the genocide by the Red Khmers' communist regime in Cambodia. The rivalry between superpowers resulted in different political, economic and social systems in the countries of the region. However, they are starting to play more and more significant role in the global economy and have the growing potential with respect to creating security policy in this area.

1. THE CHARACTERISTICS OF THE REGION

An attempt to define the region called today *Southeast Asia* raises certain problems resulting from its history, which from the times of the Great Geographic Discoveries was under the rule of maritime European powers competed against each other for power in the area. The return to their own statehood after the collapse of colonialism in the first half of the 20th century also meant the emergence of historically conditioned territorial disputes (e.g. about the Spratly Islands, the Paracel Islands)¹. The situation is further complicated by the large number of islands and archipelagos, which also gives rise to disputes over waterways (e.g. Straits of Malacca and Singapore), maritime borders, coastline and the course of the continental shelf. The nomenclature and diversity of languages and transcriptions pose other problems. According to the UN, the following countries form this region²:

Table 1. Countries of Southeast Asia

English name	Official Polish name
Brunei Darussalam	Państwo Brunei Darussalam
Cambodia	Królestwo Kambodży
Indonesia	Republika Indonezji
Lao People's Democratic Republic (Laos)	Laotańska Republika Ludowo-Demokratyczna
Malaysia	Malezja
Myanmar	Republika Związku Mjanmy

¹ More on the subject of territorial disputes in: Z. Śliwa, Bezpieczeństwo regionu Azji Południowo-wschodniej a roszczenia terytorialne wobec Wysp Morza Południowochińskiego, [In:] "Scientific Journals of the Naval Academy", no. 2 (181) Gdynia 2010, pp. 105-120.

² World and regional groupings [online]. [available: 04.02.2015]. Available on the Internet: <https://unstats.un.org/unsd/methods/m49/m49regin.htm>.

English name	Official Polish name
the Philippines	Republika <i>Filipin</i>
Singapore	Republika Singapuru
Thailand	Królestwo Tajlandii
East Timor	Demokratyczna Republika Timoru Wschodniego
Vietnam	Socjalistyczna Republika Wietnamu
Brunei Darussalam	Państwo Brunei Darussalam

Source: Own study based on the UN data

These countries currently form the largest regional organisation in the area - the Association of Southeast Asian Nations (ASEAN)³.

The ASEAN countries cover the area of approximately 4.46 million km² (i.e. comparable with the surface area of the European Union); they are geographically varied, as part of the countries is located in mainland Asia, i.e. the Indochinese Peninsula (Cambodia, Laos, Myanmar, Thailand, Vietnam), while the other part is typically insular (Brunei, the Philippines, Indonesia, Malaysia, Singapore) and in general they are located in the South China Sea basin. The territory is home to over 600 million people, representing a significant workforce potential. The countries are diverse as far as population is concerned. Indonesia is the fourth country in the world in terms of the number of inhabitants (in 2010 its population was of about 240 million people), while Brunei has less than 400 thousand people⁴. The population density of the area is not symmetrical, due to the geographical shape of the region, the hydrological system and vegetal cover. The population is concentrated in certain areas, this means the basin and delta of the Irrawaddy, the Chao Phraya, Mekong and Red Rivers in the land part, whereas in island areas there are fertile coastal regions as well as volcanic ones, which are suitable enough for cultivation.

Furthermore, one can also observe significant differences at the political level, which is a remnant of the Cold War, while the states were under various forms of governance and even led wars with each other (e.g. the Cambodian - Vietnamese conflict of 1978-1979). The Philippines, Malaysia and Singapore are republics, Brunei, Cambodia, Malaysia and Thailand are constitutional monarchies, while the communist regime prevails in Laos, Myanmar and Vietnam.

³ East Timor officially requested accession to the organisation in 2011.

⁴ G. W. Jones, *The Population of Southeast Asia*, Asia Research Institute [in:] "Working Paper Series" no. 196, Singapore 2013, pp.4.

