

With respect to the rapidly-industrializing states of the region, in particular Indonesia, Thailand and Malaysia, their economies are well able to support their levels of military spending, despite their relatively poor military/social welfare spending ratios (in comparison with other regions). However, insofar as military spending appears to be expanding as a function of this growth, rather than as a function of a changing constellation of threats, some future concern might be warranted, lest regional political rivalries take on a strong military cast. The regional prospects for political transformation towards more representative government, and the nascent emergence of a regional security dialogue, are steps in the right direction, but concrete confidence and security-building measures, such as increased transparency in military spending and armaments, should be promoted. From the strict point of view of military expenditures, the two states of major concern remain Laos and Myanmar, for both the regional states and the broader international development community.