

TEAM. 10 Lio

One Asia (O.A.)

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Asian countries had a currency crisis in the year of 1998, however they overcame it and have shown enormous growth rate. However, after the instant boost of economy, Asian countries have slowed down economically, and now is the time to seek new intrinsic solutions. We thought that the solution would not be instant. Thus, we concluded that Asian countries need to form a Union that could be an economic safety-net. In today's world, the scale of economic problems is especially transnational as we can see on the world financial crisis which started from 2007, and for each country to solve these problems individually is most impracticable. And the agreement of TPP, which will be leading by US, is now in progress, and to make Asia more competitive, and to change the pattern of world economy's hegemony, establishment of this union, One Asia (OA), is inevitable.

By establishing OA, our main concern is, of course, the economy, however to make this OA more cohesive, understanding each other's cultural differences is essential. Because, in the Asian region, countries affect interests each other in many aspects, such as territorial problem, historical problem, energy and food security, North Korea's nuclear proliferation, etc. Therefore, we are going to form an economically profitable union based on the understanding of the cultures that organize interest relations, and ultimately seeks economic progress together.

Members

Because of these reasons stated above, we selected China, Japan, Korea, and Russia as our starting group. These countries are already working on the FTA contracts and already know the incentives of forming one union. ¹China has comparative advantage in labor, Korea and Japan have comparative advantage in IT industry, and Russia has comparative advantage in natural resources. If these economies are combined, there would be a synergy on the entire economy. Furthermore, all of these countries have problems with North Korea. Thereby, if these countries cooperate, it could make the profit of reducing expenditure on regional security concerns. After cooperating with Russia, Asian countries could have their Asian-premium fee eased as well as lessening the risk involved in importing oil by sea. Furthermore, if we connect TSR, and TKR, OA could get natural resources more effectively, and might use these railroads for touristic purpose (like U-Rail). ²Along with this, Russia has been working on solving the problems in the Asian-pacific region (ex. Energy safety and the Korean nuclear crisis etc.). If Russia joins this union, conducting arbitration with North Korea about the nuclear problem would be eased. If we also start this union with these 4 countries, it would not have the risk of integrating developing countries like the euro-zone crisis. Hence, China, Japan, Korea, and Russia share historical issues and solving this problem is essential to keep peace politically among these countries, and establishing this union might be a starting point of solving this. After the solid cooperation of these 4 countries is formed, this union will combine with ASEAN countries to make more profits.

However, ultimately our goal is to form OA that integrates all countries in Asia, therefore after the integration of China, Japan, Korea, Russia, and ASEAN countries, all the other countries in the Asian region would be allowed to join this Union, if they meet these 4 conditions. First, the country has to have market-economy structure. Second, the country has to agree to follow democratic decisions which OA members make. Third, the country has to have certain amount of GDP or has to be confirmed as a creditable country according to the credit-rating agency. Lastly, the country has to agree on NPT(Nuclear Non-proliferation Treaty).

Structure

The structure of the union will be the horizontal network structure. The executive office of OA will be located in Song-do, Korea, since its locations has high-accessibility and is a well-

¹ 박홍석<<A Trilateral FTA among Korea, China and Japan: Possibility and Limits>>. (2010),pp.153-173

² 알렉산드르 제빈/러시아 과학아카데미 극동문제연구소 한국연구센터 소장<<아태지역 통합과 러시아>>
<http://legacy.www.hani.co.kr/section-001048000/2004/07/001048000200407191759216.html>

organized planned international business district.³ Even though the structure of the departments is horizontal, our team would focus on the technology, science and media part, because these are two major factors in non-economic field.

*Supreme Council: will select 'secretary-general' every 4-year, in purpose of maintaining consistency of policies and in purpose of blocking the potential of concentrating power of OA in one country. 'Secretary-general' should not be from the same nationality of countries of directors of each board. The way of election is weighted voting system based on the economic power, the population, and the ratio of funding to OA of each country. Also, a 'secretary-general' cannot serve consecutive terms.

- Economy: will be divided into four departments, monetary, fiscal, industrial investment, and trade. Monetary department will establish 'Asian Monetary Fund' in accordance to Chiang Mai initiative to protect and to maintain stable Asian countries' currencies and ultimately to make a viable economic circumstance. This AMF will be the institution that maintains the financial cooperation in Asia. ⁴Fiscal department would prepare for making integrated fiscal policy after the economic conditions of member countries are analogous. Industrial investment department will help the companies to form consultative groups of each industry to promote solving overproduction problems and to prevent cut-throat competition. ⁵Also the industrial investment department would sponsor the 'Asian Business Fairs' to promote consultations between companies and to promote transparent competition between companies. Trade department will make common standards that are needed in trade (trade standards, standards of importing or exporting food and drugs, etc.) to reduce the trade costs.

