



# Study Guide

## Association of Southeast Asian Nations

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Topic 1: The effects of economic insecurity in the  
Southeast Asian region

Topic 2: Consequences of the shifting balance of  
power in the Asian Pacific

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United Nations International Organization of Southeast Asian Countries – Study Guide

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# INTRODUCTIONS

## Personal Introductions

Dear delegates, we are happy to welcome you to the ASEAN committee. Our names are Leo Pintar and Olivia Nenarokov, and we will be chairing this debate. We strongly urge you to become familiar with the Rules of Procedure to ensure a good flow of the debate during the sessions, especially if this is your first conference.

We prepared this study guide to help you better understand the topics and to prepare you for the debate. Please carefully read the Study Guide and email us if you have any questions.

We are looking forward to seeing you!

## Introduction to ASEAN

The Association of Southeast Asian Nations, or ASEAN, was established on 8 August 1967 in Bangkok, Thailand, with the signing of the ASEAN Declaration (Bangkok Declaration) by the Founding Fathers of ASEAN: Indonesia, Malaysia, Philippines, Singapore and Thailand. Brunei Darussalam joined ASEAN in 1984, followed by Vietnam, Lao PDR, Myanmar and Cambodia, making up what is today the ten Member States of ASEAN.

The purpose of the organization is to promote economic and cultural exchange among its member countries, maintain peace and stability in Southeast Asia, and establish relationships with foreign powers with similar aims. ASEAN was formed during the Cold War to promote stability and cooperation in a politically turbulent region.

In the country matrix, there are also Australia and New Zealand since those are the countries geographically and economically tied with the region. Further on, Timor Leste is in the matrix as an ASEAN candidate member. India is a part of ASEAN+1, whereas China and Japan are a part of ASEAN+3. Those three countries are not a part of the organization but work very closely hand in hand with it. As an example, ASEAN economies as a group have signed free trade agreements with not only China, Japan and India, which are economically most collaborative with the community, but Korea, Australia and New Zealand as well.

It is also important to note that ASEAN creates and implements policy based on a system of consultation and consensus. Consultations occur between governments before a proposal is brought to discussion, and a proposal is only passed after there is consensus from all member governments. If a single member state votes against the matter, no resolution can be passed. The Chairs will more thoroughly explain how this will affect the flow of the debate outlined in the Rules of Procedure at the beginning of the first session.

# **TOPIC 1: THE EFFECTS OF ECONOMIC INSECURITY IN THE SOUTHEAST ASIAN REGION**

## **HISTORY OF THE TOPIC**

The Southeast Asian region has experienced a complex and evolving history, with economic insecurity being a recurring theme. From the era of colonial rule to post-independence struggles and contemporary challenges, economic insecurity has left a lasting impact on the region.

The history of economic insecurity in Southeast Asia can be traced back to the colonial era, moreover, to colonial legacy and economic exploitation. European powers, including the British, Dutch, French, and Spanish, established colonies in the region, exploiting its resources and labor to fuel their own economic growth. The extraction of raw materials and the establishment of trade monopolies often left Southeast Asian countries economically dependent and vulnerable to fluctuations in global markets. This legacy of economic exploitation laid the groundwork for subsequent challenges.

Following World War II, Southeast Asian countries gained independence, but they faced significant economic challenges, post-colonial struggles and development gaps. Many nations struggled with limited infrastructure, unequal land distribution, and underdeveloped industries inherited from colonial rule. These factors created economic disparities within and among countries, leading to high levels of poverty and income inequality. The development gaps between rural and urban areas further exacerbated economic insecurity, as rural populations often lacked access to basic services and opportunities for economic advancement.

After the conclusion of World War II, a myriad of intricate dynamics unfolded, shaping the geopolitical landscape during the Cold War era. Within this historical context, several regional conflicts manifested, adding a layer of complexity to the global political stage. The Cold War period saw Southeast Asia become a battleground for ideological and political struggles. The Vietnam War, Cambodian genocide under the Khmer Rouge regime, and conflicts in Laos deeply impacted the region. These conflicts caused extensive destruction, displaced populations, and disrupted economies. The economic insecurity resulting from these conflicts lingered for years, hampering recovery and development efforts. The legacy of regional conflicts left a lasting impact on economic stability and hindered progress in Southeast Asia.

Later on in the late 20th century, Southeast Asian countries experienced rapid economic growth, with nations like Singapore, Hong Kong, Taiwan, and South Korea emerging as strong economies. However, this growth was accompanied by vulnerabilities. In the late 1990s, the region was hit by a severe financial crisis, often referred to as the Asian Financial Crisis. Currency devaluations, bankruptcies, and widespread economic contraction

ensued, leading to high unemployment rates, poverty, and social unrest. The crisis exposed the underlying fragilities and systemic weaknesses in Southeast Asian economies.