Various historical fates also caused a large religious diversity. In the countries of the region the dominant religion is Buddhism (e.g. Cambodia 97%, Laos 67%, Myanmar 89%, Thailand 94% - i.e. countries on the mainland). In the countries with the island status there is Islam (Indonesia 87% -the largest Muslim country in the world) and Christianity (Philippines 94%)⁵. And other religions such as Hinduism, Animism and even Polytheism are present there as well. Not negligible for religion were influences of the Marxist-Leninist ideology, which resulted in a significant number of atheists in the former and current communist states. Religious factors are causes of conflicts, and even changes of state borders, to mention only a detachment of Christian East Timor from the Islamic Indonesia. Therefore, political, ethnic and religious factors also, in a sense, will hamper the further integration of the region.

As far as economy is concerned, the region is characterised by great diversity. Countries recognised as the poorest ones in the world are located there, i.e.: Myanmar (164th place in the world in terms of GDP per capita) and Cambodia (144th place), as well as Singapore (5th place) and Brunei (7th place)⁶. One may argue that the last two countries and their economies are relatively small, however it should be remembered that, for example, Indonesia despite a low GDP per capita (as a result of a large number of the population) is 16th economy in the world with GDP of \$878 billion; another example can be Thailand ranked on 32nd place with GDP of \$365.56 billion⁷. These figures show the huge economic potential dwelling in these countries. While they can be called pockets of deprivation and constitute a cheap source of labour force for multinational corporations the example of the economic rise of China should be remembered. Its economy was opened up to the international market economy only at the end of 1970s and also initially began as a reservoir of cheap human resources, and within 30 years it significantly bridged the economic and technological divide to become the second economy in the world, being the depositor of substantial financial reserves of the USA⁸.

2. THE ECONOMIC POTENTIAL OF THE REGION

The analysis of the economic potential and development opportunities of the countries in Southeast Asia indicates that they are partially dependent on other economic powers of East Asia, namely China, Japan and South Korea, and even their future is determined by effective cooperation with these countries. Therefore, the chance for Southeast Asia lies in the possibilities to consolidate and create a common market based on the model of the European Union within the framework of ASEAN, which is

⁵ The CIA World Factbook [online]. [available: 04.02.2015]. Available on the Internet: <https://www.cia.gov/library/publications/the-world-factbook/geos/id.html>.

⁶ [online]. [available: 04.02.2015]. Available on the Internet: <http://www.tradingeconomics.com/country-list/gdp-per-capita-ppp>.

⁷ Ibidem.

⁸ Trade between the USA and the PRC increased from \$2 billion in 1979 to \$562 billion in 2013. Currently, China has \$1.3 trillion of US treasury securities. W. M. Morrison China-U.S. Trade Issues, Congressional Research Service, Washington 2014 [online]. [available: 06.02.2015]. Available on the Internet: <https://www.fas.org/sgp/crs/row/RL33536.pdf>.

the direction these countries have taken. The selection of "the propulsion machinery" and region leaders does not represent a serious obstacle.

These are, obviously, well-established market economies of the area, which stems from historical and geopolitical conditions. Owing to its economic and population potentials as well as possessed natural resources, Indonesia created over the years the foundations of its economic power. Countries such as Thailand, the Philippines and Malaysia that lie in the Western sphere of influence (particularly US and European) also had developed market – based economies and they found it easy to adapt to new economic conditions, which meant the transfer of productive capital to countries with skilled but cheaper labour force. What is more, during the Cold War, they were exposed to turbulence caused by Communist movements inspired by the Soviet Union and China.

Meanwhile, the countries governed by communist military juntas (e.g. Myanmar - the EU lifted economic sanctions imposed on the country not until 2012) or the above mentioned the Red Khmers' rule in Cambodia had no possibility to develop such mechanisms, and even their managerial, intellectual and economic elites got murdered as enemies of nations. In addition, as mentioned before, wars constituting the "hot" fronts of the Cold War devastated populations and economies of the countries. These facts caused that Myanmar, Cambodia, Laos and Vietnam with the greatest effort and work have just been rebuilding the foundations of democratic statehood and implement the economy based on economic calculations rather than ideology. However, they are not only a significant reservoir of cheap labour force or natural resources, but also potentially powerful markets for all types of goods and services. Therefore, the potential of Southeast Asia lies in mutual cooperation. Economically stronger states must stimulate the economic development of poorer countries as the increase of their incomes would dynamise economies of the richer countries.

