

## Asian Union: Possible or Probable?

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### *Abstract*

*We all know that there are multiple unions and associations between countries where in many issues such as **diplomatic, territorial, war related, economical** and miscellaneous issues have been sorted out, are getting sorted out and will be getting sorted out. For example, there is the **European Union** where in the countries of Europe have formed from the **Maastricht Treaty** and adhere to it thereby making the region prosperous. And there is **The African Union**, which is an economic union of African countries, thereby supporting the prosperity of the region. In similar lines, Asia has multiple unions and associations which benefit certain economic and diplomatic challenges. Asia is the only continent with no such union where in each and every country of the continent is a part of. This was never materialized due to multiple disagreements amongst Asian countries since every country has a different culture in Asia. Apart from that, there is heavy competition where in every country in Asia wants to be the dominant force in the region. By addressing the above issue and creating the Asian Union, we try to establish the possibility of an Asian Union and its pros and cons.*

**Keywords:** Asian Union, Economy, Globalization, GDP, Continent

### INTRODUCTION

Asia, being the *biggest continent* has 59.76% of the world's GDP (*Nominal*), being valued at US\$ 41.78 trillion as of 2022 with an average GDP growth of 5.7% per annum and per capita income of US\$ 8,922, as cited by The World Bank [1].

Much of the contribution to GDP is from the regions of *East Asia, Indian Subcontinent and South Eastern Asia*, with *China and India* being the leaders in economic growth [2, 3].

East Asia contributes most of the wealth as *the GDP per capita* is one of the highest in the region from countries such as Japan, Singapore, China, South Korea, Taiwan, Hong Kong, Macau.

West Asian countries such as *Kuwait, Bahrain, Oman, United Arab Emirates, Saudi Arabia* contribute vis a vis through the *oil industry*. *Israel and Turkiye* also contribute through *advanced tech and military equipment manufacturing*.

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The Indian subcontinent contributes *through commodities trade, outsourcing tech and services and manufacturing* as of recently [4].

### Associations within Asia and with other Regions

1. SAARC (South Asian Association for Regional Cooperation)
2. ASEAN (Association of South East Asian Nations)
3. BIMSTEC (Bay of Bengal Initiative for Multi Sectoral Technical & Economic Cooperation)

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4. *IORA* (Indian Ocean Rim Association)
  5. *APAC* (Asia Pacific Region)
  6. *RCEP* (Regional Comprehensive Economic Partnership)
  7. *APA* (Asian Parliamentary Assembly)
  8. *EEU* (Eurasian Economic Union)

### Asia's Challenges

Every region in the world comes with its set of challenges, so does Asia. They can be classified as follows.

1. *Economic Challenges*
2. *Ecological Challenges*
3. *Regional Challenges*

Let's dive deeper into the challenges as follows.

### Economic Challenges

As said by the *World Bank*, Asia has the *nominal GDP valuation* of \$41.78 Trillion. However, much of the GDP comes from the following countries:

1. *People's Republic of China*
2. *Japan*
3. *Republic of India*
4. *Republic of Korea (South Korea)*
5. *Republic of Indonesia*

The above countries contribute about 76.5% of the *GDP* towards the economy [4].

The following are the smallest economies of Asia:

1. Timor Leste
2. Bhutan
3. Maldives
4. Tajikistan
5. Kyrgyz Republic (Kyrgyzstan)
6. Armenia
7. Mongolia
8. Brunei Darussalam
9. Palestine
10. Georgia

As we can observe much of the economic prowess is due to expansive economic movements in countries like China, which powered the economy through *Deng Xiaoping's reforms* way back in 1979. This has made China the *economic powerhouse*.

India on the other hand, has focused on the *dot com boom* and *the services sector* which propelled India's contributions to the Asian economy.

Japan contributed to the economy through reforms and *agile industrialization* which gave a rise in manufacturing of public centric goods and efficient equipment.

South Korea is one of the 4 *East Asian tigers*, the others being Singapore, Republic of China (Taiwan) and Hong Kong. They contributed to the economy via massive industrialization [5].

Indonesia's rise is due to the country being the largest producer of Palm oil, which is used in multiple industries such as whole foods, cosmetics, chemicals etc. Adding to the above points,

Indonesia also stands near to Malacca strait, the most important trade route in the world, thereby giving Indonesia the access to trade.

