

The Method for Organizing the North East Asian Economic Cooperation Body

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Abstract

At the time that the era of the Cold War is vanishing and that the new world order is forming, we are realizing the need of the economic cooperation body.

Particularly, because the importance of the north east Asia in the light of economy is increasing, we can organize the north east Asian economic cooperation with six nations. And in the course of organizing the plan, Korea should play an important role and it will cause South Korea and North Korea to release the opposition. It will form the new Pacific order among the USA, the USSR, and Japan and form the economic cooperation circle like E.C.

Consequently, the north east Asian economic cooperation body will organize the field to the end of coprosperity and cosecurity in the north east Asia and the Korean peninsula.

I. Introduction

1. The Object of the Study

The peace of Korea would promise the north east Asian stability. Because Korea is located at the very important spot as is care of the north east Asia, she is regarded as the guardline by the marginal power nations.

The mighty powers have competed with one another in the Korean peninsula, for they thought that the Korea is very good means for advancing into the ocean to the continental powers and into the continent to the maritime powers in the light of political, strategical powers.

As well as the power nations made the Sino—Japan War at the end of 19 century and the Russo—Japan War at the beginning of 20 century and the Korean war.

The separation of Korea was made by the power nations not to dominate the Korean Peninsula by a particular nation.

Generally the north east Asian power structures around the Korean Peninsula are analyzed¹⁾

- i) Imperialistic System (1880-1940)
- ii) Cold war System (1945-1970)
- iii) Four powers-multipolar System (1970-)²⁾

Japan that won the wars at the imperialistic era integrated Korea with the other maritime powers' supporting.

The England and America judged that it was useful for Japan to integrate Korea to stop the continental powers advancing into the ocean, for it affected their interests.³⁾

At the Cold war, Korea was separated into two, one was supported by the U.S.A. and the other by the U.S.S.R., taking no account of the Korean people's wish to build the independent — unified state and they carried the "proxy war" which was embodied by the U.S.A. and the U.S.S.R..

At the end of '60th, President Nixon's visiting China replaced the Cold war structures with the four powers-multipolar system. And because the reappearance of the struggling aspects of the end of 19 century and the military relations between the South — North Korea are in a high state of tension, the Korean Peninsula is indicated the very probable spot to break out the war in the world particularly after the Gulf war.

Because the stability and peace of the Korean Peninsula directly related with the northeast Asian real peace, Korea should drive the new north east Asian system beyond the order by the U.S.A., the U.S.S.R., China and Japan.

President Rho proposed the "North east Asian peace cooperation conference among the six nations to build the new peace and the reunification of Korea at the U.N. speech Oct. 18 in 1988.

Gorbachev, President of the U.S.S.R., insisted that if we can form the peaceful region around the East sea, it will be another cooperative market like "European" Community at the paper conference with 「The Japan Economy Time」, in 1991.

Although they have trouble factors at the political and economic problems between the South and North Korea, they are wishing to release the hostile relations and to realize the attempt fixing the peace of the north east Asia and prospering all the countries, because the concepts on the north east Asian economic area is embossed by the international scientific conference about the north east Asian development and cooperation with the U.S.A., the U.S.S.R., China, Japan.

Therefore the object of this thesis is to realize the historical background of the separation of Korea and to search the institutional apparatus in order to overcome the frictional relations which is caused by the geopolitical factors among the north

east Asian countries.

2. The Scope and the Method of the Study

At the study, I may include the U.S.S.R., Korea, Japan, China in the light of the geopolitical and the static view and the U.S.A. in the light of dynamic view that is judged to check the balances within the participating nations and to make the situation of self-satisfying through trading within only this nations.

In fact, it is impractical to plan the north east Asian economic circle without the U.S.A. considering of the scientific level, trading quantity and the security relation with this area.

And it is desirable for China and the U.S.S.R. to participate the plan as the whole nation because if they participate partly, it may have frictions with the main policy in spite of having the alternative because of their wide ranged domain.

Although if the nations of PECC or APEC may participate in the north east Asian economic circle, they could function well because the organizing objectives of the structures are different fundamentally.

I will study from the current view that transforms the bipolar system into the multipolar system to the future with the historical background when the power nations competed in the Korean Peninsula to dominate Korea at the end of 19 century.