Table 2. The economic potential of Southeast Asian countries

Country	Population (in millions)	Nominal GDP (bn. US \$)	GDP per capita (US \$)	Real GDP growth (%)
Indonesia	244	878	3592	6,2
Thailand	64,4	336	5678	6,4
Malaysia	29,5	304	10304	5,6
Singapore	5,4	277	51162	1,3
the Philippines	95,8	250	2614	6,6
Vietnam	90,4	138	1528	5,0
Myanmar	63,7	53	835	6,3

Country	Population (in millions)	Nominal GDP (bn. US \$)	GDP per capita (US \$)	Real GDP growth (%)
Brunei	0,4	17	41703	1,3
Cambodia	15,3	14	934	6,5
Laos	6,4	9	1446	8,3

Source: Own study based on Deutsche Bank Research data⁹

Experts unanimously conclude that the great economic opportunities of Southeast Asian countries are being encouraged. The above table presents the economic potential of individual countries in the region. It is logical that countries very highly developed (Singapore and Brunei) have a very low GDP growth, which is a tendency among all the highly developed economies after the economic crisis in 2008. They constitute only about 1% of the population, but generate as much as 13% of GDP in the region. However, because of their level of development and the limited territorial, it is not they that will drive economically Southeast Asia in the future. The economic development potential lies in the traditional economic "Asian tigers", i.e. Indonesia, Malaysia, Thailand and the Philippines. Also, it is expected that Vietnam due to its potential population (3rd country in the region) and market absorbability will rapidly develop its economy with the support of other countries. In the long run, the rest of the states are expected to join in after a major modernisation of their economies.

Geopolitical and economic conditions, that means the proximity of the three economic powers, on the one hand provide development opportunities for these countries, but on the other hand they raise concerns that Southeast Asian countries can be dominated by them in economical and political terms and become somewhat again economic "colonies", sources of raw materials and cheap workforce, that will undoubtedly delay their economic progress and the transfer of modern technology. Therefore, bringing the potential in one organisation operating in the likeness of the EU could provide further rapid growth. Countries in the region are trying to do that through the said ASEAN and further integration by creating a common trade area (AFTA - ASEAN Free Trade Area) and, in the longer term, the so-called ASEAN Community.

3. ASEAN – THE BASIS OF ECONOMIC DEVELOPMENT OF SOUTHEAST ASIA

ASEAN - the Association of Southeast Asian Nations - was set up on 8th August 1967 in Bangkok by the Philippines, Indonesia, Malaysia, Singapore and Thailand. Jakarta was established the seat of this organisation. However, economic principles did not form the basis for this dynamic economic organisation, as the foundation of ASEAN was conditioned politically, with the concern about the Member States' security. The Asso-

⁹ ASEAN Economic Community (AEC) A potential game changer for ASEAN countries, [online]. [available: 04.02.2015]. Available on the Internet: http://www.dbresearch.com/PROD/DBR_INTERNET_EN-PROD/PROD000000000315342/ASEAN+Economic+Community+%28AEC%29%3A+A+potential+game+changer+for+ASEAN+countries.PDF .

ciation was established in the atmosphere of the global Cold War conflict between the post-Soviet communist bloc and the capitalist West about influences in Southeast Asia, the ongoing political competition between the Soviet Union and China for the ideological influence in the region, as well as the civil war in Vietnam and the associated US intervention. Countries, the ASEAN founders, feared the rise of communist movements in their territories and "export" of Marxist ideas, which could lead to internal instability and the repetition of the Vietnam scenario, that is the civil war. It was agreed that the basis of the organisation is to be mutual cooperation, equality and respect. States undertook to respect each other's independence and sovereignty, territorial integrity and national identity. It was also decided that each member has the right to exist freely and the commitment was adopted not to interfere (e.g. by means of violent solutions) in internal affairs. In addition, they deprecated the use of force or threats in their mutual relations and committed to resolve disputes peacefully¹⁰.

