

# Economic Cooperation Plan in the Natural Resource-Based Manufacturing Industry : Focusing on historical and genetic affinity

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## Abstract

**Purpose** - The research is aimed at investigating the dynamics of economic cooperation among countries which share historical and genetic affinity.

**Research design, data, and methodology** - The study analyzed historical and genetic affinity after reviewing related thesis data on countries with historical relations studied by domestic historians. After that, it was applied to the method of designating the counterparts for economic cooperation and suggesting economic cooperation measures within a comprehensive range.

**Results** - Economic cooperation with the counterparts should complement the ongoing economic cooperation with each country among their planned national strategies. Korea proposes such matters in a way that cooperates and develops to obtain mutual economic benefits. Among the associated countries, Mongolia is for the underground resource processing industry, Turkey for the investment of companies advancing into neighboring countries, Kazakhstan for the diversification of business centered on the manufacturing industry, Uzbekistan for the modernization and diversification of industrial production, Turkmenistan for the localization of resource-based industries and Export promotion, Hungary for the increase in investment in line with the East-ward policy, Finland is for the cooperation in the knowledge-based industry.

**Conclusion** - This economic cooperation can raise Korea's international status to the next level and further strengthen our voice right in the international community.

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**Keywords** : Alliance Relations, Economic Cooperation, Genetic Affinity, Historical Affinity, International Cooperation Organizations

**JEL Classification Code** : F20, L60, L90, O53, Z10

## I. Introduction

Korea is at the center of the square-ring where geopolitically hottest dynamical logic exists within ideological and economic interests of world powers such as China, Russia, Japan, and the United States. In addition, after the transition from World War II to the present age, the United States instilled and defended liberal democracy on the Korean Peninsula, and Korea settled a model democracy that will remain in history so that it can be an example in the world by its own efforts. Regardless of our independent will, however, our Korean Peninsula was divided into the North and South and the South is faced with a situation that can be

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transformed into a battlefield pursuing supremacy in the middle of political, diplomatic and military conflicts among the powerful nations along with North Korean nuclear issue.

Korea is defending liberal democracy in Northeast Asia. Despite these political and ideological risks and the Korean War, it has maintained a history of 4354 years<sup>1)</sup> in Northeast Asia, which has entered the world's top 10 economically advanced countries based on its state management capabilities<sup>2)</sup>. Historically, Korea has designated its territory spanning the northern part of the Liaotung peninsula<sup>3)</sup> and the Korean peninsula, centering on the Liao ho (遼河) area that various exchanges were held while fighting for supremacy with various races north of the Great Wall. Our ancestors maintained close political and military alliances to keep China in check with the tribes of the Liao ho area. As we established our nation, the tribes also became members of our people.

Among the ethnic groups in the Liao ho area, there are Mongolia, Göktürks (突厥), Mohe (靺鞨), and Xiongnu (匈奴, the Huns) who have historical ties to our ancestors. The descendants of the same race have formed countries in Northeast Asia, Central Asia, the Middle East and Europe. Our ancestors allied with these tribes through historical closeness, then made political, military, economic, and cultural exchanges for national benefit. Therefore, many aspects of our culture that are similar to some of these countries are still being found today. Similarities can be found in historical affinity that can be said historical and archaeological, as well as in genetics.

In 2021, Korea possesses world-class technology and production capabilities in various industries such as semiconductors, automobiles, shipbuilding, IT, ICT, electronics, chemicals, machinery, and finance. South Korea has reached a level of developed countries and it is time to reestablish a new national philosophy that can further develop politics, society, culture, and education based on our history. However, the country is in a confusing situation because history to support them is not properly established due to foreign research-dependent trends. In addition, with economic power becoming the barometer of national power, the people have had an opportunity to become a leading country in world history after 4354 years. However, they may still be trapped in ideological and regional conflicts and lose that opportunity.

1) The date is based on the chronicle of Gojoseon(Tangun Joseon, B.C. 2333) recorded in "Dongguk Tonggam (1485, 16th year of King Seongjong)"(Choi, 2020), the Joseon Dynasty history book. Gojoseon mentioned in Chinese history books is in the 7th century B.C. (Noh, 2000; Park, 2018). The appearance of Gojoseon(Noh, 2000) is presumed to be in the 10th-5th century B.C. because the establishment of the Mandolin-shaped Bronze Dagger Culture was around the 10th century B.C.. However, various civilizations such as "Hungshan culture" and "Lower Xiajiadian culture (B.C. 2000-1500)" which are consistent with the history of Gojoseon, were found outside of the Great Wall of China. Since this region is not an area of Han Chinese activity in China, it can be said that there is considerable relevance to our history (Kim, 2012; Jeong, 2014). So, the 4354-year history has continued. Therefore, in this regard, many scholars argue that Korea's history began in 4354, based on historical and archaeological studies.

2) Lee, Hun-Chang (2010)<sup>b)</sup>, History of Korean Economy (7th edition), Seoul: Haenam Publishing.

3) Some scholars argue the territory as far as the Liaotung (遼東) area is Gojoseon. However, since several studies are showing that the territory of Gojoseon (Jeong, 2014) can be extended to the Liao-xi (遼西) area, the scope of the territory can be extended to the Liao-xi area. It is also said that Gojoseon (Park, 2013; Kim & Na, 2020) was ahead of China during this period considering that it possessed and produced advanced production technology of Kyung-Geum (經鍔), and the developed form of the Bronze Age culture through the costume culture. Therefore, it is said that Gojoseon had its own culture and influenced neighboring countries as well. Meanwhile, Baekje (Lee, 2021) occupied the Liao-xi area at the end of the Jin(晉)-country during the Three Kingdoms(Goguryeo, Baekje, and Silla) Period(B.C.1 - A.D.7). It is called the theory of occupation and rule of Baekje's Liao-xi area. It is described in many historical books in China, including Song-era historical books (宋書, 488) and Yang-era historical books(梁書, 629).

Except for economic and diplomatic power, Korea's national power has not yet reached the level of developed countries in its military, political, social, cultural, and educational capabilities. In particular, diplomatic power is increasing along with economic power, but it can't be said that Korea exercises what it wants and makes them into realization on the international stage due to the force of its neighboring powers. Economic power makes it possible to maintain the military as the most important national power regardless of the era and it can be said one of foreign policies, especially in recent peaceful era. So, Korea must make exchanges with countries that have a sense of international community with us based on economic power in order to maintain the diplomacy- and security-level strength.

Therefore, the paper enables us to maintain diplomatic power, national territory preservation, and national defense power to protect the lives and property of the people in order to obtain and achieve what Korea wants on the international stage. The study aims for economic cooperation with countries such as Mongolia, Turkey, Kazakhstan, Uzbekistan, Turkmenistan, Hungary and Finland, which have historical ties among Asian, Central Asian, Middle Eastern and European countries. To this end, we analyzed historical and genetic affinity by reviewing numerous related academic theses on countries with historical relevance that have been studied by domestic historians. These countries will be designated and economic cooperation measures will be presented within a comprehensive range.

## II. Prior Research on Historical Relevance

### 1. Historical Evidence of Affinity

In the paper, specific countries in Asia, Central Asia, the Middle East, and Europe are selected through their historical and genetic affinity for economic exchange and cooperation with Korea.

