

Globalization in southeast asia



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One of the major causes of change in the nations and borders of Southeast Asia (SEA) would be the impact of globalization. Globalization promotes increasing contact with other nation-states be it through social media, economic exchange, politics and many other areas. Already, we see results in the form of increasing cooperation through international relations system like ASEAN. However, globalization can change the borders of the region not only through increased cooperation but also through increased competition. In exploring how globalization change nations and borders in Southeast Asia, this paper will also examine how globalization makes economies competitive and this will change nations and border by bringing SEA together through economic integration or result in the battle of economies.

In the area of international relations, we see globalization changing nations and borders of Southeast Asia through increased regional cooperation in the formation of the Association of Southeast Asian Nations (ASEAN). The establishment of ASEAN on August 8, 1967 in Bangkok during the middle of the Vietnam War was an attempt by SEA states to prevent intraregional conflict, and to create “ a voice for themselves in the broader Cold War arena.”(Bennett) It also represented an attempt at redefining the individual nation-states as being a part of a regional entity. Globalization of the Cold War had created a need for neighbouring nation-states to become more inter-dependent on one another for the sake of national and regional security and in doing so, brought about increased regional cooperation and the formalization of it through the establishment of ASEAN.

However, with comparatively minimal threat to national security in recent years, the impact of globalization is in recent years most prominently

manifested in the area of economic relations. Singapore is a small concentrated country in Southeast Asia that has been affected by globalization. The country is known for its tiger economies being the most open, trade oriented economies and “ home to over 6000 Trans-national corporations making it a sanctuary for international investors.” (WriteWork) Singaporeans have a strong entrepreneurial ability and using their surplus of funds they are able to invest in technology and social services increasing their economic development. (WriteWork)

One important thing to note here is that countries in SEA adjusted and adapted to globalization in different ways and this has resulted in each countries being currently situated at different stages of development. There was tension due to water supply issues between Singapore and Malaysia. Malaysia claimed that the water supply that was supplied to Singapore was underpaid and that Kuala Lumpur wanted a reasonable price. Singapore rejected the allegations from Malaysia. If this issue is not properly solved military conflict could ignite which hurts both nations. Singapore, which lacks natural resources, obtains half of its daily water from Malaysia to maintain its growing population.(Agence France Press)

This is one of the frequent issues that has created friction between the states since Singapore became independent from the Malaysian Federation in 1965.(Agence France Press)In this way, globalization has changed the ways in which nation-states in SEA conduct international relations. That having said, a straining of relationships between countries at different stages of economic development is not the only way in which globalization has affected Southeast Asian economies. On the flip side, globalization has also

brought about increased economic integration. For example, the Brunei dollar is “pegged to the Singapore dollar at a 1: 1 ratio”. (Go Currency) This is beneficial for both countries since they are major trading partners. This shows that a common currency, much like the Euro which was adopted by countries in the European Union, is not mere fantasy but a possible direction for the future of SEA states. Similarly, we see examples of regional cooperation where economic aid was provided through ASEAN system. The 1997 financial crisis provoked ASEAN to aid its nations by facilitating accelerates local financial cooperation. “The ASEAN Vision 2020 which they launched that year, leaders resolved to preserve macroeconomic stability, to carry on liberalization of financial service sectors and to carefully cooperate in money, tax and custom matters.” (ASEAN) This shows that globalization has also resulted in increased economic integration as countries in the region become increasingly aware of a shared fate especially in terms of economic growth through the Asian Financial Crisis for one.

Globalization has increased interactions between people and their ideas in many ways. People are travelling more frequently and more widely. In recent decades, migration has become easier due to reduced importance of geographic distance in determining boundaries of labor markets. This is the result of improved transport, and rapid movement of communication technologies that it's possible. Migration is necessary for countries to secure the advantages of global flows of trade and gain a comparative advantage over other nations. When a nation lacks a specific ability, the easiest way fix it is to import it. (Ewers) The knowledge of a nation's workforce is a priority because it becomes a commodity. As mentioned many MNC's have

headquarter centers in Singapore. This encourages migration of highly-skilled foreign workers that provide human capital towards the region.

Taking all the above points into consideration, in terms of national and regional economy, I propose two possible future directions in which globalization can impact the nations and borders of SEA. One, globalization could increase competition leading to countries in the region battling it out in order to establish an economic advantage over the other. For example, overall, that there is increasing competition on the economic level between Southeast Asia and China as sites for manufacturing, light industry, information technology and low salaries.(Bersick and Pasch 21)

A more positive outlook for the future would be increased economic integration for the region. Malaysia and Brunei have agreed to a bilateral cooperation in the oil and natural gas division. (Shams) The Malaysian state-owned oil and gas company, and Brunei National Petroleum Company signed the Memorandum of Understanding. The MoU, confirmed the commitment to take bilateral relations to a “ new stage of enhanced partnership and expressed their mutual desire for the continuous and expeditious implementation”. (Brudirect)This is a progressive action taken by these two countries in the South China Sea to explore oil resources. Both leaders emphasized that their hopes was to express the “ increasing level of trade and investment between the two countries would continue to accelerate”. (Brudirect) What we can safely conclude at this point is that the degree of economic cooperation that will develop in the future depends on how closely related national interest is to regional interest in the view of the SEA governments. The more closely related national interest is to regional

interest, the better opportunities for regional cooperation as evidenced in the formation of ASEAN where regional security was judged to be crucial to national security. Indeed, with already established frameworks like ASEAN, increased economic cooperation does not seem like impossible at all.

In the future as a result of globalization, Southeast Asian nations have a probable chance at integration and unity through economic means. This can be achieved through existing frameworks of regional cooperation such as ASEAN which function as peacekeeping system but also emphasizes economic collaboration with other countries. Utilizing the European Union as inspiration and as a stepping stone for Southeast Asia is a vital strategy as well. If the Southeast nations could overcome their challenges, if they initiate to work among each other not only will they form similar objectives and create mutual trust but perhaps build an over-arching identity.