This thesis is organized into the fifth Chapters.

Chapter I: Introduction

Chapter II:

I will evaluate the relative importance of the north east Asian economy in the world economy system by searching the economic status quo and the foreign trading state of the north east Asian nations and the actual handicaps to organize the economic cooperation body.

Chapter III:

I will speculate the feasibility of organizing the north east Asian economic cooperation body and search the "Blockazation" of today's world economy and analyze the reaction of the political and scholarly world of the relative states and prospect the future economic order of the north east Asia.

Chapter IV:

To show the method of organizing the north east Asian economic cooperation body, I will examine the fundamental premis and emphasize that Korea shall be the center axle to confirm the stability of the north east Asia by fixing the peace in the Korean peninsula and coordinate the balances of power and propose the feasible method in a short period to organize the north east Asian economic cooperation body.

Chapter V: Conclusion

In this chapter, I will minimize the whole content and show the future practical will.

The study method of this thesis depends on the historical-descriptive method to forecast the future policy direction not to use the logical analysing method because of the character of this course.

But I searched the feasibility for organizing the north east Asian economic cooperation body as compared with the successful cases of Europe Committee with searching the historical course of forming Europe Committee to escape the friction that may be brought about by the policy-dinirectional future forecast.

I will try to study to transform Today's succession of E.C. into the reality of the north east Asian conomic cooperation body.

II. The Status Quo of the North East Asian Nations

1. The Economic and Foreign Conditions of the Relative Nations

After World War II, the ideological oppostion between east and west at Europe has been released with the reunifications of Germany but the oppostition at north east Asia make the economic relation inconcinient.

But because there are compacted population and are full of resources in this area in spite of their heterogeniety they can develop their economy if some communistic system will trans form into the market system.

Particulany, the U.S.A. is attacking the north east Asian market to seach the integration of E.C. by forming the north east Asia-American economic body and entered into the free trading area agreement with Canada and Mexico.

So if the U.S.A. which plays a important role at the security cooperation system participates it as a main member, the balances of power and the develop- ing speed are much quicker.

〈Table 1〉 show the population, G.N.P., foreign trade quantity of the north east Asian economic cooperation body (But you should pay heed that there are some errors at the statical comparison among the different systems.).

As we know from 〈Table 1〉, the population in this area reach 35.5% of the whole world poulation and the trade quantity 30%, G.N.P. 70% of the whole world quantity.

Six comtries have exported 67.68 billion dollars and have imported 751.4 billion dollars.

Because the open policy of China, the U.S.S.R. is quicken and North Korea seems to change, the trade quantity of each nations increases quickly according to the time.

And China seems to develop infinitely in the future, though trade quantity is

〈Table 1〉

	Population	GNP	GPN/C	Exportation	Importation
World	5,024 (100%)	141,914 (100%)	2,825	23,471 (100%)	24,078 (100%)
Korea	42 (0.83)	1,289 (0.90)	3,110	473 (1.01)	410 (1.7)
N. Korea	21 (0.41)	194 (0.13)	936	17 (0.07)	24 (0.09)
Japan	122 (2.42)	23,885 (16.83)	19,536	2,303 (9.81)	1,503 (6.24)
China	1,072 (21.33)	2,934 (2.06)	273	347 (1.47)	364 (1.51)
USSR	283 (5.63)	21,500 (15.14)	7,690	1,087 (4.63)	969 (4.02)
USA	244 (4.85)	45,267 (31.89)	18,557	2,541 (10.82)	4,244 (17.62)
Total	1,784 (35.5)	95,069 (66.98)	3,235	6,768 (28.83)	7,514 (31.2)

very small.

Recently China may change the policy. To make the U.S.A., the U.S.S.R., Japan play an important role as peace maker, Korea should do her best by her bitter historical experience.

2. Subconditions an the economic cooperation

There are many different systems in the north east Asia, China densely populated, Japan which has advanced technique, Korea which has management system. So the participation of the U.S.A. who lead the economy and security makes the subcapacity of the economic cooperation promote.

The north east Asian economic order should not be a system ruled by a state but be a system which give the economic profit to all the states by specilization and cooperation and this system should help to organize the new international economic order.

And we many minimize the factors of conflict if we will make the economic system forming an added value for all the nations not to expand the territory or the sphere of influence.

