

GENERAL CHARACTERISTICS OF ASEAN

1.1. South-East Asian countries' path to regional cooperation

1.1.1. Beginnings of cooperation

The Southeast Asian region has become a region successively controlled by third countries since the beginning of the modern era. An important moment in the history of this area was undeniably the eighteenth century, from which the end, became the site of fierce rivalry of colonial powers. This is mainly about countries such as Spain, Portugal, the Netherlands and China.¹ The 20th century was repeatedly referred to as the age of America, and its successor – XXI – has been referred to for years as the “age of Asia.” However, many understood it more extensively: not so much Asia as the entire Pacific. Today, a lot of economists are concerned with areas that in the past time (until 1997, where the financial crisis occurred) were classified as the most dynamic in terms of economic development. We are talking mainly about countries located in the Southeast Asian region.² Since the beginning of history, it has been a highly divided area that did not have any regional uniformity. Separate kingdoms, located at a considerable distance from each other, grew inseparable. Moreover, in subsequent periods of time, especially in the 19th century, the hegemony of the various European powers in the region has influenced the emergence of further

¹ P.R. Kozłowski, *Polityka ASEAN wobec mocarstw*, [in:] *Życie polityczne Azji. Realia i dążenia*, ed. J. Marszałek-Kawa, Wydawnictwo Adam Marszałek, Toruń 2008, p. 218.

² E. Oziewicz, *Integracja krajów Dalekiego Wschodu*, [in:] *Procesy integracyjne we współczesnej gospodarce światowej*, ed. E. Oziewicz, Wydawnictwo Naukowe PWN, Warszawa 2001, p. 202.

restrictions on the creation of regional ties.³ It can be said that from the end of World War II until the early 1990s a truly ideological battlefield has spread across Asian areas. The main rivalry was between the Soviet Union, the United States and the People's Republic of China.⁴ The first efforts to establish cooperation in the area of Southeast Asia began shortly after World War II. The struggle with the Japanese aggressor encouraged societies to fight for independence and also made them aware of the convergence of historical.⁵

The 1950s in the 20th century, they made a significant mark in the history of the Southeast Asian region. At that time, the national authorities began to promote their personal aspirations with a new and increased zeal. At that time, only bilateral contacts became the most popular.⁶ In 1947, the United Nations Economic Council created an Economic Commission for Asia and the Far East, ECAFE.⁷ This Commission has been in place to this day. Only the name has changed, it is now the Economic and Social Commission for Economic and Social Affairs. Asia-Pacific (ESCAP). Its main task was and is to support the social and economic development of the countries of Asia, but also Australia and the Pacific.⁸

1954 can be considered a landmark year. The Southeast Asia Treaty Organization (SEATO) was formed under the Manila Treaty of 8 September. The main initiator of its creation was the United States of America.⁹ The key objective was to peacefully resolve regional feuds and, in particular, to combat the spread of communist influence. We are talking primarily about the Philippines and Thailand. The organisation brought together countries such as Australia, Bangladesh, the Philippines, France, the United Kingdom, New Zealand, Pakistan and Thailand. It is worth mentioning that Vietnam and South Korea were also unofficially in the zone of influence of the Pact. Unfortunately, despite good intentions, the

³ A.B. Kisiel-Łowczyc, *Współczesna gospodarka światowa*, Wydawnictwo Uniwersytetu Gdańskiego, Gdańsk 1997, p. 277.

⁴ K. Kościelniak, *Przyczyny konfliktów zbrojnych w Azji Południowo-Wschodniej po 1945 roku*, [in:] *Zagrożenia dla bezpieczeństwa międzynarodowego w XXI w. Azjatycka perspektywa*, ed. J. Marszałek-Kawa, Wydawnictwo Adam Marszałek, Toruń 2011, p. 24.

⁵ E. Latoszek, M. Proczek, *Organizacje międzynarodowe. Założenia, cele, działalność. Podręcznik akademicki*, "Elipsa," Warszawa 2001, p. 433.

⁶ Ibidem, p. 434.

⁷ W. Morawiecki, *Narody Zjednoczone. Zamierzenia i rzeczywistość*, Wiedza Powszechna, Warszawa 1967, pp. 95-96.

⁸ http://www.unic.un.org.pl/kalendarium/system_nz.pdf (accessed: 19.02.2014).

⁹ A.B. Kisiel-Łowczyc, *Współczesna gospodarka światowa*, p. 277.

organisation ceased to function in 1977, after Pakistan withered in 1973 and Pakistan in 1974 France.¹⁰

Moreover, the Vietnam War, also known as the Second Indochian War, was undoubtedly of great importance to the Southeast Asian region.¹¹ Its activities continued from 1959 until 30 April 1975.¹² One side of the conflict was formed by the Communist Democratic Republic of Vietnam, which was supported by other communist countries such as China as well as the Soviet Union. Their opponents were the troops of the Republic of Vietnam supported by allies. These included the United States, South Korea, Thailand, Australia, New Zealand and the Philippines. Cambodia and Laos have also involuntarily become parties to hostilities.¹³ Vietnam's failure to comply with the Geneva Conference is the main cause of this bloody armed conflict. Under it, the country was divided into two parts along the 17th parallel – the north became communist, while the south became democratic. After long and hard years of fighting, the war ended with the victory of communist North Vietnam. In addition, South Vietnam declared a capitulation and the two countries were united. Moreover, communist power took over both Laos and Cambodia.¹⁴

1.1.2. ASA

The Prime Minister of Malaysia was behind another attempt to initiate regional cooperation in Southeast Asia. This event dates back to 1959.¹⁵ In his letter to the other Heads of Government, the Prime Minister proposed the creation of the Southeast Asia Friendship and Economic Treaty (SEAFET).¹⁶ It was assumed that all Member States would not lose their freedom to set both external and internal policies. Unfortunately, despite the Malaysian Prime Minister's enormous desire, the idea could not be finalised. Only the Philippines and Thailand have expressed their willingness to participate.¹⁷

¹⁰ *Encyklopedia powszechna*, Wydawnictwo Ryszard Kluszczyński, Kraków 2001, p. 757.

¹¹ http://portalwiedzy.onet.pl/81964,,,wietnamski_konflikt,haslo.html (accessed: 20.02.2014).