Subsequently the process of globalization brought both opportunities and structural challenges to Southeast Asia. Economic integration, foreign investments, and increased trade have contributed to growth and development. However, globalization has also resulted in job displacement, wage stagnation, and increased competition. Industries reliant on low-skilled labor, such as manufacturing and textiles, have faced significant challenges due to outsourcing and shifting global production networks. Economic restructuring and the transition to more knowledge-intensive sectors have left vulnerable populations facing economic insecurity.

Furthermore, one of the most relevant impacts was pandemic. The COVID-19 pandemic, which began in late 2019, has had a profound impact on the Southeast Asian economy. The region experienced disruptions in trade, tourism, and supply chains, leading to business closures, job losses, and economic contraction. The pandemic has further exposed the vulnerabilities of informal workers, migrant laborers, and those in the tourism-dependent industries. Economic insecurity has been exacerbated, underscoring the need for enhanced social protection systems and resilient economic policies.

Various causes have affected the history of the repercussions of economic insecurity in Southeast Asia, including colonial exploitation, post-colonial struggles, regional wars, globalization, and the current epidemic. These elements have had a long-term influence on the socioeconomic environment, leading to poverty, income disparity, unemployment, and social instability. Economic insecurity demands long-term measures, such as inclusive economic policy, investments in education and skill development, social safety nets, and regional collaboration. Southeast Asian nations may aim for more fair and sustainable economic growth by tackling the core causes of economic insecurity, providing a brighter future for their inhabitants.

## **CURRENT SITUATION**

Effects of economic instability are occurring in different ways in Southeast Asia. Some of them are inflation, unemployment, and the business cycle. There are certain factors that are causing the economic instability and that cause the effects. In Southeast Asia, income inequality remains a major concern. Despite some nations' strong economic expansion, the advantages have not been fairly distributed. There remains a wealth imbalance, with a sizable percentage of the population still living in poverty or failing to satisfy their basic necessities. Income disparity in Southeast Asia has a number of economic consequences for the area. In Southeast Asia, disparities in human capital and income development can create regional imbalances.

For low-income people and families, limited access to excellent education and healthcare can lead to a mismatch between skills and job market demands. This can result in a less trained workforce, as well as reduced productivity and innovation, affecting economic competitiveness.

Another factor that impacts the economy is informal economy. The region suffers from a substantial informal economy, with employees engaged in informal and frequently unregulated industries. These employees frequently lack employment stability, social protection, and access to formal financial institutions. The informal sector can exacerbate economic instability and impede the establishment of a formal, inclusive economy. Tax and regulation avoidance typically drive participation in the informal economy. The informal economy presents issues to governments in terms of collecting taxes and regulation. Informal enterprises sometimes operate outside of conventional regulatory frameworks, resulting in lower tax revenues as well as inadequate control over labor standards, product quality, and consumer protection. Governments must strike an acceptable compromise between encouraging formalization and making sure that laws and regulations do not impede the unregulated sector's entrepreneurial efforts.

Last but not least, factors that cause different effects on the economy are corruption and governance. Corruption continues to be a problem in certain Southeast Asian nations, weighing on economic progress and investor trust. It has been really a major problem in certain regions. Moreover transparency, governance, and institutions are critical for creating economic stability, attracting investments, and supporting long-term growth. Corruption in Southeast Asia can lead to economic issues, including reduced investment, distorted market competition, weakened rule of law etc. Corruption stifles economic growth by altering market processes, deterring investment, and raising the price of transactions. It restricts competition, undermines corporate confidence, and diverts resources away from profitable industries. This can lead to decreased foreign direct investment, inefficiencies in the economy, and slower overall economic growth.

Addressing such economic difficulties would need a multifaceted approach that includes enacting equitable economic policies, investing in learning and training, supporting sustainable development practices, improving administration and honesty, and developing regional collaboration. Southeast Asian countries may work toward more fair and sustainable economic growth for the benefit of their people by tackling these challenges.