We will have common interests by trade and investment not by the expansiaon of domain.

〈Table 2〉

	Labour	Resource	Capital	Technique	Management
Korea	×	×	○	○	◎
N. Korea	◎	○	×	×	×
Japan	×	×	◎	◎	○
China	◎	○	×	×	×
USSR	×	◎	×	○	×
USA	×	○	○	◎	○

The regional specilization will be decided according to the character of each nation's resource.

The mutual protection of each nation in this area.

As we know from 〈Table 2〉, it seems⁵⁾ to have well condition to form an added value of each nation. But if North Korea will deny the opening, the dream on the economic cooperation body will be meaningless.

Though the nuclear development of North Korea makes the relative nations worry, it is fortunate that North Korea is trying to make better the diplomatic relation with the U.S.A. and to increase the trade with South Korea even though mediating by the third nation.

In fact, North Korea will secure the status in the process of fixing the new economic order with Korea than alone.

In the process of changing the international economic order, it may be rare like the north east Asia that can play a positive role changing the economic order. Now many scholars are discussing on the necessity of the cooperation among nations around the Pacific Ocean and advocating 「The Era of the Pacific」.

President Rho proposed 「The New Asian Pacific Cooperation System」 at the Hoover Institute of Stanford Univ. and it was another factor to urge the 「Era of the Pacific Ocean」. The Pacific Economic Circle organized by 12 nations participating APEC is different from the north east Asian economic circle from the view of economic system.

But the north east Asian economic circle will play a protecting role to tie with one another at the Asian-Pacific area because it is characterized by the cultural common feature and necessity to the specilization.

3. The Obstacle Factors on the Economic Cooperation.

Because the north east Asian economic cooperation body includes the planned economy and the market economy and the nations are different from the level of the economic development, it is probable that the conflicts owing to the different hope and demanding level will happen.

And the fundamental problems are pointed that if Japan, the U.S.A., the U.S.S.R try to continue their vanished dream by their economic or military power, it may happen the turbulences from the tension.

III. The North east Asian Economic Cooperation Body Formation Prospect

1. The Blockation Tendency of the World Economy

In Paris, Nov. 19, 1990, the top leaders of 34 nations held the conference of security cooperation of Europe (CSCE) and the adopted the Paris Charter clearing the democarcy and the market system.⁶⁾

This is a historic event in the light that the opposition at the Europe is over and the homogeniety is recovering.

Though CSCE has some limits for that is only a regional cooperation and that is not acoknowledged by Europeans.

And this is an recent example of the blockation to acquire the peace and coprosperity participatng all the nations that are different in the light of the political systems and the economic development degree.

There are some blocks in the world like European Comittee, European Free Trade Association ect..

Recently, except the establishment of CSCE, the North American Free Trading Region was founded joining the north and south American nations in 1991.⁷⁾

As you see it, all the world go toward the tendency of the regional security of the economic "blockation".

But because there is no organized structures for coordinating the interests, the region is regarded as the more incomfortable one of the power among nations than any other place in the world.

As we see North Korea's economic falling, any country can not maintain the closed economy at the time of Pan-international economy.

It is not easy to form a regional economic cooperation body participating many nations. Though many people have tried to attain European Intergation since the "Paris Treaty" for 40 years, there have many questions except tariff. Though there are many obstacles, the European Integration will be attained by the integration of European markets.

The history of Asian capitalism is only 200 years old considering the European one. Nevetheless, to enjoy more prosperity, Europeans have made the blockation as a part of world market.

We should not avoid this tendency. The reaction against this situation will be appeared because it is the problems concernig about the interests among the north east Asian nations.

2. The Interests and Reactions of the Relative Nations

As soon as the war of Gulf is finished, the U.S.S.R's new gesture to propell 「the economic circle along the East Sea」 was interested.

It is caused by the report of Japanes press before President Gorbachev's visiting Japan that if he will visit Japan, he will propose the ambitious economic plan.

This is the reactive program against the one that the U.S.S.R., China, North Korea have planned to form the special economic development area along the mouth of Tuman River.

Since President Gorbachev's 「Vladivostok declaration」 that insisted the U.S.S.R. is Pacific nation, the U.S.S.R has been interested in forming the Asian economic area continuously. That interest is expressed by President Gorbachev's speech in 1988 and foreign minister's proposal.