First of all, in our history, the historical affinity between Korea and the countries subject to economic cooperation begins with Xiongnu, the ancestor of the Turkic tribe, which are followed by the Huns, Turks, and Uyghurs (Lee, 2005). Xiongnu is composed of Mongolian descent and Turkish descent. The Turks moved westward in 375 and expanded their power to Europe, while the Mongols reached Goguryeo, Baekje, and Silla to the east (Lee, 2003; 2004). The relationship between the Xiongnu and the Korean people can be seen in the territory of the Mete Shanyu (冒頓單于, modun šan'juj), the period that opened the heyday of the Xiongnu. Mete had advanced to the northern part of the Korean Peninsula to the east, to the Aral Sea to the west, to the Weishui River and Tibetan Plateau of China to the south, to Lake Baikal and the Irtysh River to the north. In particular, Xiongnu appears in the Europe as Xiongnu(West), who had been going west due to the war with the Han(漢)-country, moved to the Aral Sea. From the 1st west-ward to the 4th west-ward, a great movement of Germanic tribes was triggered under the name of the Huns (Lee, 2013). The east-ward of Xiongnu can be explained in the relationship between Buyeo, Goguryeo, Baekje, and Silla and Gaya, respectively. The relationship among Buyeo, Goguryeo, and Baekje can be explained by the following. First, it is related to the Ye tribe (Yes, 濊族) who founded Gojoseon in the 7th to 8th centuries BC, and the Maek tribe (Maeks, 貊族) who founded Buyeo and Goguryeo. Second, it is related to the Korean people derived from relations with Donghu (東胡) conquered by Xiongnu (Mete defeated around 200 BC)-Xianbei (鮮卑)-Wuhan (烏桓). Finally, Goguryeo attacked the Xin(新)-country of Wangmang (王莽) A.D. 9-24 to defend the Xiongnu, a force

of the northern mounted nomads. And King Dongcheon of Goguryeo is recognized by Sun Quan (孫權, 234) of Wu(吳)-country as “Shanyu (Chànyù)”, the head of Xiongnu (Lee, 2003). Xiongnu trades leathers with Wiman (衛滿) Joseon who succeeded Gojoseon as Gojoseon people. Through this, it can be seen from the fact that they got closer militarily and politically (Choi, 2017b), and very friendly (Bok, 2017; Cho, 2017a).

In particular, the relationship between Silla and Gaya is explained that Silla and Gaya’s progenitors, Kim Al-Ji (金閔智) and Kim Soo-Ro (金首露), the fifth-generation son of Xiongnu Kim, Ilje, and the fifth-generation of Kim, Il-je’s younger brother Yoon, respectively, and the Xiongnu, a nomadic tribe in the north based on iron technology, migrated to the southern part of the Korean peninsula, Silla and Gaya, the center of the iron-producing land with a small number of people over a long period (Lee, 2004). Archaeological relics that can support this include the tombstone of King Munmu (682) and the tombstone of late Mrs. Kim of the Great Tang (大唐故金氏夫人墓銘, 864). And the record of Kim, Il-je is here<sup>4</sup>). In particular, seven gold crowns in the shape of branches and antlers<sup>5</sup>), similar to the relics of Xiongnu, were found in the royal tomb of Gyeongju, the capital of Silla. In addition, relics such as an animal culture of grassland nomads, gold-embellished belt, and horse and warrior-shaped pottery (騎馬人物形土器) with copper pot (銅鍍) on the back of horses were found in the whole area of Gyeongju. Many tombs with coffin mounted by stone (積石木槨墓) are scattered throughout Gyeongju, similar to the tombs of Xiongnu. Also, two gold crowns were found in Gaya and two gold copper crowns were also discovered<sup>6</sup>).

On the other hand, Xiongnu is followed by the Huns and the Turks (Göktürks, 突厥)<sup>7</sup>).

4) In Korea, there are negative studies on this content (Kim, 2011; Chung, 2014), but only fragments in the history of literature are presented. However, despite the fact that almost identical archaeological artifacts such as grassland nomads’ animal style, gold-embellished belt, gold crowns, and tombs with coffin mounted by stone have been excavated in Gyeongju city, there are still not many specific studies on the basis of this evidence on these. So there is still room for controversy.

5) It is said that only 13 pieces of these gold crowns (Park, 2013) were found around the world. 7 pieces of them were unearthed in Gyeongju, where the royal tomb of Silla is located, and the exterior design is also evaluated as the world’s best relic. In addition, two gold crowns were unearthed in Gaya, three gold-copper crowns were unearthed, and the remaining one was unearthed in Goguryeo. Nevertheless, Korean historians do not study the historical relevance of a wide range of this, but rely on a narrow view of them, which have been narrowly interpreted as overly abstract contents and have not yet come up with concrete research. In Gyeongju, there are still unearthed royal tombs scattered in many places (150 large tombs), and if excavated, no one knows how many more gold crowns and what artifacts will come out.

6) Kang (2021) is based on the ‘三國志’ (Records of the Three Kingdoms) and ‘東夷傳’ (Biographies of the Wuhuan, Xianbei, and Dongyi) compiled by Jinsu (陳壽) in “Is the Silla a descendant of Xiongnu” in “TERRA INCOGNITA”, an archaeological study. 2300 years ago, a historical study of the literature was conducted on the fact that a Qin (秦)-country people escaped from the fatigue duty(役) of building the Great Wall and descended to Gyeongju and became a part of Jinhan(辰韓). In addition, archaeological relics related to this were excavated in the tomb of a wooden pavilion in Tapdong, Gyeongju in 2010. Animal ornaments of grassland nomads, identical to the relics of Xionites (西戎) who lived in the border of the Qin-country, were found, and a number of antenna-type bronze sword decorations and tiger or horse-shaped belts were also unearthed.

7) Lee (2005) explained that the Xiongnu, Huns, and Turks(Göktürks, 突厥) were the same race as follows. First of all, the Xiongnu are Turkic tribes speaking the Altai language, and the Xiongnu are said to be Turkic tribes composed of a mixture of Mongolian, Tungus, and other northern peoples. Second, the Huns who joined the Talas tribe and settled in West-Turkestan through the west-ward of Jilji Shanyu(鄧支單于, B.C. 1C) are largely consistent with the Xiongnu inhabitants, and called the Huns. It is regarded as a descendant of the Asian Xiongnu tribe based on the names of some tribes, nobility title, the Hun ruling class and related to the ancient Turkic language of Xiongnu. Finally, the Turks established a political alliance with West Wei by the Il-Kagan (Bumin, Il-Qagan, 伊利可汗) in 552, subjugated to the Xiongnu group Töles(丁零) living in the south (542), destroyed Yeon-yeon (蠕蠕, 柔然, 552) in alliance with West Wei and was established around Ötügen, the capital of Xiongnu in Asia. In the study, Hun and Turks are the descendants of Xiongnu, and it is revealed that they are the people who have inherited the tradition.