## **PAST ACTIONS TAKEN BY ASEAN**

### **ASEAN economic community**

The AEC aims to "implement economic integration initiatives" to create a single market for member states. The blueprint that serves as a comprehensive guide for the establishment of the community was adopted on 20 November 2007 at the 13th ASEAN Summit in Singapore. Its characteristics include a single market and production base, a highly competitive economic region, a region of fair economic development, and a region fully integrated into the global economy. The areas of cooperation include human resources development, recognition of professional qualifications, closer consultation economic policies, enhanced infrastructure and communications connectivity, integrating industries for regional sourcing, and strengthening private sector involvement. By facilitating the free movement of skilled labor, goods, services, and investment, ASEAN would emerge as a unified global market, thereby enhancing its competitiveness and fostering opportunities for development.

### **SUMMARY**

In conclusion, in the diverse tapestry of ASEAN countries, a multitude of challenges has woven itself into the socio-economic fabric, demanding strategic solutions and collaborative efforts. Historically reliant on agriculture, these nations have found themselves at the crossroads of globalization and modernization, confronting issues that span economic, social, and political spheres. However, throughout the years different factors have affect the stability of the economy and in some cases, it has led to difficulties in the country. Even though most are trying to fix them, some of them don't have enough financial support to improve their economy and stability. These factors can lead to corruption and unemployment. ASEAN was already working on this issue before and is continuing to do so. Despite that, every country has its own story and its own improvements.



## **TOPIC 2: CONSEQUENCES OF THE SHIFTING BALANCE OF POWER IN THE ASIAN PACIFIC**

### **HISTORY OF THE TOPIC**

ASEAN was formed in 1967 with the primary purpose of preventing the spread of communism in Southeast Asia and promoting regional stability. The United States was a dominant power in the Asia-Pacific then, with a strong military presence in countries like South Korea to counterbalance the USSR and China.

After the Cold War, the U.S. saw an initial period of unipolarity. However, it also marked the rise of China and other emerging powers in the Asia-Pacific region. ASEAN began expanding its membership, and by 1999, it included ten Southeast Asian nations. The group aimed to foster economic integration and cooperation among member states and avoid getting entangled in major power conflicts.

The period from 1990 - 2015 was characterized by China's becoming a global powerhouse, marked by its expanding economic and military competencies. The United States, on the other hand, articulated its renewed focus on the Asia-Pacific through various political programs. Nevertheless, its preoccupations in the Middle East often diverted both attention and resources initially meant for the Southeast Asian region.

ASEAN persisted in its pursuit of dialogue and collaboration during this time, instituting mechanisms such as the ASEAN Regional Forum (ARF), the East Asia Summit (EAS), and the ASEAN Defence Ministers' Meeting-Plus (ADMM-Plus).

The last decade has seen a growing rivalry between the United States and China in Asia-Pacific. The dispute over the South China Sea has risen to prominence, as China's territorial claims directly impinge on ASEAN nations like the Philippines and Vietnam.

Simultaneously, India and Japan have displayed enhanced engagement in the region. India's "Act East Policy" and Japan's commitment to fostering peace and prosperity in the Asia-Pacific denote potential shifts in regional power dynamics.

The COVID-19 pandemic significantly impacted the Asia-Pacific region's power dynamics. The crisis highlighted the importance of cooperation, international assistance, and contributions to global health. During the pandemic, China boosted its influence through significant medical aid and vaccine distribution efforts. In contrast, the U.S. struggled to manage the pandemic domestically, which put the U.S.'s Asia-Pacific influence under scrutiny. ASEAN exhibited varying degrees of success in handling the health crisis and saw increased regional collaboration in public health and crisis management, altering the balance of power in the region.

## **CURRENT SITUATION**

The shifting balance of power in the Asia-Pacific region has been a defining characteristic of the geopolitical landscape in recent years. As we entered the 21st century, the rise of China as an economic and military powerhouse began to disrupt the existing order dominated by traditional powers like the United States and Japan. As China's influence expanded, it began to assert its power more visibly, particularly within its immediate geographical sphere, raising significant concerns among other regional actors.

ASEAN's role in shaping the geopolitical landscape of the Asia-Pacific region cannot be understated. Amid the major power dynamics between the United States, China, and other emerging powers, ASEAN emphasizes its centrality and independence, providing a counterbalance to the ongoing competition.

The organization has continuously strived to prioritize dialogue, peaceful conflict resolution, and neutrality. This allows it to engage in constructive diplomacy with all major powers, thereby fostering an environment of mutual respect and cooperation.

The South China Sea is a prime example of the rising tensions. Home to vital shipping lanes and rich in resources, the sea has become a flashpoint due to competing territorial claims. China's assertive posturing, including the construction of artificial islands and military outposts, has led to increased anxieties among other claimants, such as Vietnam, the Philippines, and Malaysia. The East China Sea has also been a focus of dispute, especially between China and Japan over the Senkaku/Diaoyu Islands.