But the final object of the U.S.S.R. is to weaken the influence of the U.S.A. at the unified Korea.

The report say that the influence over the Korean peninsula of the U.S.S.R. will be greater geopolitically if Korea will be neutral at the point of military.

We have been also fascinated by forming the north east Asian economic area in company with the blockion of the world economy. It is time that the northern foreign policy or the insistence of scholars at the international civil conference have the agreement on the formation of the north east Asian economic area.

In China, the proposals on the north east Asian economic area from China to Japanes chain of islands have been discussed and opened the seminar on the cooperation of the north east Asian economic area and presented the proposals for the economic cooperations.

The Board of State Affairs of China set up the North East Asian Research Center at Chang choon and Held the conferences three times. At the conference, many scholars discussed the development plan on the mouth of Tuman river.

North Korea has had the reaction friendly and participated the conferences three themes all.

The plan of developing the mouth of Tuman river is that;

This region is forming the golden triangulity along the Tuman river.

Because China and the U.S.S.R. have laid the stress on the point of the development of this region and North Korea is willing to participate positvely, it will probable be that this regions is to be the center of the north east Asian economic circle.

And this region is evaluated the important one because there are much natural resouces and this regiona has been linked to Europe and the Pacific Ocean through Korea.

After the international scientific conference at Chang choon, this topic was discussed and many scholars agreed that the economic development along the Tuman river valley is worth doing against the blockation of the world economy which is being intense gradually.

Particularly, China and the U.S.S.R. expect the codevelopment by the capital and technique of Korea, the U.S.A., and Japan and we should cope with the plan for activating the northern policy and improving the south-north relations.

Recently, China proposed the codevelopment plan needing ten billion dollars and emphasized the opening the international conference with Korea, Japan and the U.S.A..⁸⁾ The Gilim Province's Science Committee on charge of this plan is evaluating the absolute need of participating Korea, Japan and the U.S.A. with capital and technique.

Though relative nations have been interested in this plan, it is sorry that the fundamental plan is very minute and Korea is now doing passively only to open the conference.

3. The Future Prospect of the North East Asian Economic Character

After the radical reform of the U.S.S.R. and Eastern Europe has an important effect to reorganize the world order spreading to the world, the complex state to relax the conflicts and to search a new vision has been caused.

This movement is showed at the new cooperation body plan of the nations in this area and it was started at the concern of the environmental nations for fixing the peace of the Korean peninsula as the European cooperation body plan was started for the deterrence.

In fact, this is an aspect transferring into "two and four" agreement that gathers the South and North Korea and the U.S.A., the U.S.S.R., China, Japan became the relation between Korea and the U.S.S.R. is being nomalization and Korea is entering into the diplomatic relation with China.⁹⁾

It means therefore that the new order of Asia will be formed around Korea.

But this transformation will not be so favorably. Because of the opposition between South and North Korea and the economic friction between Japan and the U.S.A., the economic cooperative action will be needed preferential in Asia to the security cooperation.

Like the development of the mouth of Tuman river and of the natural gas at Siberia, the profitable task among nations will be carried out and the security cooperative problems should be dealt.

At that time, Korea will play an important role to form the north east Asian economic order by her economy.

So the characters of the economic order will be that;

First the main axis of the north east Asian economic order is the market

system. The U.S.S.R and China have already accepted the market economic principle.

Second, the north east Asian economic system will be the one that is dominated by the open and free trade.

Third, the north east Asian economic order will extend the influential power from the seashore to inland.

The trade at the special economic area among Korea, Japan and China is the tonic for developing the industry of the new area.

Fourth, the north east Asian order will cause the reformation of the industrial location of this area greatly according to the structure of natural resources.

Then the latest techniques of Japan and the U.S.A. will penetrate into the inland through Korea.

Fifth, realizing the importance of the neighbor sea, the nations will be interested in the sea management and make the concern about the environmental realization around the Korean sea shore.

Sixth, the north east Asian economic order cannot help deploying the relations of conflicts and cooperation with the Pacific cooperation system.

The U.S.A.'s participation to the task of reforming the north east Asian economic order will be the key to solve the problem as they did in Europe.

