

## Membership of the Asian Union

Recently, with the fall of so-called “Pax Americana” in East Asia and the corresponding rise of China, some begin to expect that China will lead the way of integration with its immense economic and political influence over Asia. Meanwhile, as ASEAN has showed the leadership for the integration with its successful completion of FTAs in 2002, a new hub-and-spoke model expects that ASEAN will play a key role as the pivot of integration. (Kimura, 2009) However, we have not witnessed that any of the countries achieved a successful integration over a mere sub-regional range.

We would like to suggest a new idea of ‘gravity model.’ (Refer to the diagram in the title page and the formula in the endnote) In Newtonian physics, gravity is a force determined by the mass of and the distance between two distinct objects. In an analogous manner, we may replace the mass with the combined influence (in terms of politics, economics, or culture) of a country and the distance with the degree of interdependence between the countries<sup>i</sup>. In the gravity model, each country pulls other countries with its gravity, while the magnitude of the force is different, respectively. This is rather a three-dimensional model like the space we live in: unlike the previous horizontal or vertical models, each country can affect other countries in its own direction, and the equilibrium of the forces creates the balance of the world. In the process of the *de facto* integration in Asia we have observed each individual country pulls each other with the force of which the magnitude corresponds to the influence of the country over Asian community.

With this model in mind, our hypothesis is that the greater the gravity between a country and AU is, the stronger mutual attractive force for the country to be assimilated to AU. We have set four specific criteria to compose the interdependence coefficient in the gravity model and to select the nations for the membership of the Asian Union<sup>ii</sup>: 1) economic interdependence, 2) cultural similarity, 3) political influence, and 4) geographic location. We pick economic interdependence as the first criteria because, unlike the case of EU where the economic integration was led by the political will of European community (or *de jure* precedes *de facto* integration), the economic needs in Asia is the key force that drives the progress of integration over Asia over political obstacles. A measure of economic interdependence would be trade amount. For example, Australian import only consists 2% of Japanese export while ASEAN import consists 14.6% of Japanese export (OECD, 2012): the economic interdependence between Australia and Japan is relatively weaker compared to that between ASEAN and Japan. Therefore, we can exclude Australia from AU using this logic. However, economic interdependence alone cannot result in a successful integration. Another crucial criterion is cultural assimilation of individuals in the member nations. As in the case of US-Japan alliance, an economic adhesion without cultural similarity may cause political friction between two nations. Also, it is necessary to limit the scope only to the nations of which the domestic politics significantly influences each other. For instance, the recent visit of Dokdo Island by President Lee of South Korea immediately brought a strong opposition from Japanese Cabinet. Lastly, geographic adjacency is required to ensure the benefit from economies of scale and joint regional policies are maximized. In sum, using the interdependence coefficient, we exclude Australia, New Zealand, Russia, and the United States and include ASEAN, China, Japan, Korea and India as the final member of AU.

We divided the procedure for Asian integration into three stages: CJK, CJK+ASEAN, and CJK +ASEAN +India. The integration of China, Japan and Korea should come to the first step. Despite the effort of ASEAN to lead the integration as a new hub in Asia, its ‘gravity’ over Asian community is not comparable to that of China, Japan, or Korea. (Achsani, Wijayanto, Agustyarti & Lianitasari, 2010) In particular, once we can achieve a substantial level of integration between Japan and Korea, the gravity will balance with that of China and leads to the CJK integration. After the first stage, the current effort of ASEAN to establish bilateral relationship with CJK will open the way to a complete ASEAN+3 integration. Ultimately, our model will bring India to the Union because the growing influence of India will attract ASEAN+3 community, and vice versa.

### Structure of the Asian Union

Structure of the Asian Union suggested by team ‘Constructivist’ is comprised of Supreme Council, General Assembly, and seven specialized agencies. Focusing field of the seven specialized agencies and their given tasks are illustrated at the diagram below.



The members of the Supreme Council are the presidents or prime ministers of Asian Union member countries. All members of the Supreme Council gather two times a year and sign the final proposals which were already screened out by General Assembly. The General Assembly is also held twice a year, two months before the Supreme Council is held. The international treaty passed by Supreme Council has legal validity tantamount to domestic law of all member countries of AU. If a member country breaches the international treaty passed by the Supreme Council, International Court of Justice under United Nations can force the member country to abide the treaty. The three reasons why AU’s unique legal system does not necessarily have to be established are 1) to prevent possible administrative inefficiency by establishing additional legal system, 2) to facilitate block economy while conforming to the trend of globalization, and 3) to get approval of launching AU from other countries such as U.S from realistic point of view.

The members of the General Assembly are categorized into two types- the National Representative (NR) and the Agency Representative (AR). The head of Ministry of foreign affairs at each country is the member of NR; therefore every member country must have one NR member. On the other hand, the head of the seven specialized agencies are the member of the AR. This NR-AR twofold system is to guarantee equal participation opportunities are given to every member of AU (by NR), and at the same time to make sure experts under the seven specialized agencies can voice their opinions during the General Assembly proposal decision session to a certain degree (by AR)<sup>iv</sup>.

The members of the seven specialized agencies are comprised of the AU secretariats (whose main occupation is to do service at AU), CEOs and NGO volunteers from the member countries (whose secondary occupation is to do service at AU)<sup>v</sup>. Inaugurating CEOs and NGO volunteers not as an observer, but as the member of the specialized agencies is what makes AU different from UN and other inter-governmental organizations. This is to achieve fundamental integration of the Asia at ultimate stage, the stage which the identity of an ‘Asian’ is deeply rooted not only into the minds of the government officials, but also into the minds of whole Asians.