¹² <http://history1900s.about.com/od/vietnamwar/a/vietnamwar.htm> (accessed: 19.02.2014).

¹³ <http://www.vietnampix.com/intro.htm> (accessed: 19.02.2014).

¹⁴ <http://www.historyplace.com/unitedstates/vietnam/index-1969.html> (accessed: 19.02.2014).

¹⁵ E. Latoszek, M. Proczek, *Organizacje międzynarodowe...*, p. 435.

¹⁶ <http://ijaps.usm.my/wp-content/uploads/2012/06/nicholastarling.pdf> accessed (31.12.2013r).

¹⁷ E. Latoszek, M. Proczek, *Organizacje międzynarodowe...*, p. 435.

However, the talks between the three countries continued. As a result, on 12-13 February 1961, the foreign ministers of those countries met in Kuala Lumpur. They showed a willingness to cooperate with each other mainly in the field of economics and culture. This cooperation was to be distanced from any political considerations. After months of debate and preparation, a satisfactory final result has been achieved.¹⁸ A very important date in history is still considered to this day – July 3, 1961, when the founding ceremony of the Association of South East Asia (ASA) took place. The signatory countries were the Philippines, Malaysia and Thailand. It was an organisation of a strictly regional nature.¹⁹ The provisions of the instrument of incorporating the act mainly included issues relating to cooperation. It was particularly relevant to the economy, culture, administration or social issues. Despite the great desire, unfortunately, the implementation of the assumptions did not proceed too zealously. Moreover, notwithstanding the assumptions signed in the Declaration, no trade agreements have been established or a mutual secretariat has been established. In truth, the ASA cannot boast too much achievement, despite the huge assumptions.²⁰ Unfortunately, the Association did not stand the test of time. It ended in 1963 for strictly political reasons. More specifically, it was a territorial conflict between the people of the Philippines and Malaysia. Nevertheless, joint tourism activities have not ceased.²¹

1.1.3. Project Maphilindo

However, the collapse of the ASA did not completely break the “relationship” between the Philippines and Malaysia, which have become enemies since the conflict broke out. This may undoubtedly come as a surprise. This was thanks to a new programme, to which Indonesia was also involved. This time it was decided to refrain from creating any organizational framework. The only action taken in this project was to talk about current problems, but also to try to solve them. Interestingly, this step was decided despite the tension over the establishment of the Malaysian federation with the incarnation of British colonies. Both the Philippines and Indonesia had reservations about this. It was concerned about

¹⁸ M. Ławacz, *ASEAN – geneza, działalność, perspektywy współpracy z Polską*, Polski Instytut Spraw Międzynarodowych, Warszawa 1991, pp. 23-24.

¹⁹ <http://www.polska-azja.pl/2010/12/25/historia-integracji-w-regionie-azji-poludniowo-wschodniej/> (accessed: 29.12.2013).

²⁰ M. Ławacz, *ASEAN – geneza, działalność...*, p. 26.

²¹ E. Łatoszek, M. Proczek, *Organizacje międzynarodowe...*, p. 436.

the threat to its own security caused by the increase in Malaysian territory. The “idea of Malay unity” has already guided those who have been fighting for it since pre-colonial times. President Diosdado Macapagal in 1962 encouraged the establishment of the Malay Confederation. It was to consist of the Philippines, as well as the former Malay colonies belonging to the United Kingdom.²² Macapagal’s idea was modified in early 1963 by Philippine Vice President Emmanuel Pelaez. He believed that three other Malay countries – Indonesia – should also join the project.

In the end, however, the Philippines, Indonesia and Malaysia decided to take a step forward and decided to unite into a single confederation. Important aspects have been resolved by two conferences in Manila from 6 to 11 June and from 31 July to 5 August 1963. The first was the case of northern Borneo and it is joining the Malaysian federation. It was decided to take into account the voice of the population living in the area. The second important issue was the plan to establish a confederation of these three states, which was to be called Maphilindo (this name was to be formed from the first syllables of the names of the countries). It is worth noting that there have not really been established issues regarding the among other structure of the organization. However, over time, relations between Malaysia, Indonesia and the Philippines deteriorated, resulting in a complete rejection of the “Maphilindo idea.” It should be noted, however, that the issues raised during the Manila Agreement have been used as one of the fundamental slogans of ASEAN.²³

1.1.4. 1960s

The 1960s the 20th century was not an easy time for countries in the Southeast Asian region. The ongoing Vietnam War was not the only threat to the stability of the area. The actions of the People’s Republic of China were also not insignificant.²⁴ We are talking primarily about the Sino-Indian territorial conflict.²⁵

It is also worth noting that Japan has also initiated its activities towards the South-East Asian region. However, unlike the People’s Republic of China, the “cherry blossom” country has started economic activity, i.e. increasing

²² <http://www.legislation.gov.uk/ukpga/Eliz2/5-6/60/section/1> (accessed: 19.02.2014).

²³ M. Ławacz, *ASEAN – geneza, działalność...*, p. 36.

²⁴ *Ibidem*, p. 39.

²⁵ http://portalwiedzy.onet.pl/94157,,,konflikt_chinsko_indyjski,haslo.html (accessed: 21.02.2014).

exports or subsidising most of the countries in the area.²⁶ In addition, Japan kept its case for any ministerial meetings that were convened to discuss the further escalation of the region.²⁷ Although the economic situation always plays a significant role, the political situation must also be looked at.

1965 was a landmark year for one of the current members of the Association of Southeast Asian Nations, Singapore. In August of that year, he dissuaded himself from the Federation of Malaysia and declared his independence.²⁸ This year has also been on the pages of Indonesian history. In October, there was an anti-communist upheaval that resulted in a change in the direction of foreign policy.²⁹ After years of isolation from the rest of the region, post-revolution Indonesia has become a more open country to foreign cooperation. This is evidenced by the relations established at that time with the neighbours, but also with the countries belonging to the category of these highly developed.³⁰

In conclusion, it can be concluded that the South-East Asian region has gained relative peace during this period of time and individual countries have lost a hostile attitude towards each other. It is also worth noting that the positives of regional cooperation in the broader world have started to be recognised. It was thought that it could be an opportunity to raise the economic and living standards of the population of the individual countries located in the area. An additional aspect in favour of possible cooperation was the increased importance of Japan's position on the international stage.³¹ And so the date of August 8, 1967, was forever on the pages of world history as the date of the founding of ASEAN – or Association of Southeast Asian Nations.³²

²⁶ M. Ławacz, *ASEAN – geneza, działalność...*, p. 40.