Goguryeo (Kim, 2015a; Park, 2016) conflicted with the Turks over expanding influence on the Liao ho area from the late 6th to the late 7th century in the early days of the emergence of the Turks, but they had a win-win relationship after the founding of the Sui(隋)-country. When the Sui-country (Wen, 隋文帝) invaded Goguryeo, the Turks attacked Sui's border and retreated. From this, at least, Goguryeo and Turks had a militarily friendly relationship. Also, the inscriptions of Bilgä Qayan in Balhae (Park, 2016) shows that Balhae had a direct military alliance to the point that the allied forces of Turks, Kiran and Balhae had a fierce battle with the Tang forces in the tö ᄁ k(ä)r tay (都山) battle in the mid-8th century (A.D. 733).

Among European countries, the descendants of the Huns include Finland<sup>8)</sup>, and Hungary<sup>9)10)11)</sup>. Finland was established by the Finns, and Hungary by the Magyars in the 9th century, and it was already confirmed by scholars. (Lee, 2010c; Lee, 2013). In particular, the Magyars (Joo, 2009) are Mohe (Tungus Malgals) and settled in Hungary as a result of the Great Movement toward Europe triggered by the Liaotung War (Goguryeo-Tang War) and the fall of Goguryeo in the mid-7th century. Goguryeo (Lee, 2018a) established a political master-servant relationship with Baeksan Mohe (白山靺鞨) and some of Sokmal Mohe (粟末靺鞨) among Yoseo Mohe (遼西靺鞨). During the war between Goguryeo and the Tang-country, Goguryeo and Baeksan Mohe (Joo, 2009) formed a military alliance. Goguryeo, along with the Mohe tribes with all their might, made a strong response to the Tang army. In addition, Balhae kingdom (Kim, 2015b; 2016), founded by Dae jo-yeong, a general of Goguryeo, was able to expand its territory rapidly because Goguryeo people were its habitants and it vested and subjugated its neighboring Mohe tribe in the expansion process.

As mentioned above, our people have a historically close relationship with the Xiongnu, ancestors of the Huns and the Turks, which are being called in the European history. Therefore, the focus of this researched will be on those countries including Turkey, Kazakhstan, Uzbekistan, Turkmenistan, Finland, and Hungary, which are the descendants of Xiongnu or Turks, as its target countries of economic cooperation.

## 2. Research of Genetic Affinity

A number of studies on genetic affinity have been conducted both home and abroad through

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- 8) Among the Xiongnu tribe, a Finns settled in the Volga River (Shin, 2000) and went north. In the 10th century A.D., "Estonia" was established, and some Finns who went up further north entered the continent on the right side of the Scandinavian Peninsula and established "Finland".
  - 9) Some of the Mohe (Malgal) tribes, the Magyar (Shin, 2000), descended south along the Volga River. After settling in the grasslands of southern Russia in the 8th century A.D.. In the 9th century A.D., their settlement was taken away by the nomads of the Turks. So they moved into the Plains of Pannonia (Hungary) again, settled and founded the Hungarian Kingdom in the 10th century.
  - 10) Hungary (Yoo, 2008) has migrated from Asia to Europe through Genesis Myth, the motif of diving (潛水) and the world tree and shamanism. They have the appearance of European peoples outwardly and culturally, because it was over a thousand years since they've migrated. However, it can be found the myths that Hungarian people's thoughts and worldviews are concentrated and have been handed down by word of mouth for thousands of years reflect Asian motifs and thoughts in a various way.
  - 11) Hungarian and Korean shamanism (Ji, 2017), influenced by Siberian shamanism, have similarities and differences. There are three differences. First of all, the Hungarian Táltos and the Korean Mu-dangs(shamans), in the process of becoming a shaman, are the tältos who are chosen by the gods and have their abilities, and Mu-dang, who is guided by god mother, are different. Second, there is also a difference between the Christian shamans of tältos and the Buddhist shamans of mu-dang. This appears in the role of good and bad, unfortunate and happy as a solver and leader in the afterlife. Finally, the tältos has a strong communal character while the Mu-dangs have a strong social personal blessing character. On the other hand, the similarity is that they are being considered low in society compared to their roles.

an analysis of biological anthropology data. Representative genetic affinity can be divided into analysis of skull measurements, non-measured features of the skull, mitochondrial DNA mutations, Y chromosome DNA, skull genom, antibody gene types of serum, and dental anthropological features. Non-measuremental features of the skull and mitochondrial DNA mutations will be explained in this paper and they are as follows.

First, Park et al. (2001) studied the genetic affinity compared with 18 population groups based on the non-measuremental features of the Korean skull. These constitutional anthropological indicators can be genetically compared with the population groups of other ethnic groups. For non-measuremental variation, 39 items including 16 holes including the supra-orbital foramen and 9 types of suture bones including the lambdoid ossicle were investigated. The result for comparing the mean measure of divergence (MMD) value to objectively investigate the affinity among population groups was that Kazakh, Mongolia, and Buryat in Central Asia. Their genetic affinity was higher than that of China and Japan.

Second, Kim (2005) compared the Korean population with the neighboring East Asian population based on the mitochondrial DNA mutation. The study investigated the maternal origin of the Korean population and the genetic characteristics of the Goguryeo people (高句麗人). The results from the study are as follows. First of all, it was found that the Korean group is made up of about 60% of the mtDNA (Mitochondrial DNA Haplogroup) of the northern line and 40% of the southern line. So the Korean group was said to a multi-origin group composed of a complex genetic pool of the northern and the southern lines. As a result of systematic analysis, also the Korean group was found to be the closest to the Korean-Chinese (朝鮮族, Korean tribe), Manchu (滿洲族), and Japanese. In the maternal-origin research, it was analyzed that the Goguryeo people active in the Korean Peninsula and around Manchuria showed genetic characteristics closer to the Korean group than the Chinese group.

Third, Lee (2010a) studied the origin of Koreans through research on the distribution of mitochondrial DNA genotypes. The common ancestors of modern humans originated in Africa (type L) 200,000 years ago and moved to other regions (offspring of the L3 genotype, large group of M,N,R, Haplo group) 60,000 to 70,000 years ago. One group (Large groups (type M, N, R) was distributed in East Asia (M descendant types C, D, E, Z, G, M2-6 types, N descendant types A, N9, R descendant types B, F), and another group (large Group N) was said to be distributed in Europe (N descendant types I, W, X). Based on this, Koreans were said to be classified as the group 1 that came through the southern coastal route (large group type M), the group 2 that followed the same coastal route (large group type R), and the group 3 that entered via Siberia past Central Asia (large group type N), etc. Therefore, it is said that Koreans possess 30% of the genes of southern origin, which came first through the southern coastal route, and 70% of the genes of northern origin, which came later through the Central Asia and Siberian continents.

Finally, Bang (2018) conducted a study on the origin of Koreans through the results of the bio-anthropology data that published in previous studies, which was the measured values of the skull, the characteristics of the non-measured values of the skull, molecular biology studies, and dental anthropology studies. According to the results of the study, it was found that Koreans steadily possessed mixed genes of 70-60% of northern and 40-30% of southern origin since the Neolithic period. Meanwhile, a research team (Siska, et al., 2017) on the skull genome of women from the Neolithic (7700 years ago) recently found that the genomes of inhabitants of the Devil's Gate Cave from the Russian Far East (Maritime Provinces of Russia) were mixed with genomes of modern Vietnam and indigenous Taiwan in the bodies of Koreans.