## **Needs and Feasibility of the Asian Union**

The necessity of the Asian Union can be explained by the extra-union and intra-union benefit that the Union member countries can get. In terms of extra-union benefit, formation of the AU enhances the status of Asia against EU and the U.S. This in turn strengthens the negotiation power of the AU member countries. For example, if the AU member countries cooperate and purchase oil together from OPEC, the AU has a diplomatic power to negotiate oil price because the AU is a big customer to OPEC as the CIA 2004 report expected that Asia would consume four thirds of oil produced from Middle East in 2015. (Lee, 2004)

The intra-union benefit of the AU is mostly of reducing economic costs. An example of such cost is the spaghetti bowl effect. There is a growing number of bilateral FTAs in Asia of which the original objective is to reduce the transaction cost of and to facilitate inter-Asian trade; however, there are more complications in trade as the number of the bilateral agreements increases, like tangled noodle in a spaghetti bowl. This in turn results in the eventual increase in transaction costs. (Kawai and Wignaraja, 2009) Thus, it is much more desirable to have a single, multilateral organization to lead the extensive development of the region instead of inefficiently many bilateral economic agreements.

Even though the idea of the Asian integration had not been successfully implemented for decades, yet there have been signs of the feasibility of the AU. The increasing attempts for economic cooperation within countries in Asia (Hale, 2008), the increasing number of Asians traveling Asian countries rather than Europe or U.S, and constant emergence of NGOs promoting Asian relations are the good indicators. Regardless of those good indicators, there is a fundamental obstacle consisting of various political costs that impede the successful establishment of the AU.

The fundamental obstacle can be explained by game theory. From the game theoretical view, the current situation of Asia is a sequential game where no government wants to be the first mover for cooperation. In a sequential game, the player with the first move is at a significant disadvantage because the second mover can decide his or her strategy that is most effective against the first mover's action; that is, all the players will strive to become the second mover. For instance, neither China nor Japan can reach a peaceful coordination by taking the first step from the issue of Diaoyu/Senkaku Island. When we take a closer look, we find that the issue is actually composed of two separate but connected games at diplomatic level (Level I) and domestic level (Level II). A win-set is the set of all possible Level I agreements that would gain the necessary majority among the constituents under Level II consensus. (Putnam, 1988) In current Asia, the sizes of win-sets are too small so that it is difficult for a single country to make an initiative, or be the first mover. In other words, having a larger win-set, or more policy options, allows less cost and larger benefit from making an initiative toward Asian cooperation. Therefore, efforts to increase the size of the win-sets of each country for successful establishment of AU are to be proceeded.

A possible solution is to have a 'belief' that 1) Asia can unite under the name of 'Asian', and 2) the establishment of the Asian Union brings benefits to all the member countries. That is the key to make countries audacious enough to take the first step to resolve sensitive diplomatic issues by expanding the win-set of each country. Benedict Anderson pointed out that the artificial image of affinity within unconsciousness of people is the prerequisite of establishing an imagined community. (Anderson, 2010) In order to establish an imagined community called AU, efforts to strengthen the belief of emphasizing the identity of 'Asian' must precede the actual integration procedures. Otherwise, the level of the integration within Asia cannot exceed the current level of nation-based transactions. After a ceaseless effort of making the belief prevalent in our society, the formation of the Asian Union is never a dream but the feasible reality that awaits us.

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<sup>i</sup> The gravity between two countries of a and b can be written as

$$g_{(a,b)} = G \cdot m_a m_b \cdot r,$$

where

$G$  = gravitational constant,

$m_i$  = weighted sum of country  $i$ 's economic, political, and cultural influence

$r$  = interdependence coefficient

The economic, political, and cultural influence of a country can be measured by various methods, possibly using its GDP, number of international/regional organizations where the country participates, export amount in intellectual property, etc.

<sup>ii</sup> The interdependence coefficient  $r$  can be written as

$$r = w_e r_e + w_c r_c + w_p r_p + w_g r_g$$

where

$w_i$  = weight for each criterion

$r_e$  = degree of economic interdependence measured by trade amount and covariances of macro – economic indices

$r_c$  = degree of cultural assimilation, measured by demographic, linguistic, or other sociological indicators

$r_p$  = degree of political influence, measured by the number of political disputes within the recent year, military agreements and etc.

$r_g$  = degree of geographic adjacency, measured by the distance between the two countries

Countries satisfying a certain level of measurements in the four criteria would be considered as the primary member of the Asian Union, while those satisfying only two or three may regarded as secondary members for later development in relationship.

<sup>iii</sup> This idea referred to the Chiang Mai Initiative (CMI), 2000, a currency SWAP arrangement among ASEAN+3. Energy SWAP is an imaginary arrangement which one country desperately in need of energy can get assistance from communal energy fund of AU.

<sup>iv</sup> The NR-AR system referred to the United States politics system- the division of the Senate and the House of Representative.

<sup>v</sup> This principle accepted the recent trend of New Governance (Lester M. Salamon, 2000), the principle emphasizing the harmony of the government (1st sector) – market (2nd sector) - civil organizations (3rd sector).