²⁷ W. Góralski, *Stosunki Japonii z krajami Azji Południowo-Wschodniej*, Polski Instytut Spraw Międzynarodowych, Warszawa 1972, pp. 46-49.

²⁸ *Encyklopedia powszechna*, p. 757.

²⁹ Ibidem, p. 398.

³⁰ M. Ławacz, *ASEAN – geneza, działalność...*, p. 40.

³¹ Ibidem, p. 41.

³² K. Klecha-Tylec, *Regionalizm w teorii i praktyce państw Azji Wschodniej*, Wydawnictwo Naukowe PWN, Warszawa 2013, p. 155.

1.2. ASEAN – general characteristics of the organisation

1.2.1. Origins of the uprising

ASEAN (Association of South East Asian Nations) the Association of Southeast Asian Nations was established on 8 August 1967, when representatives of five Southeast Asian countries signed a declaration in Bangkok which established the Association.³³ The signatory countries were Indonesia, the Philippines, Singapore, Thailand and Malaysia.³⁴ It is worth noting that a three-day informal meeting was held in the Thai town of Bangsaen. During this period, all kinds of discussions were held, during which all the disputes were resolved. This meeting was preceded by the announcement of the ASEAN Founding Declaration.³⁵ The establishment of the Association of Southeast Asian Nations aimed to:

- promoting the economic, social and cultural development of the region through cooperation programmes;
- ensuring political and economic stability in the region;
- a forum for solving intra-regional problems.

The main objective of these efforts was to ensure peace, stability and prosperity for the member states of the.³⁶ It is worth noting that, despite the absence of an official reference in the content of the founding declaration, the Association has merged the formulas of both the ASA, concerning the structure and socio-economic programme, and Maphilindo, relating to the policy and objectives of cooperation.³⁷

During the eight initial years of operation of the Association, no spectacular changes were too visible. The only thing that could be seen was the strengthening of relations between them, as well as the launch of new ideas for mutual cooperation. Moreover, it is worth noting that an important reason for the slight economic cooperation was that, in fact, the functioning of the Association was based on meetings of Foreign Ministers and the role of the economy went further. It was not until 1975, when the Vietnam War was concluded, that it aroused a new desire to achieve greater goals than they had ever been.³⁸

³³ M. Ławacz, *ASEAN – geneza, działalność...*, p. 52.

³⁴ *Bangkok Declaration*, 8 August 1967 (accessed: 27.12.2013).

³⁵ M. Ławacz, *ASEAN – geneza, działalność...*, p. 52.

³⁶ A.B. Kisiel-Łowczyc, *Współczesna gospodarka światowa*, p. 278.

³⁷ E. Łatoszek, M. Proczek, *Organizacje międzynarodowe...*, p. 439.

³⁸ A.B. Kisiel-Łowczyc, *Współczesna gospodarka światowa*, p. 278.

Thus, in February 1976, the first conference was held in Bali, attended by the leaders of the ASEAN Member States. It was undoubtedly a very important event in the development of the association.³⁹ At that time, two documents relevant to the South-East Asian region were signed. The first was the ASEAN Declaration and the second was the Treaty on Friendship and Cooperation in Southeast Asia.⁴⁰ It should be noted that the 1970s, and in particular the end of them, was the next stage of change for ASEAN. At that time, cooperation in the field of policy became the group's main priority. However, all this was rooted in the changing situation in the arena of Asian countries, but also in other parts of the world. An essential aspect, one can give the upheaval of the Vietnamese army, which resulted in the overthrow of the Democratic Government of Kampuchea.⁴¹

On January 8, 1984, another sixth country, Brunei Darussalam, joined ASEAN. It was widely believed that at the time of Brunei's accession, the Association included all the sovereign countries of the region. Although "democracy" in Asian countries is understood from the point of view of so-called "Asian values."⁴²

The year 1995 will permanently be remembered in the history of Vietnam. On July 28, the country became the seventh member of the Association of Southeast Asian Nations. The accession of communist Vietnam was received quite symbolically, and also expressed the will to "more balance China's dominance in the region."⁴³ Interestingly, in the 1980s and 1990s, the Vietnam was one of ASEAN's most important local adversaries.⁴⁴

On July 23, 1997, two more countries were included in the Association – Laos and Myanmar – namely Burma. The decision on Myanmar's accession to the Association was taken mainly because of the desire to separate the country from Chinese influence. The fear of a possible danger lurking from India was also not insignificant. Cambodia also expressed a desire to become involved in ASEAN structures. However, until 1999, despite initial approval for accession in 1997, it remained only a passive observer. This was due to a coup d'état by Hun Sen. Cambodia could not celebrate its admission until 30 April 1999. She became the 10th member of the Association of Southeast Asian Nations.⁴⁵ ASEAN currently

³⁹ E. Latoszek, M. Proczek, *Organizacje międzynarodowe...*, p. 440.

⁴⁰ A.B. Kisiel-Łowczyk, *Współczesna gospodarka światowa*, p. 279.

⁴¹ E. Latoszek, M. Proczek, *Organizacje międzynarodowe...*, p. 440.

⁴² E. Oziewicz, *Integracja krajów Dalekiego Wschodu*, p. 206.

⁴³ A.B. Kisiel-Łowczyk, *Współczesna gospodarka światowa*, p. 280.

⁴⁴ <http://www.polska-azja.pl/2010/01/05/polityka-zagraniczna-socjalistycznej-republiki-Viet-Namu-wobec-asean/> (accessed: 27.12.2013).

⁴⁵ E. Oziewicz, *Integracja krajów Dalekiego Wschodu*, p. 206.

has 10 countries, no new state has been included since Cambodia's accession . It should be mentioned that this grouping is considered to be the foundation of the "East Asian institutional architecture," since until the 1990s it was not possible to reach the European level of institutional architecture. The 20th century, it was a unique unit of countries within that region.⁴⁶ As a curiosity, it can be added that this association has both its own flag, its own emblem and anthem. The flag is a symbol of unity, as well as a stable and dynamically developing ASEAN . It is worth noting that the choice of colours was also not random, as they represent the main colours of the flags of all member states of the grouping.⁴⁷ The emblem, like the flag, is a symbol of the strength and unity of the states that make up the Association . The stems inside the emblem symbolize the dream of the founding fathers . They wanted all the countries of the Southeast Asian region to be included in the group and to be united by mutual friendship and solidarity.⁴⁸ The main motto is "One Vision, One Identity, One Community," which translates into Polish means: "One Vision, One Identity, One Community."⁴⁹



Figure 1. Flag ASEAN

Source: <http://www.aseansec.org> (accessed: 20.02.2014).