Because the ultimate end of the north east Asian economic cooperation body is to fix the peace in the Korean peninsula and to reunify Korea, it is impossible to solve the problem excepting the U.S.A.

IV. The Organizing Method of the NEAECB

1. The Premise at the Fundamental Stage

There are the organizing methods of the north east Asian economic cooperation body to fix the peace at the Korean peninsula.

First, the reconciliation and cooperation between South Korea and North Korea should be possible. When South Korea and North Korea will joint U.N. Sep. 1991 and North Korea will receive the nuclear inspection, the relations between North Korea and the U.S.A. and Japan.

This changes of relations of power nations around the Korean peninsula will have an important effect for improving the relations between South Korea and North Korea.

Second, it should be the pure economic cooperation not be the security one and south Korea should play a leading role.

Now the international orders around the Korean peninsula have been ready new aspect destroying the Cold War system.

And the era of the balance of power has come with checks and balances ending with the blockade policy.

Because the change of the north east Asian will make possible the threefold structures change, it should be the pure economic cooperation for the real peace.

Third, Japan should use their extending economic power to improve the environment and to develop the pure countries.

Therefore Japan has to increase the investment to the north east Asia and try to improve the relation with North Korea.

Because Japanes economic power is spreading to the wide area, some scholars insisted the prevention the north east Asian economy from including to Japanes economy.

Particularly, Japan has not sold the technique but products.

On the contrary, Japan has decreased the product import and increased the technique import from the U.S.A..¹⁰⁾

Therefore, instead of shrinking from Japanese economic power and forming the friction, we should induce Japan to lead to solve the environmental questions.

Fourth, we should prepare the 「spilted ruling strategy」 of the Korean peninsula.

Recently, at the summint conference of the U.S.A. and the U.S.S.R., the U.S.A. clarified the position of the patron at the course of driving the reunification policy.

But it will be seldorm possible if the U.S.A. and the U.S.S.R. play an passive role as a patron.

According to the article of the 「Fan Eastern Economic Review」, China wants to continue the divided situation of the Korean peninsula and Japan does so.

But it is the important thing there are other nations who want to maintain the divided situation.

Fifth, we should try hand to maintain the balance of power around Korea because the wars happened at the north east Asia were happened by breaking the balance of power.

The relation between Japan and the U.S.S.R. is seemed to come back to 19 century.

And joundalist, Overdoffer of Washigton Post appointed the anxiety of the North Korean nuclear development.

North Korea has supplied the “Skird missiles” to the middle east and is developing the technique of “Skird D” missile which is used as I.R.B.M.

Recently North Korea. swore the entrance of the U.N. and received the nuclear inspection but don't change the comunization strategy of South Korea.

Therefore the Korean peninsula is still a magazine at Asia and we should try hard to eliminate the factors hindering to maintain the balance of power around the Korean peninsula.

2. Pursuing Cointerests around the Korean Peninsular

Korea should be the axle to organize the north east Asian economic cooperation body because of some problems.

First, because the conflicts at the north east Asia were caused by the competitions among power nations, Korea should lead them to fix peace and coprosperity.

Second, Korea can help the U.S.S.R., China and North Korea to develop their national economy.

Third, Korea has an advantage to transplant the techniques of Japan and the U.S.A..

Fourth, the fact that Korea should be the center of the north east Asia can be companied with that Germany and France did that.

After World War II, the leaders of France and Germany organized the European Committee with Italy and the Benelux and that is the best developing model of the economic bodies.

It may be well to survey the development steps of the regional economic integration body to find out the organizing method.

The regional economic integration is divided from the free trade area to the complete economic integration.

The free trade area is the first stage forming the regional economic integration.

