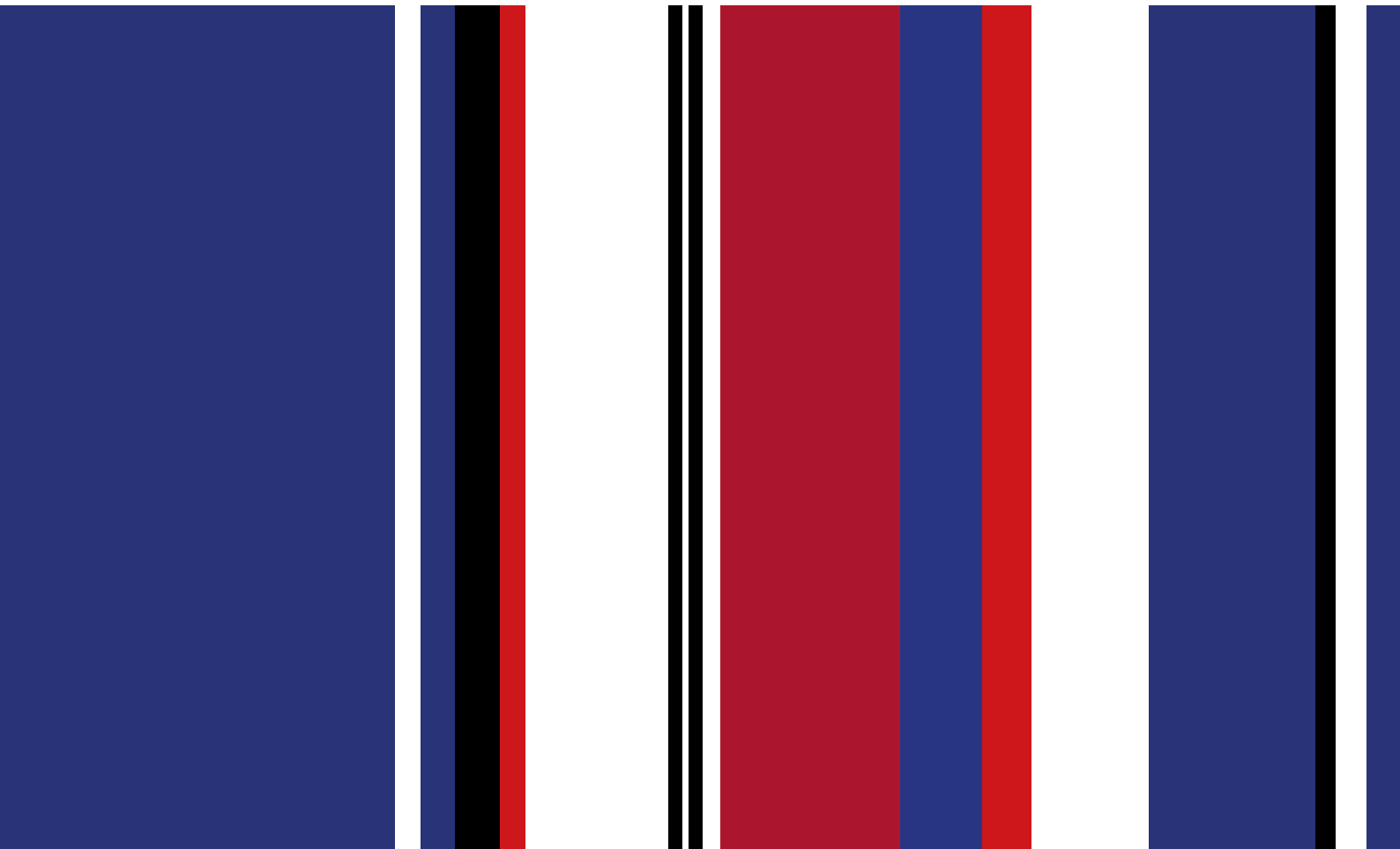


The EU's role in stabilising the Korean Peninsula

Mario Esteban



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Working Paper

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Preface

This working paper is the result of a process of collective reflection in which many academics and diplomats –with whom I have had extraordinarily fruitful conversations in Brussels, Madrid, Pyongyang and Seoul– have participated. The contributions of those who responded to the policy Delphi that we launched in the spring of 2018, and of the participants in the seminar that we organised at the Brussels office of the Elcano Royal Institute on 5 October 2018, were especially valuable. I would therefore like to explicitly thank Alexander Zhebin, Axel Berkofsky, Bartosz Wisniewski, Charles Powell, Eric Ballbach, Félix Arteaga, Françoise Nicolas, Hideshi Tokuchi, Hiro Akutsu, John Nilsson-Wright, Kim Songyong, Lee Dongmin, Liu Qing, Luis Simón, Michael Paul, Mikael Weissman, Niklas Swanström, Ramón Pacheco, Shin Beomchul and Tariq Rauf for their contributions. I would also like to acknowledge the work of Elisa Lledó in organising the seminar and of Virginia Crespi de Valldaura in helping to prepare this paper.

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The views expressed in this working paper are my own and do not necessarily reflect the position of any of the persons consulted, nor do they reflect the policy stance or the official position of any institution.

1. Introduction

The diplomatic situation in the Korean Peninsula is changing at enormous speed due to the conjunction of three factors: the rapid development of the North Korean nuclear programme under the leadership of Kim Jong-un, the election of Donald Trump as US President and that of Moon Jae-in as President of South Korea. In this context, this working paper analyses the position of the EU and its member states towards the current situation and the role they can play in the stabilisation of the Korean Peninsula.

The Democratic People's Republic of Korea (DPRK) spectacularly developed its nuclear capacity in a very short space of time thanks to its *byungjin* doctrine, which focuses on the parallel development of the national economy and the nuclear programme. This development greatly alarmed the international community. The alarm was only heightened by Donald Trump's election. His escalating exchange of heated rhetoric with Kim Jong-un and his coercive diplomacy notably increased the risk of military conflict on the Korean Peninsula. Indeed, to millions of Koreans and their neighbours, war seemed like a plausible scenario by the end of 2017.¹