Figure 2. ASEAN Member States

Source: <http://www.aseansec.org> (accessed: 20.02.2014).

⁴⁶ K. Klecha-Tylec, *Regionalizm w teorii i praktyce państw...*, p. 155.

⁴⁷ <http://www.aseansec.org/asean-flag/> (accessed: 27.12.2013).

⁴⁸ <http://www.asean.org/asean/about-asean/asean-emblem> (accessed: 27.12.2013).

⁴⁹ <http://www.aseansec.org/asean-motto/> (accessed: 27.12.2013).

1.2.2. Organisational framework

As is well known, the good functioning of any organisation, regardless of its type, is based on appropriate institutional forms. This is also not the case with ASEAN. Today, we can distinguish administrative units operating on two levels – association and national. However, it should be said that national units fulfil only an auxiliary role.⁵⁰

Meetings of government leaders

Meetings of leaders of governments of the Association of Southeast Asian Nations are widely recognized as the most important and general authority of the organization. Their primary task is to control the directions of cooperation. On 23-25 February 1976, the first so-called “summit meeting” took place in Denpasar, Bali. A summary of the current activities has been carried out and further steps are planned to develop integration. In order to be able to meet them, concrete action was needed. As a result, three very important documents were signed: the ASEAN Declaration of Consent, the Treaty of Friendship and Cooperation in Southeast Asia, the Agreement on the Establishment of the ASEAN Secretariat.⁵¹

The first two documents contained an action programme, which was to take effect in the following period. Its main subject was economic matters. Moreover, by signing the ASEAN Declaration of Consent, Member States have lost the possibility of official military-defence cooperation. It was only permitted “outside” the organisation.⁵² Another second “summit meeting” took place on 4-5 August 1977 in Kuala Lumpur, Malaysia’s capital. Although it was purely jubilee in nature, as in 1977 ASEAN celebrated its 10th anniversary.

Ministerial Conference

Another key governing body that cannot be mentioned is ministerial meetings. The main actors taking part in them are foreign ministers of all countries belonging to the Association. These meetings are of a regular nature as they take place annually. As of today, 46 such “meetings” have taken place. The last one lasted from June 27, 2013 to July 2, 2013.⁵³ The place of the Ministerial Conference shall be determined on an alphabetical rotation basis.

⁵⁰ M. Ławacz, *ASEAN – geneza, działalność...*, p. 71.

⁵¹ E. Latoszek, M. Proczek, *Organizacje międzynarodowe...*, p. 441.

⁵² M. Ławacz, *ASEAN – geneza, działalność...*, p. 65.

⁵³ <http://www.asean.org/communities/asean-political-security-community/category/asean-ministerial-meetings> (accessed: 29.12.2013).

Their main responsibility is, first of all, to summarize the annual activities of the organization, or to control the process of.⁵⁴ Moreover, ministerial conferences are responsible for formulating new directions of operation, accepting specific cooperation programmes and projects, or simply coordinating the whole of the activities.⁵⁵ Additional ministerial meetings shall be organised in exceptional cases relating to relevant international affairs. Also noteworthy is the presence of meetings of ministers of other ministries – among other science, environment, etc., the solemn introduction of which dates back to 1975.⁵⁶ It should be noted, however, that they are only preliminary in nature and that any action must be approved by the Conference of Foreign Affairs Ministers. As an interesting fact, it can be stated that for a few days (usually 2-3) informal meetings are held before the Ministerial Conference, where the common position is usually held and the common position is harmonised, as well as any draft documents.⁵⁷

Standing Committee

The Standing Committee is a body whose task is to exercise control over day-to-day activities which take place in the sections of time between Ministerial Conferences. In addition, it shall issue decisions on urgent working matters.⁵⁸ Its additional duty is to maintain relations with foreign countries. This Committee shall have no fixed office and the place of office shall be linked to the location of the next Ministerial Conference. The Standing Committee is composed of the Minister of Foreign Affairs of the country where he is currently based and ambassadors from other countries of the Association who are accredited.⁵⁹

ASEAN Secretariat

The ASEAN Secretariat was established in February 1976. Its founders were Foreign Ministers.⁶⁰ The Secretariat is based in Jakarta, Indonesia. It is headed by the Secretary General, whose changes are carried out on the basis of alphabetical rotation of states.⁶¹ It is currently Le Luong Minh, a Vietnamese whose term is

⁵⁴ E. Latoszek, M. Proczek, *Organizacje międzynarodowe...*, p. 441.

⁵⁵ M. Ławacz, *ASEAN – geneza, działalność...*, p. 73.

⁵⁶ <http://www.polska-azja.pl/2010/12/25/historia-integracji-w-regionie-azji-poludniowo-wschodniej/> (accessed: 29.12.2013).

⁵⁷ E. Latoszek, M. Proczek, *Organizacje międzynarodowe...*, pp. 442-443.

⁵⁸ M. Ławacz, *ASEAN – geneza, działalność...*, p. 74.

⁵⁹ E. Latoszek, M. Proczek, *Organizacje międzynarodowe...*, p. 442.

⁶⁰ <http://www.aseansec.org/the-asean-secretariat/> (accessed: 27.12.2013).