As mentioned above, our genetic affinity gives clues to the formation of the Korean people through two migration routes, north and south. One Korean people had a high genetic closeness with the Kazakh, Mongol, Buryat in Central Asia, Korean-Chinese (朝鮮族, Korean tribe) and Manchu in China through northern genetic affinity, the other, the same with Japan, Vietnam and Taiwan through southern genetic affinity.

### 3. Determination of Counterparts for Economic Cooperation

The determination made by the counterparts for economic cooperation is based on historical and genetic affinity, as mentioned above. Even if the counterparts for economic cooperation belong to only one of those criteria that are closely related to these two criteria, they are supposed to be selected as the counterparts for economic cooperation.

**Table 1. Determination of Counterparts for Economic Cooperation**

| Country      | Historical affinity | Genetic affinity |
|--------------|---------------------|------------------|
| Mongolia     | ○                   | ○                |
| Turkey       | ○                   | ○                |
| Kazakhstan   | ○                   | ○                |
| Uzbekistan   | ○                   | ○                |
| Turkmenistan | ○                   | ○                |
| Hungary      | ○                   |                  |
| Finland      | ○                   |                  |

The counterparts for economic cooperation through historical affinity are included in all seven countries. Genetic affinity is Mongolia, Turkey, Kazakhstan, Uzbekistan and Turkmenistan, except for Hungary and Finland. Therefore, the final counterparts for economic cooperation decided were Mongolia, Turkey, Kazakhstan, Uzbekistan, Turkmenistan, Hungary, and Finland.

## III. Economic and Trade Status of Economic Cooperation Countries

### 1. General Economic Status of Economic Cooperation Countries

The population of the counterparts for economic cooperation have a population of more than 10 million in Uzbekistan and Kazakhstan, and less than 10 million people in Mongolia, Turkmenistan, Hungary, and Finland, etc. except for Turkey, which recorded 80 million or more as of 2020. It is classified as below (Table 2).

In addition, the size of the GDP of the counterparts for economic cooperation is less than \$300 billion in 2019, as most of the countries are developing countries, except Turkey, an OECD member country, which is \$769.9 billion, Finland as a developed country, is showing a small economy of \$269.3 billion, and the rest of the countries are less than 200 billion dollars.

**Table 2.** GDP Size and Population of Counterparts for Economic Cooperation (Unit: 100 million dollars)

| Country      | Population<br>(10,000<br>people, 2020) | 2017   | 2018   | 2019   | 2020   | 2021   |
|--------------|--|--------|--------|--------|--------|--------|
| Korea        | 5,180                                  | 16,239 | 17,248 | 16,467 | 15,868 | 16,741 |
| Mongolia     | 340                                    | 114    | 131    | 139    | 134    | 141    |
| Turkey       | 8,420                                  | 8,589  | 7,796  | 7,609  | 6,494  | 6,524  |
| Kazakhstan   | 1,890                                  | 1,668  | 1,793  | 1,817  | 1,657  | 1,807  |
| Uzbekistan   | 3,390                                  | 581    | 504    | 579    | 598    | 633    |
| Turkmenistan | 590                                    | 379    | 408    | 452    | 480    | 533    |
| Hungary      | 980                                    | 1,415  | 1,579  | 1,610  | 1,499  | 1,718  |
| Finland      | 550                                    | 2,551  | 2,761  | 2,693  | 2,679  | 3,033  |

Source : KEXIM World Country Factbook, The Export-Import Bank of Korea, 2021.

Note) 2020 and 2021 are estimates and projections respectively.

The economic growth rate is composed of developing countries as of 2019, excluding Finland which is a developed country, and it is high, showing 4.0~7.0% as shown in (Table 3). Mongolia and Turkmenistan continue to show high growth of more than 5.0%, while the rest of the countries show the growth of about 4.0~5.0%.

**Table 3.** Economic Growth Rate of Counterparts for Economic Cooperation (Unit: %)

| Country      | 2017 | 2018 | 2019 | 2020 | 2021 |
|--------------|------|------|------|------|------|
| Korea        | 3.2  | 2.9  | 2.0  | -1.9 | 2.9  |
| Mongolia     | 5.3  | 7.2  | 5.1  | -2.0 | 6.0  |
| Turkey       | 7.5  | 3.0  | 0.9  | -5.0 | 5.0  |
| Kazakhstan   | 4.1  | 4.1  | 4.5  | -2.7 | 3.0  |
| Uzbekistan   | 4.5  | 5.4  | 5.6  | 0.7  | 5.0  |
| Turkmenistan | 6.5  | 6.2  | 6.3  | 1.8  | 4.6  |
| Hungary      | 4.3  | 5.1  | 4.9  | -6.1 | 3.9  |
| Finland      | 3.3  | 1.5  | 1.1  | -4.0 | 3.6  |

Source : KEXIM World Country Factbook, The Export-Import Bank of Korea, 2021.

Note) 2020 and 2021 are estimates and projections respectively.

The foreign exchange reserves of the counterparts for economic cooperation, being consisted of developing countries as of 2019, excluding Turkey, recorded between 10 ~ 30 billion dollars due to trade reversal as shown in (Table 4). In particular, Turkey has continued to increase, holding USD 77.0 billion, while Hungary and Turkmenistan hold around USD 30 billion. The rest of the country has less than \$10 billion except for Uzbekistan, which holds \$12.5 billion,



**Table 4.** Foreign Exchange Reserves of Counterparts for Economic Cooperation (unit: million dollars)

| Country      | 2017    | 2018    | 2019    | 2020    | 2021    |
|--------------|---------|---------|---------|---------|---------|
| Korea        | 379,477 | 393,232 | 397,876 | 416,641 | 428,641 |
| Mongolia     | 2,771   | 2,717   | 3,182   | 2,402   | 2,561   |
| Turkey       | 82,579  | 71,367  | 77,042  | 30,408  | 45,422  |
| Kazakhstan   | 17,469  | 15,772  | 9,320   | 14,047  | 13,313  |
| Uzbekistan   | 13,664  | 12,071  | 12,475  | 20,627  | 23,327  |
| Turkmenistan | 24,813  | 26,477  | 30,199  | 30,529  | 34,820  |
| Hungary      | 27,436  | 29,649  | 29,873  | 29,953  | 30,165  |
| Finland      | 6,367   | 6,104   | 6,822   | 7,790   | 8,090   |

Source : KEXIM World Country Factbook, The Export-Import Bank of Korea, 2021.

Note) 2020 and 2021 are estimates and projections respectively.

## 2. Trade Status of the Counterparts for Economic Cooperation

Major exports of the counterparts for economic cooperation are made unprocessed as shown in (Table 5) based on available resources. Most of countries export oil, natural gas, textiles, grains, and underground resources, showing a typical example of developing countries. Only Hungary and Finland export intermediate goods and some industrial products. In addition, the proportion of manufacturing sector is high in terms of major imports, so the proportion of intermediate goods is high in all countries. Most of countries import machinery, industrial products, petroleum products, chemical products, and food products.