Nevertheless, the situation changed radically in the first months of 2018, when two parallel diplomatic processes involving North Korea were initiated. The first concerned South Korea and was aimed at seeking the reconciliation of the two states; the second concerned the US and sought to achieve denuclearisation and the pacification of the Korean Peninsula.

This increased use of diplomacy to tackle tensions in the Korean Peninsula was motivated by two factors.

First, the North Korean regime considered that the progress of its nuclear and missile programme in 2017 had provided it with a powerful and reliable deterrent against foreign intervention in its territory. Kim Jong-un himself proclaimed the success of the North Korean nuclear programme in his New Year's Speech: 'Our country's nuclear forces are capable of thwarting and countering any nuclear threats from the US, and they constitute a powerful deterrent that prevents it from starting an adventurous war'.² This position of strength allowed the North Korean regime to suspend its missile and nuclear tests, thus fulfilling a key prerequisite to enable the South Koreans and the Americans to engage in public negotiations with Pyongyang.

The second factor is that all three statesmen had strong incentives –mainly relating to their internal political aims– to embark in a negotiation process. Thanks to these diplomatic openings, Kim Jong-un has attained a level of international recognition that seemed impossible when he first succeeded his father. This has substantially strengthened his authority within the DPRK. Furthermore, the *détente* created by following this diplomatic route improves North Korea's security situation while avoiding the threat of new sanctions and creating a propitious situation for current sanctions to be interpreted more laxly. This

¹ Gallup International (2017); and USA Today (2017).

² Kim Jong-un (2018).

all favours the North Korean government's current key objective: to focus on the economic development of the country.³ President Trump, on his part, has constantly tried to project an image of himself as an outstanding negotiator and to portray this as a key asset of his presidency. Nevertheless, his presidency has so far been characterised more by abandoning international treaties (including the TPP, the Paris Agreement on climate change, the Iran nuclear deal, and the Intermediate-Range Nuclear Forces Treaty) than by negotiating new ones. The North Korean nuclear and missiles programme gives him the opportunity to shine where his predecessors have failed.