⁶¹ E. Latoszek, M. Proczek, *Organizacje międzynarodowe*, p. 442.

from 2013 to 2017.⁶² The main task is to “coordinate and assist in the implementation of cooperation, as well as in the smooth operation of the Association.”⁶³

Departments for ASEAN

These Departments operate in the Ministry of Foreign Affairs of all countries belonging to the Association of.⁶⁴ Their responsibilities include, inter alia, “developing the concept of developing cooperation within the Association, overseeing the relationship of decisions taken at meetings of representatives of the Member States.”⁶⁵ In addition, these Departments are assigned tasks whose primary mission is to promote the idea of broadly understood cooperation.⁶⁶

It should also be said that, in fact, the distinguishing feature of ASEAN from other organisations is that it always presents a previously chosen common position. If there are, and usually there are points of contention, they are discussed and resolved during the discussions that take place behind the so-called “closed door.” Until a common position is agreed, it will not be presented externally. In fact, it can be concluded that the association’s activities are based on a fundamental principle – exchange of views until consensus is reached. There are two concepts: “Mushawarat” and “Mufakat.” The first means that if any of the participants in the discussion question a question, it will be tantamount to rejecting it and further discussion will be necessary. This trend of negotiation stems from the rural customs of the societies of Indonesia, Malaysia and the Philippines. “Mufakat” is understood as a consensus.⁶⁷

⁶² http://dzakarta.msz.gov.pl/pl/aktualnosci/nowy_sekretarz_generalny_wspolnoty_asean (accessed: 27.12.2013).

⁶³ M. Ławacz, *ASEAN – geneza, działalność...*, pp. 75-76.

⁶⁴ Ibidem, p. 76.

⁶⁵ E. Łatoszek, M. Proczek, *Organizacje międzynarodowe...*, p. 442.

⁶⁶ M. Ławacz, *ASEAN – geneza, działalność...*, p. 77.

⁶⁷ E. Łatoszek, M. Proczek, *Organizacje międzynarodowe...*, p. 443.

1.3. Economic situation of ASEAN countries

1.3.1. Characteristics of ASEAN countries

Brunei

Brunei, or Brunei Darussalam, is a small country, even among the smallest countries in the world. Its area covers only 5 765 km². It is located on the north coast of Borneo Island. The reigning system in Brunei is an absolute monarchy, and more embroiled in a sultanate headed by Sultan Hassanal Bolkiah. The dominant religion is Islam.⁶⁸ It should be added that, despite its small territorial area, it is one of the most wealthy countries in the world. We are talking, of course, about abundant natural deposits – both gas and “black gold” or oil.⁶⁹ Interestingly, Brunei ranks high, third among oil producers in southeast Asia. In addition, it is worth mentioning that the mining sector accounts for 55% of the country's GDP. It is not without reason, as you can see, that the country is called “the little Kuwait of Southeast Asia.”⁷⁰ Other sectors such as services and agriculture do not really have a significant role in the country's economy. The result is that Brunei is not self-sufficient in terms of food. In addition, this tiny country boasts virtually non-existent unemployment.⁷¹

Philippines

It is an island country located in the Philippine Archipelago in the Pacific Ocean. Its area is 300 thousand km².⁷² The head of this Republican state is Benigno Aquino III. The dominant religion is Catholicism. There are many poorly recognized natural resources in the Philippines, such as copper ore, nickel, chromium and iron. It is worth noting, however, that the country boasts a well-developed food industry. In particular, this applies to the sugar cane-growing industry. Moreover, the Philippines also has a fairly thriving textile, wood and refinery

⁶⁸ *Encyklopedia powszechna*, p. 145.

⁶⁹ J. Armbrrecht et al., *Azja Południowo-Wschodnia*, transl. E. Błaszczuk et al., Wydawnictwo Pascal, Bielsko-Biała 2005, p. 57.

⁷⁰ P. Czajkowski, A. Maryański, *Geografia ekonomiczna Azji Południowo-Wschodniej*, Państwowe Wydawnictwo Ekonomiczne, Warszawa 1984, p. 188.

⁷¹ http://www.kualalumpur.msz.gov.pl/pl/informacje_ekonomiczne/informacje_ekonomiczne_brunei/ (accessed: 29.12.2013).

⁷² J. Armbrrecht et al., *Azja Południowo-Wschodnia*, p. 58.

industry.⁷³ The country is a world leader in the production of copra. Agriculture benefits primarily from useful and productive soils.⁷⁴ In addition, society can be sloppy about the good state of maritime transport, especially cabotage shipping. The influx of capital from millions of Filipinos living outside their country is also important for the Philippine economy.⁷⁵

Indonesia

It is an island state with about 17 500 inhabitants . islands of the Malay Archipelago. It covers an area of approximately 1.9 million km².⁷⁶ The Republic of Indonesia is headed by President Susilo Bambang Yudhoyono.⁷⁷ Muslims are the largest religious group . Indonesia's economy is the largest economy in the Southeast Asian region . It is mainly based on industry, but agriculture is also not lagging behind . However, it is characterised by a disproportionate use of land . This is undoubtedly due to the asymmetric distribution of the.⁷⁸ Oil or tin mining plays a big role . Indonesians are also engaged in the cultivation of tea, tobacco or spices . Fisheries also have an impact on the economy . It is worth adding that this Asian country plays a significant role in the supply to the world market of rubber and cocoa . Japan, Australia, Singapore and Taiwan are the main trading partners . Moreover, the country also has a fairly well-developed tourism . Indonesia is also one of the Asian Tigers.⁷⁹

Cambodia

More specifically, the Kingdom of Cambodia is a state on the Indochine Peninsula . Its area is 181 035 km². In this country, the prevailing political system is the constitutional monarchy, and the head of state is Norodom Sihamoni.⁸⁰ Cambodia is one of the weakest economies in the world . This has been dominated by years of debilitating internal conflicts.⁸¹ It is worth mentioning that the country has little natural resources . It produces, among other things, rock salt, phosphorus and iron ore . However, it is also necessary to list certain uneasy

⁷³ <http://encyklopedia.pwn.pl/haslo/4574079/Philippines-gospodarka.html> (accessed: 30.12.2013).

⁷⁴ P. Czajkowski, A. Maryański, *Geografia ekonomiczna Azji Południowo-Wschodniej*, p. 271.

⁷⁵ *Encyklopedia powszechna*, p. 285.

⁷⁶ J. Armbrrecht et al., *Azja Południowo-Wschodnia...*, p. 71.

⁷⁷ <http://www.mg.gov.pl/node/7300> (accessed: 30.12.2013).

⁷⁸ P. Czajkowski, A. Maryański, *Geografia ekonomiczna Azji Południowo-Wschodniej*, p. 202.

⁷⁹ *Encyklopedia powszechna*, p. 397.

⁸⁰ *Ibidem*, p. 444.