Most of the counterparts for economic cooperation are basically resource-rich countries. The main resources are oil and natural gas, as well as special mineral resources such as copper, zinc and manganese.

**Table 5.** Status of Export and Import Products in Counterparts for Economic Cooperation (2020)

| Country      | Major exports  | Major Imports  | Major resources  |
|--------------|--|--|--|
| Korea        | Semiconductors, automobiles, petrochemicals, ships                     | Crude oil, coal, steel, Natural gas, semiconductor     | Coal, tungsten, graphite, lead, molybdenum             |
| Mongolia     | Copper, clothing, livestock, wool, coal, crude oil                     | Machinery, fuel, soap, automobiles, foodstuffs         | Petroleum, coal, phosphate, tin, nickel, zinc, gold    |
| Turkey       | Clothing, food, textiles, metal products, transportation equipment     | Machinery, chemicals, semi-finished products, fuel     | Coal, iron ore, copper, mercury, gold, neurite         |
| Kazakhstan   | Petroleum, natural gas, machinery, ferrous metals, grains, wool        | Machinery, metal products, foodstuffs                  | Petroleum, natural gas, coal, iron ore, manganese      |
| Uzbekistan   | Energy products, cotton, gold, fertilizers, iron, textiles, foodstuffs | Machinery, foodstuffs, iron, chemicals                 | Natural gas, petroleum, coal, gold, uranium            |
| Turkmenistan | Gas, crude oil, textiles, petrochemicals, textiles                     | Machinery, chemicals, foodstuffs                       | Oil, natural gas, sulfur                               |
| Hungary      | Machinery/equipment, industrial products, foodstuffs, raw materials    | Machinery, industrial products, food, fuel/electricity | Bauxite, coal, natural gas                             |
| Finland      | Electrical/optical equipment, wood, non-metal, machinery, paper        | Food, petroleum, steel, chemicals, machinery           | Forest resources, iron ore, lead, copper, zinc, nickel |

Source : KEXIM World Country Factbook, The Export-Import Bank of Korea, 2021.

As shown in (Table 6), the trade status of the counterparts for economic cooperation indicated less than 100 billion dollars, in the economic power of developing countries, excluding Turkey, which recorded around 200 billion dollars in exports for 2019. Turkey's exports are worth \$182.3 billion, while Uzbekistan, Turkmenistan, and Mongolia are indicating around \$10 billion. In particular, Turkey, Uzbekistan, and Hungary are exceeding imports rather than exports.

**Table 6.** Trade Status of Counterparts for Economic Cooperation (unit: million dollars)

| Country      |        | 2017    | 2018    | 2019    | 2020    | 2021    |
|--------------|--------|---------|---------|---------|---------|---------|
| Korea        | Export | 580,310 | 626,267 | 561,963 | 529,068 | 564,797 |
|              | Import | 466,717 | 516,180 | 485,107 | 452,973 | 480,485 |
| Mongolia     | Export | 5,834   | 6,557   | 7,183   | 5,865   | 6,681   |
|              | Import | 4,345   | 5,871   | 6,025   | 4,834   | 5,293   |
| Turkey       | Export | 169,214 | 178,909 | 182,280 | 144,810 | 167,973 |
|              | Import | 227,789 | 219,676 | 198,927 | 169,797 | 199,120 |
| Kazakhstan   | Export | 47,301  | 59,826  | 57,822  | 40,476  | 52,006  |
|              | Import | 30,573  | 34,247  | 38,704  | 29,561  | 35,206  |
| Uzbekistan   | Export | 10,162  | 11,386  | 13,899  | 10,000  | 12,000  |
|              | Import | 12,377  | 18,252  | 21,190  | 17,100  | 20,000  |
| Turkmenistan | Export | 7,606   | 9,573   | 9,610   | 6,681   | 10,307  |
|              | Import | 3,979   | 2,351   | 2,068   | 826     | 1,243   |
| Hungary      | Export | 96,278  | 104,744 | 104,237 | 93,846  | 102,590 |
|              | Import | 94,382  | 106,670 | 107,559 | 97,189  | 105,414 |
| Finland      | Export | 67,198  | 74,302  | 72,638  | 62,300  | 69,500  |
|              | Import | 65,510  | 73,982  | 70,085  | 63,960  | 68,650  |

Source : KEXIM World Country Factbook, The Export-Import Bank of Korea, 2021.

Note) 2020 and 2021 are estimates and projections respectively.

## IV. Economic Cooperation Plan with Counterparts for Economic Cooperation

### 1. Current Status of Economic Cooperation with Korea

Korea has entered into various agreements related to economic cooperation as shown in (Table 7) according to the degree of economic development and exchanges with the counterparts for economic cooperation, and imports and exports are actively traded with Kazakhstan and Turkey as shown in (Table 8).

In 1991, it signed an investment promotion and protection agreement and a trade agreement with Mongolia, one of the world's 7 largest resource-holding countries. Mongolia, which has familiar customers for Korea, is a small market, but Korea continues to record trade surpluses with exporting automobiles, favorite foods, petroleum products, and importing clothing and other metals and minerals.

Since 1977, it signed agreements on trade promotion, economic and technical cooperation with Turkey, which is located in a strategic location between Europe and Asia. Korea, which signed the Korea-Turkey FTA in 2013, continues to record a trade surplus, exporting synthetic

resins and steel plates, and importing pesticides, pharmaceuticals, and clothing.

Korea has entered into trade and cultural agreements with Kazakhstan since 1992, which can be the center of the Eurasian economy. Korea, which has strengths in the manufacturing industry, has been a strategic partnership since 2009, exporting textile and chemical machinery and automobiles, and importing crude oil and uranium.

It also signed a science, technology and investment promotion and protection agreement with Uzbekistan in 1992, which forms the largest market among Turkic countries. Korea, which is cooperating in the field of textile industry modernization and rare metals and agricultural machinery, is preparing for further cooperation in industrial production modernization, exporting automobiles and parts, and importing raw materials for paper-making and cotton fabrics.

The scientific and technological cooperation agreement was signed with Turkmenistan in 2015, which can be considered a resource-rich country. Korea, which has completed a gas and chemical plant based on its resources, is eager to cooperate in various ways, exporting automobiles, and importing clothing and textiles.

It signed an investment promotion and protection agreement and a science and technology agreement with Hungary in 1989, which can be an export economy that relies on foreign investment. Korea, which has invested in the field of electric vehicle batteries, was the number one foreign investment in 2019 and exports other machinery and imports auto parts.

Although the economy of Finland in a developed country is smaller than Korea, it has concluded economic agreements and science and technology agreements with it since the early 1980s. Korea imports fine chemical fuels and exports automobiles with an advantage in us, It is the only country that is associated with economic cooperation and exceeds imports by three times that of exports.

As described above, in spite of historical and genetic affinity (closeness), most of them except for Kazakhstan and Turkey currently have poor trading volume. This can be said to show the potential to expand on a larger trade scale by establishing a more robust economic cooperation system in the future.