Some of the major economic challenges occur due to the following:

1. Little to no access to certain resources which could propel the economy, for example, Armenia, which relies heavily on *Russian energy* for extraction of metals such as *Zinc, Copper* etc.
2. Countries in aggressive military expansion which hinders economy during required times, for example, *Pakistan*.
3. *War torn zones* which completely hinder basic needs to population, for example, *Yemen, Syria, Iraq*, etc. [4]
4. Only using single source of income for the whole country, for example, Maldives and Sri Lanka, where in tourism is the major contributor to the economy.
5. Countries with no access to ports, for example, Central Asian countries such as Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, Turkmenistan etc.
6. Some countries which are Eurasian for example, *Russia, Armenia, Georgia and Central Asian countries* [6].
7. Economies dependent on West for military in exchange of oil, such as the middle east countries [3].
8. Over reliance on *manufacturing* by China which caused discrepancies in manufacturing sector [7].
9. Last but not the least, economic disparities between the rich and poor is very wide, where in the *top 5%* account for *20% consumption of GDP* [1].

By addressing the above challenges, Economic prosperity could be achieved.

### **Ecological Challenges**

Ecology or the environment is a very crucial aspect of regional prosperity. Asia faces the following ecological challenges [8, 9]:

1. Much of the energy produced is via *Thermal Powerplants*, for example, *Mongolia*, where in thermal energy is causing population issues such as children born with breathing problems.
2. *Climate related disasters* in *China, Philippines and Thailand* are indicators of forthcoming issues that Asia might face in regards to climate.
3. The latest quest for *rare earth elements* in China is another fear factor in *ecological imbalances* yet to happen in the future.
4. When it comes to *water management*, Asia has the need to increase *water resources per capita* to *18700 cubic metres* per inhabitant per annum by 2030.
5. *Excessive farming* by removing *swampy peatlands* in countries such as Vietnam, China etc causing lands to become *non irrigatable*.
6. *Air pollution* due to *greenhouse gases' emissions*, the highest being in China, has caused a good amount of climate change.
7. *Groundwater depletion* has caused *food security* challenges in Asia, especially in countries like India which is dependent on agriculture.

By trying to address the above challenges, Asian Union could be proven successful.

### **Regional Challenges**

Despite addressing the above challenges, there are other miscellaneous challenges varying by region [10, 11]. They are as follows:

#### **South Asia**

Countries such as *India, Pakistan, Bangladesh, Sri Lanka, Maldives, Bhutan, Nepal, Afghanistan* need more regional cooperation. But Afghanistan has hit a roadblock with the *reinstation* of Taliban in its territory. Pakistan is facing *civilian unrest* as well as troubling the Indian side of the border vis-

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à-vis the terror infiltrations in the Kashmir state of India. An estimated 1 billion people still live *below poverty line* in Asia as per a report by The Asian Development Bank [10]. So far China has been successful in bringing out a majority of its population from *poverty*. India is currently bringing most of its *agrarian* population out of poverty although the after effects would be seen after a long time from now. Bangladesh has improved its *human development index* considerably but that cannot be compared with either India or China due to the massive population divide existing within the countries. India has already been in the forefront providing *humanitarian, logistic and economic cooperation* with the above countries. However, there is need for countries to cooperate so as to sort out the regional challenges.

### **ASEAN Region**

The ASEAN countries namely, *Malaysia, Thailand, Singapore, Laos, Vietnam, Philippines, Indonesia, Myanmar, Brunei Darussalam, East Timor* are some of the world's most resourceful nations which lie exactly in the most used trade route i.e., *Malacca Strait*. But the countries' main source of income predominates to the *tourism industry, low end manufacturing and agriculture*. This has been for decades until Singapore rose to the ranks of one of the most prosperous nations along with the East Asian Tigers [4, 5]. Another exception is Indonesia which has successfully capitalized on its *palm oil exports*. The above countries still are facing *geopolitical challenges* with respect to the *South China Sea* area with China. Once these issues are sorted out, the region can prosper much.

### **East Asia**

The east Asian countries of *China, Taiwan, Japan, South Korea*, also known as the world economic powerhouses are one of the major contributors to the economy of Asia. However most of the challenges amongst these countries are geopolitical challenges with China claiming both *South China Sea* and *East China Sea* as its own. All the East Asian countries have challenged these claims, despite receiving backlash from China. Once the geopolitical issues are resolved, the countries can function better economically.

### **Central Asia**

Countries such as *Kyrgyz Republic, Uzbekistan, Turkmenistan, Tajikistan & Kazakhstan* are dependent on Russia for economic prowess, however they are one of the largest sources of minerals and oil and gas in the Asian region. By maintaining proper relations amongst those countries, Central Asian economies can benefit.