⁸¹ J. Armbrrecht et al., *Azja Południowo-Wschodnia...*, p. 71.

raw materials such as bauxites . An important raw material is also wood – used both for export purposes and simply for firewood. The main sector of the economy is agriculture . For its needs, as much as 20% of the country's area is used . Nevertheless, Cambodia has industries that have development opportunities, including clothing, fish processing and the chemical industry. It is also worth adding that beautiful Cambodia also has its hopes connected and perhaps above all with the development of tourism.⁸²

Laos

The Lao Democratic People's Republic is another ASEAN member state . It is located on the Indochin Peninsula. Its area is equal to 236 800 km².⁸³ The political system of the state is a people's republic . The president of Laos is Choummaly Sayasone . The country is one of the least developed countries . Laos's economy is largely based on agriculture, despite the fact that only 4% of the state's area is allocated to agricultural culture.⁸⁴ Unfortunately, however, it is a very primitive-dominated incandescent economy . In Laos, rice, corn, casseria, soybeans and coffee are mainly grown. It is also worth mentioning the production of a macaque intended mainly for opium-country belongs to the countries of the so-called "Golden Triangle" – and more to the largest growers and exporters of oiland opium . The state's industry is quite underdeveloped . Logging of teak, ebony or rose trees is of great importance . Laos is also starting to take on meaning in the tourist branch.⁸⁵

Malaysia

It is a country located on the Malay Peninsula and on the island of Borneo. It covers an area of 329 750 km² . It is a federal constitutional monarchy . It is currently headed by Tuanku Abdul Halim.⁸⁶ More than half of Malaysians are followers of Islam . The country belongs to industrialized countries . It is characterised by a high rate of economic growth . In the 1990s, the in the 20th century Malaysia was called one of the "Asian Tigers." Thanks to its natural wealth, the country is the world number one in the tin mining and metallurgical industry.

⁸² <http://www.abckambodza.pl/polityka-i-gospodarka/gospodarka-kambodzy.html> (accessed: 30.12.2013).

⁸³ J. Armbrrecht et al., *Azja Południowo-Wschodnia...*, p. 349.

⁸⁴ P. Czajkowski, A. Maryński, *Geografia ekonomiczna Azji Południowo-Wschodniej*, p. 125.

⁸⁵ *Encyklopedia powszechna*, p. 546.

⁸⁶ <http://encyklopedia.pwn.pl/haslo/4574725/Malaysia-ustroj-polityczny.html> (accessed: 30.12.2013).

But these are not the only deposits occurring in its area . The area is also rich in bauxite deposits and “black gold” – oil, especially in the undersea . Malaysia also boasts one of the highest places in the world’s palm oil production . Moreover, petrochemical and electronic industries are also being developed, which is second only to Singapore . The area of the country is dominated by the cultivation of rice, cocoa or coffee . It is worth noting that Malaysia ranks 3rd in rubber production in the world. However, it should be noted that Malaysia remained a significant importer of food due to export-oriented agriculture.⁸⁷ Undoubtedly, the country also boasts a large tourist traffic.⁸⁸

Myanmar

In other words, Burma or Myanmar . It is a country that lies on the Indo-chian Peninsula and more specifically on the Bay of Bengal. Its area covers 671 thousand . km². Myanmar’s political system is a presidential republic. President Thein Sein serves as head of state there. Buddhism is the dominant religion (about 89% of the population) .⁸⁹ Burma was one of the most developed countries in the old days . However, unfortunately, the country is now among the poorest . The lack of developed transport infrastructure can undoubtedly be regarded as one of the main economic weaknesses . Myanmar’s economy is largely based on agriculture. It was and is still the most important part of the economy today.⁹⁰ The key crops grown are rice, sugar cane, cotton . In addition, tee wood is used . Moreover, metal ores (tin, copper) and precious stones are also mined.⁹¹

Singapore

More specifically, the Republic of Singapore. It is an island-city state. It covers an area of 1 million km². It is headed by President Tony Tan Keng Yam. In terms of faith, followers of Taoism and Buddhism predominate . It is worth noting that Singapore is undoubtedly one of the fastest growing countries in the world . Moreover, it is classified as the so-called “Asian tigers.”⁹² In the area of state-city there are can be said small and even negligible resources of natural resources . The most famous is granite. Nevertheless, the economy of this remarkable country

⁸⁷ P. Czajkowski, A. Maryański, *Geografia ekonomiczna Azji Południowo-Wschodniej*, p. 159.

⁸⁸ *Encyklopedia powszechna*, p. 605.

⁸⁹ J. Armbrrecht et al., *Azja Południowo-Wschodnia...*, p. 520.

⁹⁰ P. Czajkowski, A. Maryański, *Geografia ekonomiczna Azji Południowo-Wschodniej*, p. 66.

⁹¹ *Encyklopedia powszechna*, p. 120.

⁹² J. Armbrrecht et al., *Azja Południowo-Wschodnia...*, p. 646.

relies mainly on the electronics industry.⁹³ We are talking primarily about the production of computers, watches or medical equipment. In addition, Singapore also excels in other sectors of the economy. First of all, they are financial services or petrochemical, shipbuilding and textile industries.⁹⁴ Tourism is also important. However, underdeveloped agriculture and fisheries mean that Singapore is forced to import food.⁹⁵

Thailand

The Kingdom of Thailand, once called "Yiam," is located on the Indochian Peninsula. The area of the country is 513 thousand km². When it comes to faith, Buddhism is the predominant religion in Thailand. The current political order is the constitutional monarchy, and the main rule is King Bhumibol Adulyadej. The Thai economy is mainly based on agriculture and mining. Important crops are rice, corn or sugar cane.⁹⁶ It is worth mentioning that a large part of them is spent on exports. In the central and northern parts of the country, the first major mode of transport is inland navigation – mainly on the Chao Phraya River.⁹⁷ In addition, Thailand is also famous for its rubber crops. In the mountainous areas, the production of the opium dominates. It is primarily used for the production of heroin (this is a region of the so-called "Golden Triangle," which also includes the territories of Burma, Laos and Vietnam). The southern regions of the country are famous for their well-developed fishing, which is based on fishing for sea fish. Residents of Thailand are also engaged in cattle breeding. The textile industry can be considered an additional asset of the economy. A key obstacle to the development of the electronics industry is the lack of qualified staff. It is also worth mentioning that the country has well-developed tourism.⁹⁸

Vietnam

Otherwise the Socialist Republic of Vietnam. It is a state located on the Indochina peninsula. Its territory is 329 566 km².⁹⁹ It is headed by President Truong Tân Sang. The dominant religion in the country is Buddhism. Vietnam

⁹³ *Encyklopedia powszechna*, p. 950.