Brunei joined ASEAN in 1984, it was just in that year this country liberated itself from British rule and achieved independence. Currently, these countries make up the so-called ASEAN-6¹¹ inside the Association. However, it should be noted that despite close contacts of the organisation with Western countries and the ideological division of the region, this Association was not of anti-communist nature and hostile attitude towards neighbours on the other side of the "Iron Curtain"¹². This approach meant that no deep multifaceted divisions, conflicts or grudges and animosities between countries in the region occurred and as early as in 1975 Cambodia, Laos and Vietnam participated in the ASEAN summits as observers¹³. An important part of creating the organisation's identity was also a set of political principles, the so-called "ASEAN Way", which the states had to respect¹⁴. Geopolitical changes in the international arena and the collapse of the bipolar world in the late 1980s of the twentieth century also triggered changes in the objectives and role of this regional organisation. From the early years of operation, it turned out that of the three main "pillars" of ASEAN, that is political goals, security and the economy, the latter began to develop first. Relatively quickly, because in 1969 there was created the so-called "ASEAN Fund" of \$6 million used to finance joint projects, programs and initiatives¹⁵. In 1992 at the summit in Singapore, the

¹⁰ Treaty of Amity and Cooperation in Southeast Asia Indonesia, 24 February 1976, [online]. [available: 06.02.2015]. Available on the Internet: <http://www.asean.org/news/item/treaty-of-amity-and-cooperation-in-southeast-asia-indonesia-24-february-1976-3>.

¹¹ The ASEAN Free Trade Area (AFTA), [online]. [available: 06.02.2015]. Available on the Internet: <http://www.asean.org/communities/asean-economic-community/category/overview-10>.

¹² D.F. Anwar, *ASEAN's Enlargement, Political, Security and Institutional Perspectives* [in:] C. L. Gates M. Than, *ASEAN Enlargement: Impacts & Implications*, Institute of Southeast Asia Studies, Singapore 2001, pp.27.

¹³ C. L. Gates M. Than, *ASEAN Enlargement, an Introductory Studies* [in:] C. L. Gates M. Than, *ASEAN Enlargement: Impacts & Implications*, Institute of Southeast Asia Studies, Singapore 2001, pp.1.

¹⁴ D. Brązkiewicz, Z. Śliwa, *Współczesne uwarunkowania bezpieczeństwa Azji*, AON, Warszawa 2011 pp.144.

¹⁵ K.L. Koh (ed. by) *Asean Environmental Law, Policy and Governance: Selected Documents*, World Scientific Publishing Co. Singapore 2009, pp.451.

ASEAN-6 decided to establish a free trade area (AFTA - ASEAN Free Trade Area), the main task of which is to raise the competitiveness of goods produced on the world market through the elimination of customs tariffs (the rate is currently from 0% to 5%) and other barriers within the Association. The aim was to enhance the region's attractiveness for foreign investment and raise the level of Member States' productivity and prosperity. With this move, ASEAN has become a major player in the global economy. Currently the ASEAN-6 countries and Vietnam meet the requirements for full participation in AFTA, while Laos and Myanmar provided themselves with an adjustment period up to 2015, and Cambodia until 2017, to completely adapt their own economies to the requirements¹⁶.

Politically, the breakthrough period for the organisation came in 1995, when the so-called Bangkok Declaration was adopted, which stated that *"ASEAN should strive for the early establishment of ASEAN comprising all Southeast Asian countries prior to the beginning of 21st century."*¹⁷ (the author's own translation). The document enabled other countries in the region to apply for admission to the already functionally developed and having an increasing impact, both economic and political, regional organisation.