### **Middle East**

Popularly known as *The Gulf Countries*, these countries are dependent on oil economy and still *dominate* the oil and gas industry. However, recent *tensions* with Iran and Iraq have been challenging for these economies. By addressing those challenges, the middle east can have stability in the region.

### **Eurasian Economies**

Countries such as *Georgia, Armenia, Turkiye and Russia* are sometimes referred to as European economies due to their close proximity with Europe. Therefore, they have a *Eurasian Economic Union*, partially similar to European Union but only on the *economic front*. However, Russia is the bigger economy thereby dominating the whole region [2].

### **North Korea**

North Korea remains the only *isolated economy* by the whole world, since its ambitions have been devastating to the economy, as many countries depict North Korea as China's protegee. The country can be a part of the Asian Union only if it is ready to accept the One Korea ideology.

### **Probable Initiatives to Make Asian Union Possible**

Taking the above major challenges into consideration, the following are the things that Asia could initiate in order for Asian Union to be possible [11–18]:

1. First and foremost, an economic partnership is to be formed [11]. This has already been initiated with the formation of *Regional Comprehensive Economic Partnership (RCEP)*. This initiative is the largest ever trade deal in the world. However, India chose to be out of RCEP due to the growing ambitions of its *Make in India* initiative, thereby making the deal to be modified to suit every country's interests. RCEP can be *amended* as follows.
  - a. Ensure every country's *domestic market* is protected and the product has the *country of origin* right from the *manufacturing unit*. This way domestic interests are served and international laws are upheld.
  - b. Create more transparency by creating a *unified payment system* where in every currency is legal tender. This way forex reserves are intact thereby ensuring fair flow of money [18].
  - c. By bringing in Russia into *RCEP*, countries will benefit much more due to the European connections with Russia, thereby *strengthening* the Asian union much more.
2. Next, Asia can come up with a treaty in similar lines with *The Maastricht Treaty*, the basis of The European Union formation. We can call that *The Asian Agreement* where in all factors such as *Economics, Demographics, Ecologies, Environment, Industries* etc, must be considered [12, 13].
3. After setting up the agreement, since there is an *Asian Development Bank*, there is a need for an *Asian Reserve Bank* in similar lines with Central banks of Asian nations [8, 9, 10]. Since every nation deserves the chance to administer the bank, every member nation must get an administration opportunity of atleast 1 year [17, 18]. The tenure of the *Asian Reserve Bank President* can be amended in regards to a unanimous vote. A common currency in similar lines with the proposed *Asian Currency Unit* can be set up. Let's call it, *The Asian Note*, with *One Asian Note equalling 100 coins*.
4. Next, after setting up the financial institutions, political representation can be done in the form of *The Asian Parliament*, where in permanent representatives of member states will be addressing relevant challenges in the sessions. There is something known as *The Asian Parliamentary Assembly* with headquarters in Tehran, Iran [15, 16]. This *Asian Parliament* can be modified into *The Asian Union Assembly*. Additionally, Pacific countries can be *observer members* of The Asian Union Parliament.
5. Then, *The Asian Judicial System* must be set up where in the judicial system shall apply to all the member states. The judicial system shall be set up as follows.
  - a. *Asian Civil Court*
  - b. *Asian Criminal Court*
  - c. *Asian Arbitration Court*
  - d. *Asian Tribunal*
6. The judicial system sets way for *Asian Fundamental Rights and Acts* via treaties that shall be implemented, by every member of The Asian Union. These acts and treaties shall be set via a referendum where in a unanimous vote shall decide the implementation of the acts and treaties [12, 13, 14].

There are other ways to ensure an Asian Union is created, however The Asian Union shall be created on a unanimous consensus by every nation in Asia.

### **Pros and Cons**

The following are the pros and cons of Asian Union.

#### **Pros**

- Common forum is established for Asian economies.
- Challenges shall be addressed without UN intervention, unless required.
- Increase in trade amongst member countries.
- Common monetary system, facilitating easier transactions.

**Cons**

- Diverse cultures within Asia lead to diversity of solutions.
- Sometimes unanimous disagreements lead to pending amendments.
- Countries could exit the union if the union does not serve their interests.
- Countries might disagree on the unified currency due to their interests.

**CONCLUSION**

To conclude, the possibility of an Asian Union in the future is bright since Asia is the *21st century powerhouse*. However, certain *anomalies* can lead to the delay in forming The Asian Union.

By addressing the above foreseen and to be foreseen challenges, the probability of The Asian Union is high.

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