⁹⁴ P. Czajkowski, A. Maryński, *Geografia ekonomiczna Azji Południowo-Wschodniej*, p. 181.

⁹⁵ http://www.singapore.msz.gov.pl/pl/economic_section/biznes_w_Singaporeze/gospodarka/ (accessed: 30.12.2013).

⁹⁶ *Encyklopedia powszechna*, p. 1033.

⁹⁷ P. Czajkowski, A. Maryński, *Geografia ekonomiczna Azji Południowo-Wschodniej*, p. 94.

⁹⁸ <http://www.abcThailand.pl/polityka-i-gospodarka/gospodarka-tajlandii.html> (accessed: 30.12.2013).

⁹⁹ J. Armbricht et al., *Azja Południowo-Wschodnia...*, p. 672.

is considered one of the poorest countries in the world . Agriculture is considered to be the basis of its economy. It is the most important economic.¹⁰⁰ It is mainly grown here rice, sweet potatoes, cassarina or sugar cane . Moreover, the country is also famous for producing tea, pineapple or tobacco . It is also worth while that Vietnam is one of the largest coffee producers in the world, ranking just behind Brazil . Residents are also involved in the breeding of cattle, buffaloes and pigs.¹⁰¹ In addition, Vietnam boasts mineral deposits such as oil, coal, phosphorites, iron ore and nickel . Developed industries include the textile and processing industries . It should also be said that it is very important crafts, which has been cultivated for many centuries.¹⁰²

1.3.2. Differentiation in the level of socio-economic development of ASEAN countries

Undeniably, the Southeast Asian region is one of the fastest and fastest growing areas in the world.¹⁰³ The last decades have been marked by a high rate of economic growth for the countries of the area . It is worth noting, however, that these significant achievements have been somewhat dimmed by the huge boom in China's economy, as well as by the crisis that took place between 1997 and 1998.¹⁰⁴ The main "catalyst" for this crisis was Thailand at the time, which decided to liquidate the whip's course . The extensive activity of Asian banks in investments that raised widespread doubts can also be considered as an additional factor . Then the so-called "domino effect" worked – the crisis spread to the rest of the region, namely Malaysia, the Philippines, Indonesia, Singapore and South Korea.¹⁰⁵ However, despite the difficulties encountered, the economies of the countries united in the Association are growing more and more rapidly. It is also worth mentioning that in the ranks of ASEAN there is one of the most populous

¹⁰⁰ P. Czajkowski, A. Maryański, *Geografia ekonomiczna Azji Południowo-Wschodniej*, p. 109.

¹⁰¹ *Encyklopedia powszechna*, p. 1134.

¹⁰² <http://encyklopedia.pwn.pl/haslo/4575710/Viet-Nam-gospodarka.html> (accessed: 30.12.2013).

¹⁰³ E. Oziewicz, *Zagraniczne inwestycje bezpośrednie w rozwoju gospodarczym krajów Azji Południowo-Wschodniej (ASEAN)*, Wydawnictwo Uniwersytetu Gdańskiego, Gdańsk 1998, p. 13.

¹⁰⁴ Idem, *Dylematy rozwoju gospodarczego krajów Azji Południowo-Wschodniej na tle procesów globalizacyjnych*, Wydawnictwo Uniwersytetu Gdańskiego, Gdańsk 2007, p. 57.

¹⁰⁵ A. Budnikowski, *Międzynarodowe stosunki gospodarcze*, Polskie Wydawnictwo Ekonomiczne, Warszawa 2006, p. 415.

countries in the world – Indonesia, which has a population of 246.9 million¹⁰⁶ and one of the richest countries in the world, Singapore.

Table 1. ASEAN countries' GDP per capita from 2005 to 2012 (USD, PPP)

Country	2005	2007	2009	2011	2012
Brunei	48 998	52 816	51 116	54 357	55 405
Cambodia	1 450	1 809	2 030	2 308	2 516
Indonesia	3 199	3 716	4 171	4 664	4 971
Laos	1 815	2 052	2 350	2 648	2 904
Malaysia	12 035	13 814	14 165	16 028	16 976
Myanmar	788	1 055	1 099	1 406	1 490
Philippines	3 061	3 550	3 664	4 069	4 339
Singapore	45 369	52 735	50 812	61 068	61 461
Thailand	6 839	7 905	8 053	8 902	9 609
Vietnam	2 163	2 630	3 108	3 442	3 705
ASEAN	3 917	4 581	4 901	5 520	5 869

Source: Own study based on *ASEAN GDP Growth, backed by services*, 21.10.2013, <http://www.asean.org/news/asean-secretariat-news/item/asean-gdp-remains-robust-backed-by-services> (accessed: 20.02.2014).

Table 1 . shows the change in GDP per capita in the purchasing power parity of the US dollar between 2005 and 2012 . Based on the data provided, comparing 2012 compared to 2005, it can be concluded that both each of the 10 countries belonging to the Association and ASEAN itself recorded an increase in GDP per capita. Singapore boasts the biggest growth.¹⁰⁷ It was USD 45 369 in 2005 and USD 61 461 in 2012 . It is worth adding that if this trend continues, the country will be the fastest growing country in the world . The other countries with high GDP growth are both Brunei and Malaysia . In the case of Brunei, the long-term development strategy “Brunei Visio 2035,” introduced in 2008, was undoubtedly of great importance . It aims to improve the education of citizens and, above all, to develop high living standards.¹⁰⁸ The countries with the lowest GDP growth are Myanmar, Laos and Cambodia . These countries together with Vietnam are called the ASEAN-4 group . Unfortunately, it has been regarded as the weaker part of the group for many years. It should be noted, however, that there are

¹⁰⁶ Word Bank, as of 2012.

¹⁰⁷ *ASEAN GDP Growth, backed by services*, 21.10.2013, <http://www.asean.org/news/asean-secretariat-news/item/asean-gdp-remains-robust-backed-by-services> (accessed: 20.02.2014).