In 1995 Vietnam gained acceptance to the Association, while Laos and Myanmar in 1997, and Cambodia in 1999. Moreover, in 2002 in the region, a new state - East Timor was formed, which from the beginning of its existence began accession negotiations. It made the official request in 2011 and the acceptance of the country by the organisation is foreseen for 2015¹⁸. Currently, four Member States that joined in the Association later are called ASEAN-4 or are referred to as CLMV¹⁹. Although political, economic and even institutional differences between old and new members were considerable and meant serious implications in these fields for both sides, the extension of the ASEAN's influence over other countries in the region and close cooperation were of crucial importance for safety, stabilisation and breaking down political barriers between countries in Southeast Asia. In addition, such an extension undoubtedly affected the importance of the organisation in the international arena, increased its potential impact in the aspect of international relations and enabled cooperation from different negotiating position with East Asian economic powers. It should also be noted that the organisation has not yet completed the enlargement process and has potential in this field. An important element is the fact that de facto there are no clearly defined conditions to be met by a potential candidate (unlike, e.g. in the European Union). Therefore, according to experts, apart from the already mentioned East Timor, in the near-

¹⁶ Asean-free-trade-agreement-overview-trends-and-challenges, [online]. [available: 06.03.2013]. Available on the Internet: <http://www.canasean.com/home/asean-free-trade-agreement-overview-trends-and-challenges-1>.

¹⁷ C. L. Gates M. Than, ASEAN..., op.cit., pp.1.

¹⁸ Timor-Leste's Road to ASEAN, [online]. [available: 06.03.2013]. Available on the Internet: <http://asiafoundation.org/in-asia/2014/02/12/timor-lestes-road-to-asean/>.

¹⁹ The abbreviation is derived from the first letters of the English names of countries: Cambodia (Kambodża), Laos (Laos), Myanmar (Mjanma) and Vietnam (Wietnam).

est future Bangladesh, Papua New Guinea or Sri Lanka could become potential members of the organisation²⁰.

ASEAN, the organisation that until the end of the 1970s of the 20th century was perceived in international trade as a source of raw materials and a producer of agricultural products, now is becoming the global modern economy. The dominant positions on the ASEAN's export list are: electronics (20.2%), oil and mineral fuels (18.4%), nuclear reactors and equipment (4.2%), rubber and its products (4.2%), business services (4.1%), products of plant and animal origin (3.8%), plastic and its products (3.0%), organic chemistry (3.0%), cars and spare parts (2.5%), precious stones and jewellery (2.1)%, and other goods, which represent 27.8% of the revenue of the Association²¹. As shown in the aforementioned data, agriculture represents less than 4% of exports, although in the case of its modernisation and perhaps a change of the nature of production it could also become an important component of export. Moreover, in the region there is still a lot of fertile land undeveloped that with the use of proper irrigation techniques can be converted to farmland. Particularly noteworthy is the fact that electronics is exported in large amounts, which proves that these countries are not just a reservoir of cheap labour force for highly developed foreign companies, but have reached for modern technologies, which they are able to produce and improve.

Table 3. Main export destinations of the ASEAN Member States

Region	Percentage of export		
	2000	2011	2020 (anticipated)
Internal	22,8	25,3	30,0
Middle East	1,9	2,6	3,5
China	3,9	11,5	15,0
India	1,6	3,7	6,0
Japan	13,6	10,2	8,0
the EU	14,9	10,7	8,2
the USA	20,1	9,8	8,5

Source: Own study based on United Overseas Bank Limited data²²

As the above table shows at present the main destinations of ASEAN countries' export are internal markets of the organisation, the East Asian economies, the United States

²⁰ A. Maierbrugger Expanding ASEAN: Five candidates and their options, [online]. [available: 06.02.2015]. Available on the Internet: <http://investvine.com/expanding-asean-five-candidates-and-their-options/>.

²¹ AEC-A potential game changer for ASEAN countries, [online]. [available: 06.02.2015]. Available on the Internet: <http://www.dbresearch.com>.

²² The rise of Intra-Regional Trade in Asia, www.uob.com.sg/.

and the European Union. However, the Association will have to re-direct its export markets to East Asia, India and the Middle East, in the face of the anticipated reductions of highly developed economies. The future potential may lie in exports to emerging economies of countries in South America and Africa, as currently the trade is negligible.