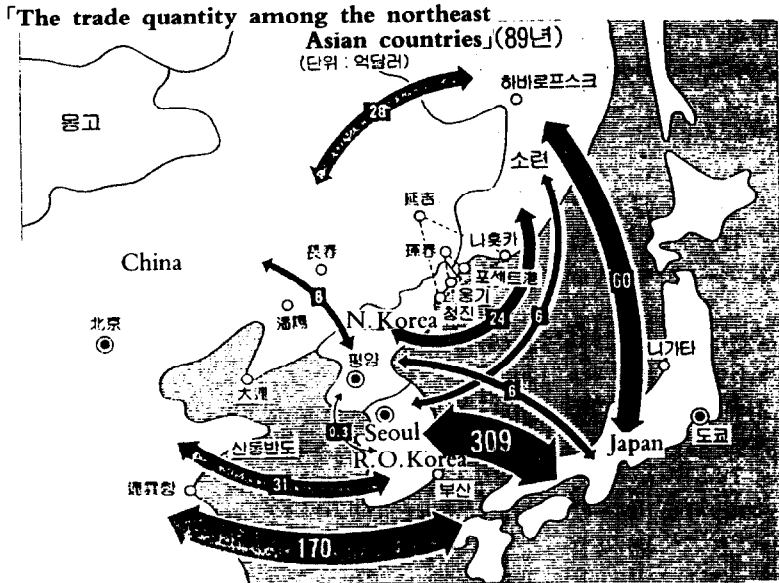


Diagram: 1

The custom union is the European Committee or the Carribbean Community and they agreed on the removal of the trade barrier.

The common market is represented by the European common market.

Therefore the north east Asian economic cooperation body is the most rudimentary form and we can propose the method to fix the peace at the Korean peninsula and to develop the coprosperity.

First, the short period method.

1) Because the trading action among the north east Asian region is already developed we should study the method of coping with the aspect and keeping the economic cooperation.

2) Through the interconnection, we should decrease the mistrust and relax the tension in this region.

3) And the institute organized by the people concerned about these questions should be constructed in six nations and make the coresearching environment.

4) By the study, the trade of the civil field will be promoted and the cooperation of the public field will increase.

5) We may hold the conference participating six nations and the study result will be exchanged.

And the scope of the co-tickets between Korea and Japan will be expanded to the six nations.

Second, the mid-long term method.

1) To establish 「The North East Asian Peace College」 and to manage the leadership Training course by teaching the non political economics, culture, language.