- Natural Resources and Environment: Natural resources department would mainly work on the project connecting TKR and TSR. Also, will develop the methods to exploit natural resources, such as shale gas, and shale oil. Moreover it will oversee the installation of pipelines all around OA countries. Furthermore, this department would continue the research of alternative energy resources. Environmental department would make the regulations for the emission quantity of carbon-dioxide, find solutions and preventions for natural disasters, etc.

- Diplomacy: will also contain two departments, diplomatic and security. The diplomatic department would be working on combining diplomatic opinions of each member country and make one foreign diplomatic policy. Also, this department would work on the non-visa programs in the region. Security department would work on solving the territorial dispute, environmental issues, natural disasters etc. to ease the tension and to aim at maintaining peace in the Asian region as an arbitrator. ⁶In addition, security department would have subordinate office, which works for the food security of Asia, since all China, Korea, and Japan are showing very dependent tendency in agricultural industry.

- Science and Technology: First, this department would make IT clusters, especially on the occasions where the economic condition is poor. This could foster developing countries' economy. Second, this department would develop the space industry based on the technology which Russia has and furthermore will also develop the technology for making aircrafts and vessels. Lastly, this department would make a medical center in Singapore about the size of a

³ 박진 한국외대 석좌교수<<아시아의 미래와 한국의 역할>>
<http://blog.naver.com/correctasia?Redirect=Log&logNo=50172501391>

⁴ 라은영 기자<<아시아통화기금(AMF) 창설 본격화 -IMF와 美 패권에 대한 아시아 블록의 대항, 그들만의 공고화>> <http://www.newscham.net/news/view.php?board=news&nid=27402>

⁵ 한국철강협회<<철강협회, 제37회 철강산업 발전 포럼 개최>> <http://www.kosa.or.kr/>

Korea Institute for International Economic Policy:KIEP<<한중일 3국의 비교우위 패턴 변화 특징 및 시사점>>,(2010).P6

⁶ 이승률<<Cross-Border Symbiotic Society>>.(2011),pp.179~180

city, benchmarking the US's NIH. In this institution, most eminent medical doctors and researchers will gather together, research and develop their work, and by doing this, Asia can develop its own medical science. Furthermore, this institution will work on the development of 'Oriental Medicine' and its exportation to western countries. In addition, this institution will provide medical-care for the developing countries in OA. Also connected to this medical center, this department will build a pharmaceutical center, which develops new medicines. And using Russia (Siberian region)'s rare medical herbs and plants will be of enormous benefit. At the same time this center will develop the medical tour to be more organized and up-to-date.

- Welfare: welfare department would employment service system developing human resources, stabilizing labor market and expanding employment infrastructure. Moreover, in a long-term it would make a labor force alliance in Asia like ETUC, to protect labor rights and to promote low unemployment. Furthermore, this department would do the medical help to CVMS countries and other developing countries in OA making connection to the medical institution.

- Culture and Media: will foster the joint research of historical records. This department will establish a broadcasting network and a publishing company to intensify the understanding of other cultures and values between the member countries. This telecast will have programs such as News, documentaries about the diverse cultures, and some debate programs especially about historical or territorial issues based on the research of OA. By doing this, people in each country will be accustomed to other cultures and have a better understanding of each other, and furthermore these debate programs could be the solution to historical issues among China, Japan, and Korea. Simultaneously, by broadcasting diplomatic policy through this telecast, people in the member countries and other countries would be notified about what OA is doing. ⁷On the other hand, publishing company will print a brochure which contains the information about Asian countries' cultures, relations, the role of OA, and some progress on agreement in member countries' languages. This brochure would be distributed among schools and any other public institutions to cultivate spirit of community in Asia. This department would work on developing the programs for cultural exchange and student exchange. Connecting with this, this department would promote affiliation of sister-cities. Hence, this department would develop the tourism industry such as developing 'Asian Tour Root' to make profits.

*Extension of Partnership: We have selected Australia, New Zealand, India, and the US as the extension of partnerships. These countries will be the main trading partners with OA and also be the observer and arbitrator when there is a dispute between countries in OA.

Phase

PRIMARY STAGE	INTERMEDIATE STAGE	ULTIMATE STAGE
Scope: China, Japan, and Korea	Scope: China, Japan, Korea, and ASEAN	Scope: entire Asian countries
To strengthen the economic and cultural basis	For each nation to understand different cultures and values	Can assume that economic conditions of member countries are alike
<ul style="list-style-type: none"> ◆ Integrate economic level at FTA ◆ Non-visa agreement ◆ Start the research of historical records ◆ Publish brochure ◆ Medical Seminar ◆ Formulate a foreign policy with North Korea to connect TKR and TSR ◆ Set joining conditions about treaties ◆ Affiliate universities and cities 	<ul style="list-style-type: none"> ◆ Establish IT clusters ◆ Construct Medical City and make medical tour more organized ◆ Establish individual broadcasting network 	<ul style="list-style-type: none"> ◆ Share fundamental fiscal and monetary policy ◆ Free labor movement between the member countries

⁷ 김상철<<경제요소를 중심으로 본 중앙아시아 지역통합의 가능성 모색>>,(2012).p5

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