**Table 7. Current Status of Major Agreements with Counterparts for Economic Cooperation**

| Country    | Contents of major economic agreements with Korea  |
|------------|---|
| Mongolia   | Investment Promotion and Protection Agreement ('91), Trade Agreement ('91), Economic, Science and Technology Agreement ('91), Cultural Agreement ('91), Double Taxation Prevention Agreement ('93), Foreign Economic Cooperation Fund Loan Agreement ('96), Energy and Mineral Resources Cooperation Agreement ('99), Tourism Agreement ('07) |
| Turkey     | Trade Promotion Agreement ('77), Double Taxation Prevention Agreement ('77), Foreign Economic Cooperation Fund Loan Agreement ('93), Customs Agreement ('12), Tourism Agreement ('13), Free Trade Agreement (Product,'13), Cultural Agreement ('17), Free Trade Agreement (Service, Investment, '18)  |
| Kazakhstan | Trade Agreement ('92), Cultural Agreement ('95), Investment Promotion Protection Agreement ('96), Science and Technology Cooperation Agreement ('97), Foreign Economic Cooperation Fund Loan Agreement ('99), Double Taxation Prevention Agreement ('99), Customs Administration Support Agreement ('14)                                      |
| Uzbekistan | Science and Technology Agreement ('92), Trade Agreement ('92), Investment Promotion and Protection Agreement ('92), Cultural Agreement ('94), Double Taxation Prevention Agreement ('98), Foreign Economic Cooperation Fund Loan Agreement ('99), Customs Agreement ('99), Tourism Agreement ('13), Grant Agreement ('15)                     |

|              |   |
|--------------|---|
| Turkmenistan | Science and Technology Cooperation Agreement ('15), Double Taxation Prevention Agreement ('16), Cultural and Humanities Cooperation Agreement ('19)   |
| Hungary      | Investment Promotion and Protection Agreement ('89), Cultural Agreement ('89), Science and Technology Cooperation Agreement ('89), Double Taxation Prevention Agreement ('90), Foreign Economic Cooperation Fund Loan Agreement ('95), Economic Cooperation Agreement ('05), Employment Tourism Program Agreement ('13), Agreement for Peaceful Use of Nuclear ('14), Military Secret Information Exchange and Protection Agreement ('16) |
| Finland      | Economic, Industrial and Technical Cooperation Agreement ('80), Double Taxation Prevention Agreement ('81), Science and Technology Cooperation Agreement ('89), Cultural Agreement ('94), Investment Promotion and Protection Agreement ('96), Agreement for Peaceful Use of Nuclear('15)   |

Source : KEXIM World Country Factbook, The Export-Import Bank of Korea, 2021.

The current status of trade between Korea and countries for economic cooperation for 2019, except for Finland, reveals exports exceed imports as shown in (Table 8). Turkey has entered into an FTA with Korea, for increasing exports of industrial products, showing an export amount of 5.2 billion dollars and an import amount of 1.2 billion dollars. In particular, exports to Kazakhstan, Uzbekistan, and Hungary have been increasing rapidly, and Korean have been importing from Finland because of their own strength in fine chemical fuels and wired communication devices.

**Table 8.** Status of Trade with Counterparts for Economic Cooperation (Unit: USD million)

| Country      |        | 2017  | 2018  | 2019  | Main Production Items  |
|--------------|--------|-------|-------|-------|--|
| Mongolia     | Export | 228   | 308   | 291   | Automobiles, food preferences, petroleum products, construction and mining machinery |
|              | Import | 14    | 27    | 33    | Clothing, other metallic minerals, other non-metallic minerals                       |
| Turkey       | Export | 6,155 | 5,980 | 5,298 | Synthetic resin, steel plate, pesticides and pharmaceuticals                         |
|              | Import | 782   | 1,189 | 1,189 | Pesticides and pharmaceuticals, clothing, and automotive products                    |
| Kazakhstan   | Export | 533   | 798   | 2,657 | Textile chemical machinery, automobiles, rails and steel structures                  |
|              | Import | 998   | 1,362 | 1,562 | Crude oil, uranium, ferroalloy pig iron and scrap iron                               |
| Uzbekistan   | Export | 1,180 | 2,117 | 2,338 | Auto parts, automobiles, and other miscellaneous products                            |
|              | Import | 18    | 22    | 20    | Paper raw materials, cotton fabrics, food preferences                                |
| Turkmenistan | Export | 131   | 20    | 13    | Automobiles, computers, office equipment, plastic products                           |
|              | Import | 0.05  | 0.1   | 0.01  | Clothing, other textile products, measurement control analyzer                       |
| Hungary      | Export | 1,206 | 1,967 | 2,478 | Other machinery, pesticides and medicines, fine chemical raw materials               |
|              | Import | 706   | 694   | 496   | Automobile parts, industrial electric equipment, wireless communication equipment    |
| Finland      | Export | 297   | 332   | 308   | Automobiles, power equipment, synthetic resins, rubber products                      |
|              | Import | 975   | 1,349 | 1,117 | Fine chemical fuel, wired communication equipment, power equipment                   |

Source : KEXIM World Country Factbook, The Export-Import Bank of Korea, 2021.

## 2. Basic Direction and Cooperation Plan for Economic Cooperation

### 2.1. Necessity and Basic Direction of Economic Cooperation

Korea was unable to experience modern capitalism on its own due to late opening of the Joseon Dynasty, and even after passing through the era of dark exploitation and overcoming it through World War II, it suffered severe ideological conflict by being divided into North and South Korea.

At the same time, the competitiveness of Korea, such as politics, economy, military, society, culture, and education, accumulated over 4354 years of history was based on national management capabilities. With the accumulated know-how of economic development, it has grown into the world's 10th largest economically developed country, surpassing its status of an emerging country, thanks to a step-by-step economic development policy.

Looking back on the 4354-year history, Korea formed alliances with various peoples (races, or races that formed the state) in the process of the formation of the state, or exchanged with peoples with historical and genetic affinity. It has grown into a representative country of the northern peoples (Gojoseon) in the region from the Korean Peninsula to the northern part of the Liaotung Peninsula while keeping China in check. This is because, as mentioned above, Korea has established a nation by struggling with various races for supremacy in the north and absorbing other race people. Currently, Korea needs to solidify economic cooperation as well as national cooperation together with descendant countries.

Korea is geographically located at the center of the world's four major powers, including China, Russia, Japan, and the United States. Therefore, it can be said that it is impossible to defend a nation based on Liberal democracy with only our national power due to various dynamics. So, there is a need to create a new national alliance system that must maintain historically traditional relations with ties. It should be based on historical and genetic affinity. This is because some of the countries mentioned here are approaching Korea with considerable emphasis on historical and genetic relationships. This is because it has been proven in both historical and historical literary and archaeological aspects<sup>12)</sup>.

Counterparts for economic cooperation, countries rich in resources including crude oil, natural gas, coal and steel, want to export as processed products rather than as low-value added underground resources. These countries plan industry diversification strategy to develop into resource-based manufacturing countries through benchmarking Korea's economic development process. However, the countries, lacking in ability with regard to import substitution or export industrialization through manufacturing industry with generally very weak level of industrialization, hope economic cooperation on manufacturing of various industries with Korea.