In response to China's rise, the United States, under President Obama, initiated a 'Pivot to Asia' policy aimed at strengthening alliances with Asian countries to maintain the balance of power. The subsequent U.S. administrations, however, have varied in their approach, bringing both continuity and disruption. The trade war between the U.S. and China under President Trump is one such instance of disruption, which affected not only the two countries involved but sent shockwaves through the entire region's economy.

Trade disputes, coupled with the broader economic competition between China and the U.S., have had a significant impact on the Asia-Pacific's economies. Many regional countries, tied to both powers through complex trade relationships and supply chains. Countries like Vietnam and Malaysia, for instance, experienced a surge in foreign investment as firms sought alternatives to China's manufacturing capabilities amid the trade war.

Despite these challenges, the region has also shown resilience and an ability to adapt. In particular, there have been significant efforts to bolster regional cooperation and economic integration. A notable example is the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), a trade agreement among

11 countries initiated after the U.S. withdrew from the original Trans-Pacific Partnership (TPP). Another instance is the Regional Comprehensive Economic Partnership (RCEP), signed in 2020, which created the world's largest free trade bloc, including ASEAN, China, Japan, South Korea, Australia, and New Zealand.

These initiatives reflect the region's commitment to maintaining economic stability and growth, even amidst the shifting geopolitical landscape. They also highlight the importance of regionalism and the potential for the Asia-Pacific to shape its future.

Nonetheless, the shifting balance of power in the Asia-Pacific has brought about a state of flux. Traditional alliances are being re-evaluated, new partnerships are being forged, and old rivalries are taking on new dimensions. As China continues to grow, many regional actors recalibrate their strategies and economic plans to navigate these changes, the Asia-Pacific region remains at the forefront of global geopolitical considerations.

The shifting balance of power in the Asia-Pacific region serves as an ongoing catalyst for considerable changes in global geopolitics. This region stands at the center of international relations and will continue to shape the world order in years to come. As we continue to observe the evolving dynamics of traditional and emerging powers, it's clear that the Asia-Pacific region remains at the forefront of strategic considerations worldwide. Understanding the intricate dynamics of this shift is crucial for anticipating future trends and making strategic decisions. This overview of the situation provides a foundation for further exploration into the multifaceted and ever-changing landscape of power relations in the Asia-Pacific. Recognizing and appreciating this complexity is key to addressing the region's challenges and harnessing its opportunities in the future.

## **PAST ACTIONS TAKEN BY ASEAN**

**TAC and ZOPFAN:** In 1971, ASEAN established the Zone of Peace, Freedom, and Neutrality (ZOPFAN) as an affirmation of its neutrality amidst the geopolitical tensions of the Cold War. In 1976, the Treaty of Amity and Cooperation (TAC) was signed, promoting peaceful coexistence and regional resilience. These initiatives have been pivotal in ensuring ASEAN's collective security and autonomy.

**Economic Integration Efforts:** ASEAN has progressively implemented measures to enhance intra-regional trade and investment, as well as economic cooperation with major economies. Such efforts have aimed to solidify ASEAN's economic unity and collective bargaining power, reinforcing its central role in the Asia-Pacific economy.

**ASEAN Outlook on the Indo-Pacific (AOIP):** In 2019, ASEAN adopted the AOIP as a guide for engaging with major powers in the region. The AOIP reasserts ASEAN's centrality and promotes principles of dialogue, cooperation, inclusivity, and respect for international law.

**ASEAN Regional forum (ARF):** The ARF, which was established in 1994 has played a crucial role in promoting the use of constructive dialogue on security issues among ASEAN and its dialogue partners.

The 2020 signing of the Regional Comprehensive Economic Partnership (RCEP), promoted by ASEAN and inclusive of China, Japan, South Korea, Australia, and New Zealand, further signifies a recalibration in the region's economic power balance.

## **SUMMARY**

ASEAN's significant influence on Asia-Pacific geopolitics is marked by its centrality and neutrality amidst major power dynamics. It pursues dialogue, conflict resolution, and diplomatic engagements with all key powers. A significant test of ASEAN's resilience is the South China Sea dispute, with efforts towards a Code of Conduct (COC) with China to ensure regional peace. Economic integration is vital to ASEAN's strategy, aiming for a vibrant, unified economy by enhancing intra-regional trade, promoting investment, creating a single market, and engaging with major economies. Past actions, such as establishing ZOPFAN and TAC, solidifying economic unity, adopting the ASEAN Outlook on the Indo-Pacific, and forming the ASEAN Regional Forum, have reaffirmed ASEAN's role in the region.

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