¹⁰⁸ http://www.kualalumpur.msz.gov.pl/pl/informacje_ekonomiczne/informacje_ekonomiczne_brunei/ (accessed: 20.02.2014).

huge disparities in development between the Member States of the Association, despite the creation of an integration grouping. However, by analysing the data in Table 1. Further forward-looking growth in the Southeast Asian region can be expected.

Table 2. Sectoral GDP structure of ASEAN countries in 2005, 2008 and 2012 (in %)

Country	Agriculture			Industry			Service		
	2005	2008	2012	2005	2008	2012	2005	2008	2012
Brunei	1.3	1.1	1.3	61.2	54.8	51.0	37.5	44.1	47.8
Cambodia	29.4	28.4	25.0	26.8	29.5	29.7	38.5	42.1	38.4
Indonesia	14.5	13.7	12.5	44.1	42.1	40.3	41.4	44.3	47.2
Laos	–	32.4	26.9	–	21.6	28.3	–	39.0	38.5
Malaysia	8.3	7.8	7.3	43.8	40.1	36.8	46.8	50.9	54.6
Myanmar	–	43.6	34.9	–	19.8	27.4	–	36.5	37.7
Philippines	13.3	12.8	11.1	32.7	32.4	32.0	54.0	54.8	59.6
Singapore	0.1	0.0	0.0	30.2	29.2	32.1	62.3	64.2	61.8
Thailand	9.0	8.8	8.4	46.9	47.9	47.1	44.0	43.2	44.4
Vietnam	19.6	17.7	15.8	40.2	41.5	41.6	40.3	40.8	42.6

Source: Own study based on *ASEAN GDP Growth, backed by services*, 21.10.2013, <http://www.asean.org/news/asean-secretariat-news/item/asean-gdp-remains-robust-backed-by-services> (accessed: 20.02.2014).

On the basis of data from Table 2., a significant decrease in the importance of agriculture in GDP creation over the period from 2005 to 2012 can be observed. The largest, because by as much as 8.7% recorded Myanmar. The second branch analysed is industry. However, in his case there is no such “unity” as in the agricultural sector – some countries of the Association are experiencing its growth and others a decrease. Myanmar is the biggest gainer, with Myanmar up 7.6%. In the case of this country, it is associated with a large decrease in the share of agriculture. However, services undoubtedly account for the largest share of GDP creation. It can be said that these countries have found their niche there. Only 2 – Laos and Singapore – from all ASEAN member countries have seen a decrease in the share of services in the creation of GDP. However, this change is not so significant. In conclusion, as many as 8 out of 10 countries forming the Association are a thriving services sector that drives economic growth.

Table 3. Selected indicators of economic development and civilisation of ASEAN countries

Country	Access to water sources(% of population)		Road length (in km)		Number of mobile phones per 100 inhabitants			Number of Internet users per 100 inhabitants			Population living below the national poverty line (% of the population)		GINI Index		Number of adult illiterate (thousand)		Unemployment rate	
	1990	2011	2004	2011	2000	2008	2012	2000	2008	2012	Ealier	Lately	Ealier	Lately	95-04	05-11	2004	2011
Brunei	–	–	3 560	3 127	29.0	103.7	113.8	9.0	46.0	60.3	–	–	–	–	17	14	3.5	2.6
Cambodia	31	67	35 769	44 919	1.0	30.7	132.0	0.0	0.5	4.9	–	20.5	38.8	36.0	2 160	2 449	2.3	0.2
Indonesia	70	84	372 629	476 337	1.7	59.8	115.2	0.9	7.9	15.4	17.6	12.0	29.2	38.1	15 303	12 793	9.9	5.0
Laos	40	70	31 300	41 032	0.2	33.6	101.9	0.1	3.6	10.7	45.0	27.6	30.4	36.7	928	958	–	–
Malaysia	88	100	77 695	157 167	21.9	100.8	140.9	21.4	55.8	65.8	12.4	1.7	47.7	46.2	1 764	1 363	3.5	3.1
Myanmar	56	84	91 240	150 816	0.0	0.8	11.2	–	0.2	1.1	–	–	–	–	3 079	2 646	4.0	4.0
Philippines	85	92	27 853	31 359	8.3	75.5	106.8	2.0	6.2	36.2	–	26.5	43.8	43.0	3 518	2 635	11.0	6.4
Singapore	100	100	3 188	3 412	70.1	134.4	153.4	36.0	69.0	74.2	–	–	42.5	–	229	172	5.8	2.9
Thailand	86	96	99 387	114 437	4.8	90.6	120.3	3.7	18.2	26.5	58.1	13.2	45.3	39.4	3 530	3 361	2.1	0.7
Vietnam	58	96	137 359	–	1.0	87.1	149.1	0.3	23.9	39.5	–	20.7	35.7	35.6	5 271	4 528	5.6	3.6
ASEAN	71	89	–	–	4.2	66.3	112.3	2.6	13.1	24.9	32.1	15.2	–	–	36 124	30 917	–	–

Source: Own study based on *ASEAN Statistical Yearbook 2012*, www.asean.org (accessed: 24.03.2014); *Statistical Yearbook for Asia and the Pacific 2013*, www.unescap.org/stat/data/syb2013 (accessed: 24.03.2014).

By analyzing the data in Table 3 . it can be concluded that the countries of Southeast Asia, despite the creation of an integration grouping such as ASEAN, are very diverse from each other . We are talking not only about the political systems in these countries, but also about the historical conditions.¹⁰⁹ Of course, they should not be forgotten, as they play a significant role in both social and economic life . An example is two of the ASEAN-4 countries, Vietnam and Laos, where communist rule continues.¹¹⁰ Disparities between the Countries of the Association are mainly visible in the level of socio-economic development.¹¹¹ The weakest group, as was the case with the GDP analysis, is made up of the CLMV countries of Cambodia, Laos, Myanmar and Vietnam . It should be added, however, that the ASEAN-6 countries (Philippines, Indonesia, Malaysia, Singapore, Thailand and Brunei) have been running an open market economy for a long time, compared to the “new four,” which was only introduced in the second half of the 1980s.¹¹²

The economic and social diversity that prevails among the Member States of the Association further affects their investment attractiveness . ASEAN members with a high level of development will undoubtedly encourage potential investors from other countries in the region as well as from further a corner of the world.¹¹³