At present, these countries have close economic relations with China which has conflicted with Korea for 4354 years, and neighboring Russia, old Soviet Union. Therefore, the economic cooperation with these countries, in the long run, not only means political and diplomatic cooperation through historic and genetic affinity, but also plays an important role in military cooperation with them. It can provide an important meaning, a beginning that Korea, the

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12) An example of this (Wikipedia or Naver Encyclopedia of Knowledge, 2021) is the Commonwealth of nations. The 52 member states are made up of former British colonies, and are politically and diplomatically independent and free associations. The organization consults with each other on major international issues through the Commonwealth Heads of Government Meeting (CHOGM) once every two years, but is not legally binding.

world's 10th-largest economy, can become a leading country of human progress in the years to come.

Therefore, it should be promoted under the following basic directions based on political and diplomatic, economic, social, cultural, educational, and military ties. Firstly, politically, there must be close diplomatic relations along with a progress toward a political alliance based on this. Secondly, this should further strengthen the practical alliance between the two or more countries through economic cooperation for mutual benefit. Thirdly, soft alliance should have a new light on intimate historical relations, along with various exchanges of educational and cultural ties. Through these, the alliance relationship between the two or more countries should be further strengthened. Finally, after the development of a military alliance based on the above-mentioned facts, it will have to progress to a blood alliance that can help militarily if the two or more countries are in trouble in case of emergency.

Since economic cooperation in this study will play a mediating role in promoting alliance relations such as politics and diplomacy, society, culture, education, and the military, it will be dealt with only at a comprehensive level based on the economic core issues of the counterparts for economic cooperation.

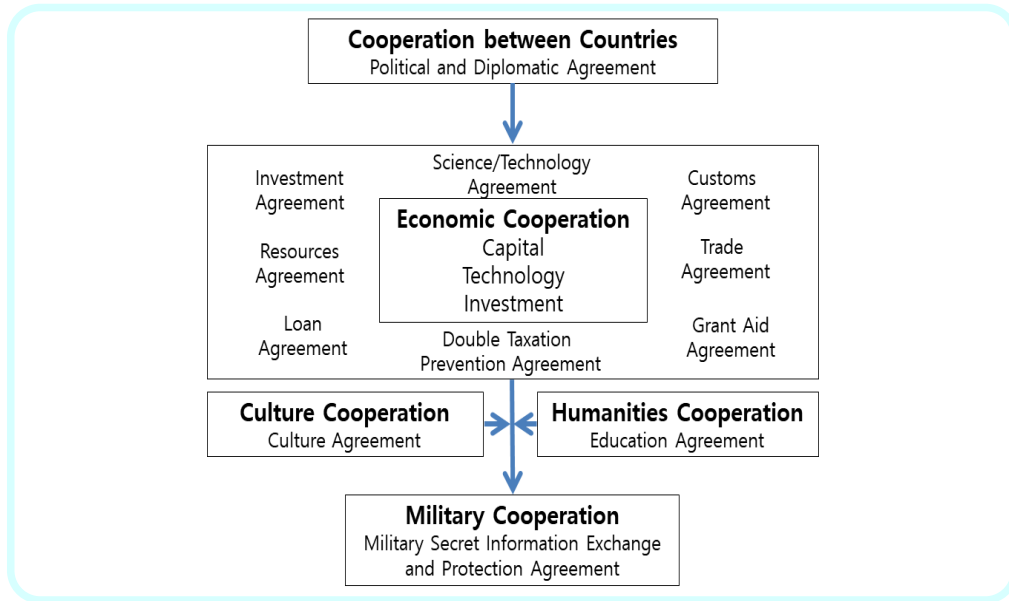
## 2.2. Economic Cooperation Plan

This study intends to present a plan for economic cooperation with the countries decided based on the historical and genetic affinity. Economic cooperation should be carried out gradually in addition to the current cooperation situation with the countries associated to various economic cooperation.

Economic cooperation (The Encyclopedia of Practical Business Management, 1989), in a broad sense, refers to the cooperation of two or more countries on an equal footing through an agreement or organization for a common economic purpose. In general, however, it also means economic aid in a narrow sense. In this perspective, Korea is currently providing seven developing countries, except Finland which can be regarded a developed country, with the Official Development Assistance (ODA) through the Korea International Cooperation Agency (KOICA) and the Economic Development Cooperation Fund (EDCF).

In addition, economic cooperation is generally divided into capital cooperation and technical cooperation (The Encyclopedia of Practical Business Management, 1989), in most cases, however it says capital cooperation. This means that it also entails trading of goods and services by private companies. In the case of the government, it can be achieved through financial funding, but the government can reflect on the cooperative policy by engaging in the transaction activities of its own private companies. From this perspective, Korea starts with political and diplomatic cooperation as shown in (Figure 1), concludes agreements related to economic cooperation, and leads to military cooperation with the counterparts for economic cooperation through humanities and cultural cooperation. This should be done to the extent that they can protect states each other.

**Fig. 1.** Contents of Economic Cooperation with the Partner(associated) Countries<sup>13)</sup>



### 2.3 Strategies for Economic Cooperation with Partner(associated) Countries

Strategies for economic cooperation with partner(associated) countries enable progress from the current economic cooperation relationship to a closer relationship. For this reason, it must be active and practical as shown in <Table 9> so that detailed tasks can be solved for mutual benefit.

First of all, Mongolia has an overall weak industrial structure other than mining. The proportion of exports (Lee, 2018b) is facing a problem of low added value because most of them are exported without processing underground resources. As Korea has agreements in all sectors such as capital, technology, and investment, economic cooperation is also important to invest in natural resource processing (including the production of finished goods based on raw materials). In recent years, Mongolia asked the IMF for economic bailout programs once again, and Korea also provided some support for the country to overcome the difficult economic conditions, and future economic cooperation is to provide support for Mongolia's representative manufacturing industry.

Second, Turkey is taking on a solid alliance relationship for itself through participation in the Korean War while emphasizing its historically strong affinity with Korea. Since the Korea-Turkey FTA entered into force in 2013, the trade results (Cho et al., 2019) have recorded a trade balance surplus, and investment in Turkey has also increased significantly. Turkey is located in the middle of Europe, Africa, the Middle East, and so on, so it can fully play a role as a bridgehead for the export of Korean products to these regions. So, Korean companies need to expand investment using domestic capital goods and intermediate goods, centering

13) This was prepared by the author in accordance with this study based on the current cooperation relationship between Korea and the associating countries, such as politics, economy, culture, education, and military affairs.

on manufacturers that produce and export competitive products in this region.

Third, Kazakhstan is a country that has both historical and genetic affinity with Korea, and it is surveyed that the scale of trade with Korea is the largest among Central Asian countries for 2019. This country has an economic structure oriented on the energy industry with abundant underground resources such as crude oil, natural gas, and uranium (Kim & Shim, 2019), so its economy is highly volatile due to fluctuations in oil prices. Accordingly, since Kazakhstan is actively preparing for industrial diversification oriented on manufacturing in “National Strategy 2050”, Korean companies can directly invest it considering the investment conditions in industries such as nonferrous metals, petrochemicals, machinery and food products based on underground resources. In addition, it is necessary to actively export consumer goods based on the Korean Wave and it is also necessary to seek advancement in education, cultural services, and health care services with this.