4. DEVELOPMENT PERSPECTIVES

Southeast Asia holds a considerable economic potential and seems to have found the key to its use, that is the cooperation within one organisation - ASEAN. It can be stated that "unity is strength", because even the regional economies known as the "Asian tigers" are not able to individually compete with emerging Asian economies, e.g. China or India. ASEAN states recognised this potential and have already taken advantage of it in the framework of AFTA. However, the plans are more far-reaching and Member States decided to go one step further and announced the creation of "ASEAN Community" inspired by the European Union model. At the summit of the Association in Bali in 2003 Ministers of the Member States adopted the "Declaration on ASEAN Unity II" (i.e. Bali Concord II), where they committed themselves to establishing by 2020 the so-called ASEAN Community based on three pillars:

- the community in political and security terms (ASEAN Political-Security Community APSC), the objective of which is the increase in the level of security, stabilisation, and democratisation of the region as well as the growth of prosperity in the Member States through advanced political cooperation in the field of security;
- the economic community (ASEAN Economic Community - AEC), which aims to increase the competitiveness used to ensure the economic growth and development through closer economic integration achieved by creating foundations for the functioning of the common market, production activity, common economic development and integration into the global economy;
- the socio-cultural community (ASEAN Socio-Cultural Community (ASCC), which aims to strengthen ties between the citizens of the Association through the consistent development system and integrated ASEAN citizens' education, establishing and strengthening interpersonal relations, taking care of cultural resources and natural heritage.

The further milestone was the adoption of the ASEAN Charter in 2007 in Singapore (it entered into force in 2008), which constituted the first binding document in 40-year history of the organisation, as no formal terms had been set out before. It was assumed that the second pillar, i.e. the economic community (AEC) will have been created by 2015²³.

Currently, ASEAN strongly seeks to achieve the intended purpose, and its fundamental power lies just in this area of the community. The creation of the common market and unification of the production standards are supposed to increase the competitiveness and dynamism of the Association in the struggle for existing and new markets. This will

²³ ASEAN Economic Community Factbook, The ASEAN Secretariat, Jakarta 2011, pp.8.

allow the migration of highly skilled workers, engineers and specialists, formation of joint ventures and businesses, which will undoubtedly strengthen the cohesion of the region. The free movement of goods, services, investment, capital and labour force is planned. The establishment of the AEC will enable the development of existing economic mechanisms, will generate new initiatives, and most importantly will use common funds to finance them. Another important element in strengthening the ASEAN's position in the international arena will be the so – called fair economic development. This term covers initiatives designed to arrive at the economic integration of the poorer members, that is the ASEAN-4 group, and reach the ASEAN-6 group's level of development, all that to increase the competitiveness of the entire Association and draw mutual benefits.

ASEAN claims not to focus on "fighting" economic competition from other countries of East Asia or India, but rather the contrary the organisation is tuned for cooperation, as the Members understand that they operate in the interdependent global economic environment. Therefore, the Association does not intend to be closed only within the AEC but promote activities aimed at making the organisation's internal market attractive for foreign investment. In this area, ASEAN wishes to include foreign partners of the FTA and establish closer economic relations, as well as more actively participate in global supply chains. ASEAN consistently pursues these objectives and have already created free trade zones with China (ACFTA), India (AIFTA), South Korea (AKFTA), Australia and New Zealand (AANZFTA) and holds economic partnership with Japan (AJCEP).

Furthermore, the organisation is aware that the smooth functioning of such an organism also depends on essential a multifaceted connectivity system, which will attract the foreign capital to invest. Hence, in 2010 the Connectivity Master Plan was approved, which is both a document of strategic importance aimed to ensure the achievement of multidimensional "connections" between Member States, as well as a concrete plan of action, which was to be implemented in the years 2011-2015. The plan has a threefold dimension and involves the connection of ASEAN countries in the following aspects:

- physical connectivity - includes transport infrastructure (missing parts of road and rail networks, the coastal maritime transport system, electricity transmission, etc.);
- institutional connectivity - supporting the functioning of institutions and the correlation of mechanisms (the unification of norms, standards, regulations and the documentation, particularly commercial, building ICT infrastructure (e.g. the broadband Internet);
- social connectivity - strengthening contacts between citizens of Association (the visa waiver, the standardisation of education systems, the creation of virtual learning centres, supporting community programmes, etc.).