2) To participate at the co-developing plan at the mouth of Tuman river (Table

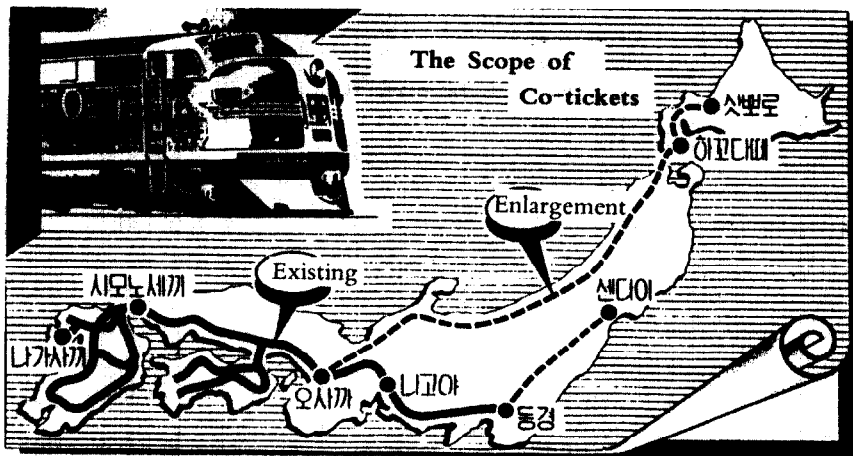


Diagram: 2

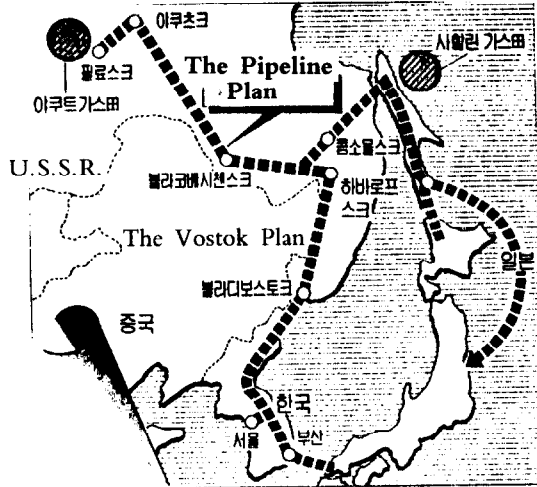


Diagram: 3

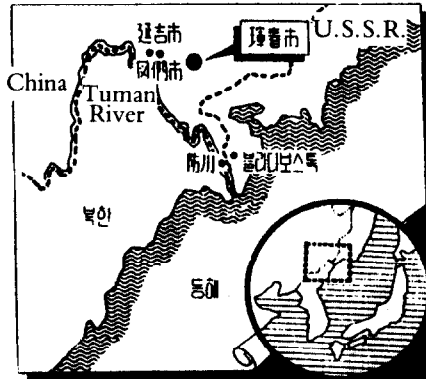


Diagram: 4

3) in compar with six nations.

3) To found the north east Asian coprosperity region helping the peace of all the world.

At the beginning of 1992, 「the peace park of the U.S.A.-the U.S.S.R.」, <Table 5> will be made at the western region of the U.S.A. and the eastern region of Sibiria. This plan is to cooperate for preserving the environment at the Bering Strait. But it proved that the cooperative relation is beginning after the Cold War because this region has the military importance.

Now there is much mood to reconcile the opposition at the era of the Cold War.

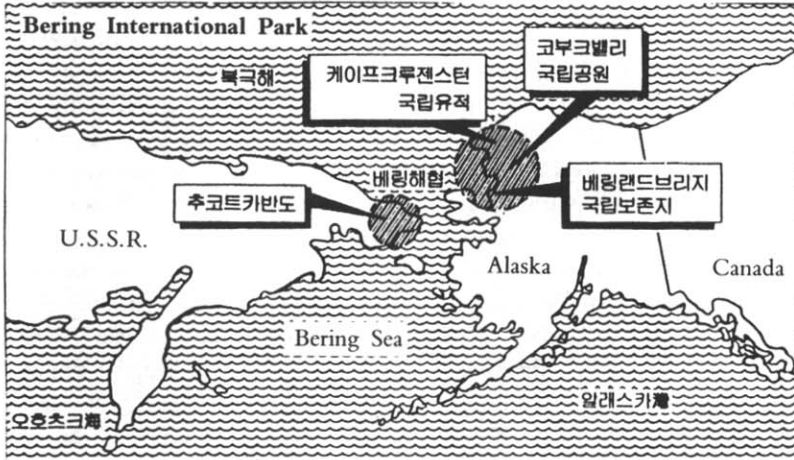


Diagram: 5

Therefore the nations relating to the plans can not implement the invasion policy to dominate other countries as we acknowledge through the war at the Gulf.

So that, the large scale and long-term plan can be understood the public plan and the nations in this region can achieve the object of this plan.

The world economy makes the economic prosperity by expanding the democracy and investment.

This action is showing at the north east Asia.

Consequently, the north east Asian economic cooperation body is not signifying the expanding of regionalism but the entering into the world economy for the free trade.

V. Conclusion

The north east Asian economic cooperation body wants to take after the model of the E.C..

The E.C. has developed into the comarket system from the reason to organize the the comarket of iron and cold.

In the north east Asia, if the nations can participate the "Vostok Plan", it is not late in spite of the difference of the historical background and conditions.

But the fact that South Korea and North Korea are continuing the opposition is the important factor to threaten the peace of the north east Asia.

Therefore, it is the premise to maintain the peace in the north east Asia and to organize the north east Asian economic cooperation body that we finish the

opposition and fix the peace.

Recently, we can expect the well prospect to organize the north east Asian economic cooperation body because the ranking government official of North Korea said that "we will receive the flow of the world" and the friendly speaking to South Korea. At this article, I limited the number of the participating nations to six though the opinions of several scholars who is insisting the participation of Hongkong, Taiwan, Mongolia. Because the reunification of Korea can be possible when the four power nations will approve South Korea and North Korea.

As we can realize from the example of E.C. that increased the member nations from 6 to 12, it is not difficult to incese the participating nations.

At 「The Leading Part of 21 Century is Korea Japan and Taiwan」, written by Nakazima he insisted that the western world will frustrate and the center of the world economy will transfer into the East Asia.

When Korea can maintain the friendship with the U.S.A. and organize the north east Asian economic cooperation body, with Japan, we can fix the peace in the Korean peninsular and realize the north east Asian coprosperity circle.

Notes

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