Fourth, Uzbekistan is the largest market in Central Asia, with a population of 33.9 million (2020) among Turkic countries. In this country (Park et al., 2016), the agricultural sector accounted for 17% (2019), so it is seeking to change the industrial structure that focuses on the manufacturing industry based on its abundant labor force. Since the trade structure is over imports, import substitution strategies are being devised, and industrial production is modernized and diversified in the fields of power, textiles, gas, chemicals, pharmaceuticals, machinery, electronics, and agriculture. Accordingly, since all Korean companies are industries with international competitiveness, it is necessary to directly invest in Uzbekistan's strategic industries to advance into Uzbekistan's strategic industries in consideration of the investment conditions so that can be achieved mutual benefits between the two countries.

Fifth, Turkmenistan has an economic structure that relies on an energy industry oriented on abundant natural gas. The country is promoting balanced development of various industries through industrial diversification to escape from the unbalanced growth led by natural gas (Park et al., 2016). In the “National Strategy 2030”, the modernization and diversification of industrial production are being promoted in the fields of oil, gas and chemicals, light industry, food processing, construction materials, machinery, textiles, and agricultural products. Accordingly, as the country is promoting localization in construction materials, chemicals, home appliances, food, etc. and encouraging export promotions in chemicals, agriculture, pharmaceuticals, light industry, and foodstuffs, Korean companies will have to invest directly and enter these industries in consideration of investment conditions for mutual benefits.

Sixth, Hungary is a country that is located at a strategic point connecting Central Europe, the Balkans, and Central Asia is a market with great influence on which can expand various markets of neighboring countries. The country is low on private accumulated capital (Lee, 2020). As a result, the automobile industry, which accounts for 30.2% of manufacturing production (23.2% of GDP) by relying on foreign investment to attract industries, is oriented on economic growth. In 2019, Korean companies are entering Hungary with 173 companies through joint ventures with SMEs (small and medium-sized enterprises), centering on the automobile and electronics industry. In the future, Hungary is moving away from Europe's dependence on investment and strengthening economic cooperation with Asian countries through ‘opening to the East policy’. Therefore, Korean companies need to enter actively into energy, medical care, defense, cosmetics, and food.

Finally, Finland promoted actively the development of the information and communications industry, building a first-class industrial cluster (Ministry of Foreign Affairs, 2019), and is the first country in national competitiveness that has grown as the home of innovative technology.



The country's flagship industries are composed of electronics, information and communication industries, metals, machinery and chemical industries, and paper and pulp industries. It has transformed into a knowledge-based industry and has gained global competitiveness in IT, paper, machinery, and ships since the mid-2000s. Currently, one of the top economic policies is environment and energy, creation of a business-friendly environment, and employment expansion. The efforts are being made to expand the trade and investment with Asia, freeing from dependence on Europe and Russia. Accordingly, Korean companies need to cooperate in expanding exports to automobiles and electronic products, and in the field of clean technology for eco-friendly energy.

**Table 9.** Strategies for Future Economic Cooperation with Partner Countries

| Country      | Current economic challenges of the partner country   | Contents of future cooperation with Korea  |
|--------------|--|--|
| Mongolia     | - Mining-oriented industrial structure   | - Direct investment in the resource processing industry  |
| Turkey       | - FTA trade imbalance situation  | - Direct investment based on manufacturing   |
| Kazakhstan   | - Energy-oriented industrial structure   | - Diversification of manufacturing-oriented industries<br>- Direct investment in resource-based industries                     |
| Uzbekistan   | - Excess import of trade structure<br>- Industrial structure with a high proportion of agriculture | - Strategic entry into the import substitution industry<br>- Direct investment in industrial modernization and diversification |
| Turkmenistan | - Energy industry-oriented economic structure  | - Direct investment in industrial modernization and diversification  |
| Hungary      | - European countries-oriented investment dependence structure                                      | - Medical, defense, food, etc. by strengthening 'opening to the East policy'   |
| Finland      | - Economic structure dependent on Europe and Russia  | - Knowledge-based industry cooperation<br>- Entry to eco-friendly and clean technology field                                   |

As mentioned above, the economic cooperation with the associating (partner) countries for trading unites is a customized strategy for economic tasks of the associating countries, and they should be implemented for mutual benefit of the two countries.

## V. Conclusion

As mentioned so far, the research is for the purpose of advancing further economic cooperation with the countries that have historical and genetic affinity among Asian, Central Asian, Middle Eastern and European countries. It focuses on obtaining and achieving our desires in the international arena, preserving the national territory, protecting the national lives and property, and increasing national power such as diplomatic power and national defense power.

To this end, by reviewing relevant papers and data on countries with historical and genetic affinity studied by domestic historians, the associated countries were designated as Mongolia, Turkey, Kazakhstan, Uzbekistan, Turkmenistan, Hungary, Finland, and so on. The plan for economic cooperation with countries was presented within a comprehensive range.

The basic direction of economic cooperation suggested in the paper is to further strengthen practical alliances through economic cooperation for mutual benefit that is based on close political and diplomatic relations. In addition, spiritual alliance through various exchanges of educational and cultural ties is further expanded and developed into a state of military alliance.

Economic cooperation with the counterparts was proposed as a synergy effect of obtaining mutual economic benefits that should be developed as a complement platform to economic cooperation that is currently underway. Among the associated countries, Mongolia is for the underground resource processing industry, Turkey for the investment of companies to advance into neighboring countries, Kazakhstan for the diversification of manufacturing-oriented businesses, Uzbekistan for the modernization and diversification of industrial production, Turkmenistan for the localization and export promotion of resource-based industries, Hungary for increasing investments in line with East-ward policy, Finland is for cooperation in knowledge-based industries.

The differentiation of this study from previous ones is as follows: First, previous studies on historic and genetic affinity made mention of close relations with Korea only, with no mention of its cooperative relations on economy, diplomacy, politics and culture. Previous studies on economic cooperation with these countries are the same, as well. Next, this study designated counterparts for economic cooperation through historic and genetic affinity, and suggested ways of manufacturing-based economic cooperation on the basis of their “future economic development strategy”. Therefore, this study can be differentiated from previous ones in the sense that mutual economic benefit is not the only basis for economic cooperation through historic and economic convergence.

This study was carried out under the perspective that political, diplomatic and security aspects could be further strengthened by making economic cooperation with associated countries based on historical and genetic affinity because most of the research on economic cooperation simply focused on technology and inter-industry cooperation with each country. Such economic cooperation can raise Korea’s international status to the next level and strengthen its voice in the international community. It is judged that if an international cooperation organization such as The Commonwealth of the United Kingdom is formed based on the relationship with these associated countries, it can further expand its position as a leading country in exchange with other countries.

The limitation of this study is as follows. This study proposes economic cooperation measures based on historical and genetic affinity, focusing on qualitative matters, only in a comprehensive aspect, and thus its concreteness is lacking. Therefore, in subsequent papers, it is necessary to analyze the trade-related data of each region and put forward economic cooperation plans in more detail based on this.

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