This strategy is financed by joint funding and coordinated by appropriate institutional mechanisms. The Master Plan is synchronised with strategies and sectoral and sub-regional plans. The Plan implementation will enable to develop, enhance and broaden the cooperation within the framework of the internal market, ensure the better func-

tioning, encourage foreign capital investment and strengthen the Association's economy on a global scale²⁴.

The above mentioned activities are to increase the competitiveness of the organisation globally, allow the Member States efficient development and steady economic growth, and even, as economists predict, surpass Japan's economic potential by 2030.

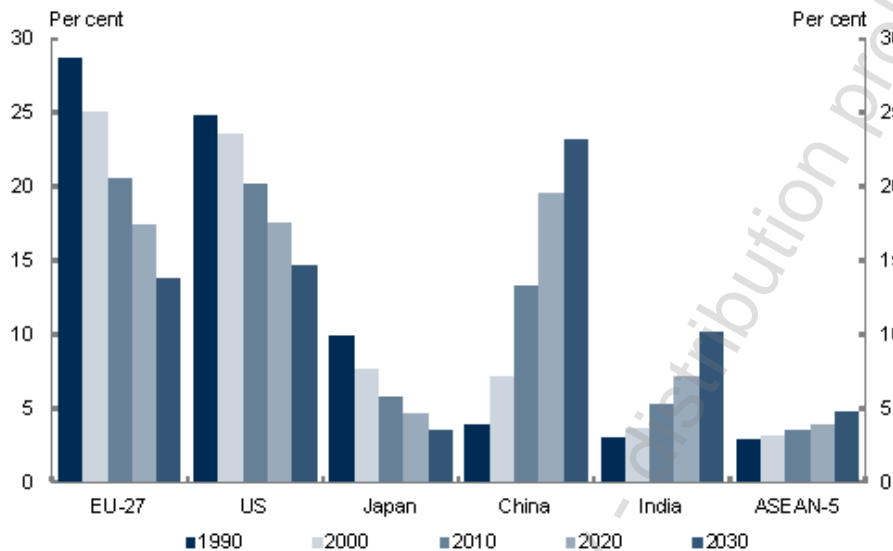


Fig.1. GDP of global economic powers compared to the ASEAN-5 (excluding Singapore).

Source: Deutsche Bank Research²⁵

The above chart shows that the concept adopted by the ASEAN ensures the Member States the steady growth and economic development. Economists predict that the establishment of Economic Community (AEC) will significantly accelerate further development of the region. Some financial institutions in this area, e.g. Asia Development Bank, doubt whether this goal can be achieved by 2015 because approximately 78% of the goals leading to the creation of this structure have been realised so far²⁶. However, they highlight the significant progress made in such a short period of time. Despite the possible delay, it should be noted, that the macroeconomic data indicate that the organisation has chosen the right strategy of its development, having taken into account the circumstances in which it was established and its functions.

CONCLUSION

The region of Southeast Asia experienced ups and downs in its history. It can be proud of the period of powerful empires (the ancient Funan or medieval Khmer's Angkor) as well as centuries of colonial dependence, which did not end for most countries until

²⁴ Master Plan on ASEAN Connectivity, The ASEAN Secretariat, Jakarta 2010, pp. 27.

²⁵ AEC-A potential game changer for ASEAN countries, [online]. [available: 06.02.2015]. Available on the Internet: <http://www.dbresearch.com>.

²⁶ T. P. Torres ASEAN econ integration not likely in 2015, [online]. [available: 10.02.2015]. Available on the Internet: <http://www.philstar.com/business/2014/03/23/1303947/asean-econ-integration-not-likely-2015-adb>.

after the Second World War, and for Brunei until 1984. This is an area that suffered from proxy wars between the great powers during the Cold War. Undoubtedly, all these factors influenced the economic development of countries in the region and in some of them caused the civilisational and economic backwardness. However, some states looking for a way to secure development decided to combine in as single organisation to protect its political and economic interests. In retrospect it is clear that the concept of the establishment of ASEAN in 1967 was the right initiative in all respects. Pretty soon, the economic aspect was brought to the forefront and the countries of the Association did not squander this opportunity. Worthy of note is the fact that ASEAN thinks regionally and does not forget about other poorer countries in the region, which are positioned at the end of the scorecard comparing economic potentials of countries in the world.

In the process, the organisation's openness started to become a main driver of the entire region economic development and entailed another decisions seeking to create the political, economic and social community. Currently, ASEAN has proved successful with its average economic growth of circa 6% and experts expect the level to continue in the medium term. It is assumed that the Association, on condition that it maintains this level of development, will double its GDP to \$4.7 trillion in 2020. Obviously, the basis for this growth is the stable political situation in the region, which can be disrupted by e.g. the territorial disputes both between the Member States (e.g. about the border between Thailand and Cambodia) and with countries with which the Association conducts an intensive exchange of views, for instance on China archipelagoes of islands in the South China Sea. However, it now seems that the idea the countries of Southeast Asia found for their own development is effective and provide them with a harmonised and rapid development.

REFERENCES

1. ASEAN Economic Community Factbook, The ASEAN Secretariat, Jakarta 2011.
2. Gates C. L. Than M., *ASEAN Enlargement: Impacts & Implications*, Institute of Southeast Asia Studies, Singapore 2001.
3. Jones G. W., *The Population of Southeast Asia*, [in:] "Asia Research Institute Working Paper Series", no. 196, Singapore 2013.
4. Katsumata H., *ASEAN's Cooperative Security Enterprise: Norms and Interests in the ASEAN regional Forum*, Palgrave Macmillan, Houndmills 2010.
5. Koh T., ,Rosario G., (ed.) *The Making of the ASEAN Charter*, World Scientific Publishing Singapore 2008.
6. Master Plan on ASEAN Connectivity, The ASEAN Secretariat, Jakarta 2010.
7. Morrison W. M., *China-U.S. Trade Issues*, Congressional Research Service, Washington 2014.
8. Severino R., ASEAN, Institute of Southeast Studies, Singapore 2008.

INTERNET SOURCES

1. <https://www.cia.gov/library/publications/the-world-factbook/geos/id.html>
2. <http://investvine.com/expanding-asean-five-candidates-and-their-options/>
3. <http://www.uob.com.sg/>
4. <http://asiafoundation.org/in-asia/2014/02/12/timor-lestes-road-to-asean/>
5. <http://www.philstar.com/business/2014/03/23/1303947/asean-econ-integration-not-likely-2015-adb>
6. <http://www.asean.org>
7. <http://www.dbresearch.com>
8. <http://www.canasean.com/home/asean-free-trade-agreement-overview-trends-and-challenges-1>
9. <https://unstats.un.org/unsd/methods/m49/m49regin.htm>
10. <http://www.tradingeconomics.com/country-list/gdp-per-capita-ppp>

BIOGRAPHICAL NOTE

Miroław SMOLAREK COL.PhD. - is a major specialist in the Baltic Defence College, Tartu, Estonia. He deals with issues concerning international security, state defence, military and peacekeeping operations. He is the author of approximately 40 publications in these areas, and the co-organiser of numerous international conferences. He participates in editorial committees of military magazines, foreign and national ones. He was awarded with the Medal of the National Education Commission for his didactic activity, as well as with awards of international organisations (the UN, the EU) and the Ministry of National Defence for his professional activity.

HOW TO CITE THIS PAPER

Smolarek M., (2015). Sources of the dynamics of development of Southeast Asian countries. *Zeszyty Naukowe Wyższa Szkoła Oficerska Wojsk Lądowych im. gen. Tadeusza Kościuszki Journal of Science of the gen. Tadeusz Kosciuszko Military Academy of Land Forces*, 47 (4), pp. 64-77. <http://dx.doi.org/10.5604/17318157.1200169>



This work is licensed under the Creative Commons Attribution International License (CC BY). <http://creativecommons.org/licenses/by/4.0/>