In the case of President Moon, reconciliation with Pyongyang was one of the pillars of his electoral platform. This meant that part of his prestige would be at stake if he did not make progress in that direction. Instead, the inter-Korean reconciliation process, and especially the Panmunjom Summit of 27 April 2018, allowed Moon to reach the first anniversary of his mandate with an 83% approval rating –an especially significant result taking into account the unimpressive level of growth experienced by the South Korean economy in the period–. Such a level of popularity after only one year in power is unprecedented for any South Korean President.⁴

Despite the huge scepticism towards the possible outcome of the negotiations, there is international consensus on the convenience of promoting dialogue to dissipate the threat of war in the region.

The developments outlined above are of enormous importance due to their potential multiple consequences. They not only affect the future of all Korean citizens, but also the peace and security of the region and the globe, the international nuclear non-proliferation regime, Sino-US relations and the East Asian balance of power. As a result, the EU cannot afford to stay on the side-lines of these processes, even if it is undoubtedly going through serious internal difficulties and has other priorities on its foreign policy agenda. This working paper therefore presents a sober and realistic analysis of the role that the EU and some of its member states can play to contribute to the denuclearisation and inter-Korean reconciliation processes. It concludes that its role is secondary but significant. In addition, the paper presents a set of recommendations on how European involvement could materialise.

³ This aim is stated in the resolution approved in the Third Plenum of the Central Committee of the Workers' Party of Korea, 'On concentrating all efforts on socialist economic construction to meet requirements of new high stage of developing revolution' (http://www.rodong.rep.kp/en/index.php?strPageID=SF01_02_01&newsID=2018-04-21-0019).

⁴ USA Today (2018).

2. Evolution of the EU's DPRK policy

The EU's interest towards the DPRK increased significantly in the mid-1990s. This was as a result of the North Korean government's request for humanitarian aid to cope with the famine that struck the country. It was also the result of the multilateralisation of the Korean Peninsula Energy Development Organisation (KEDO), which was seen as the most convenient way of containing the first North Korean nuclear crisis.

Since then, the EU's stance towards North Korea has gone through three distinct phases: active engagement (1995-2002), critical engagement (2003-13) and active pressure (since 2013).⁵ As North Korea has developed its nuclear and missile programme, its image in Europe has varied between that of a failed state and a rogue state. This resulted in Europe hardening its stance towards the country.

In its bid to keep the DPRK from becoming a nuclear state, the EU has therefore transitioned from an incentives-based strategy to one based on punitive measures. The first was based on offering security guarantees, economic cooperation and political recognition, while the second rests on the use of economic sanctions and political isolation to try and reduce North Korea's access to the resources required to develop a military nuclear programme.

It is important to note that, in most cases, these fluctuations in EU policy towards North Korea have initially been led by member states, because this indicates that future changes on EU policy towards North Korea can also be triggered by particular member states.⁶ Many EU member states, including Italy and Sweden, established diplomatic relations with Pyongyang before the EU did; Finland and the Netherlands started making financial contributions to the KEDO before the EU decided to do so; France and Ireland played a proactive role in encouraging the EU to increase its pressure on the DPRK in response to its human rights situation; and France and the UK have been key in the EU's substitution of a policy of critical engagement with one of active pressure. The only instance in which EU institutions have played a proactive role was in the provision of humanitarian aid to North Korea, a route they then encouraged their member states to follow.

⁵ Anon (2017).

⁶ Sangtu Ko (2008).

Active engagement

In 1994, the EU published its first Asia Strategy, in which it proposed to play a more active role in the region.⁷ Also in the mid-1990s, the EU became a key player in the stabilisation of the Korean Peninsula thanks to its active engagement strategy: it supported the main pro-engagement strategies implemented in those years, first Bill Clinton's to end the North Korean nuclear programme and then Kim Dae-jung's to help the inter-Korean reconciliation process. North Korea welcomed this larger EU role, as it hoped that Europe's stance might influence the US's, encouraging direct engagement between Washington and Pyongyang.⁸

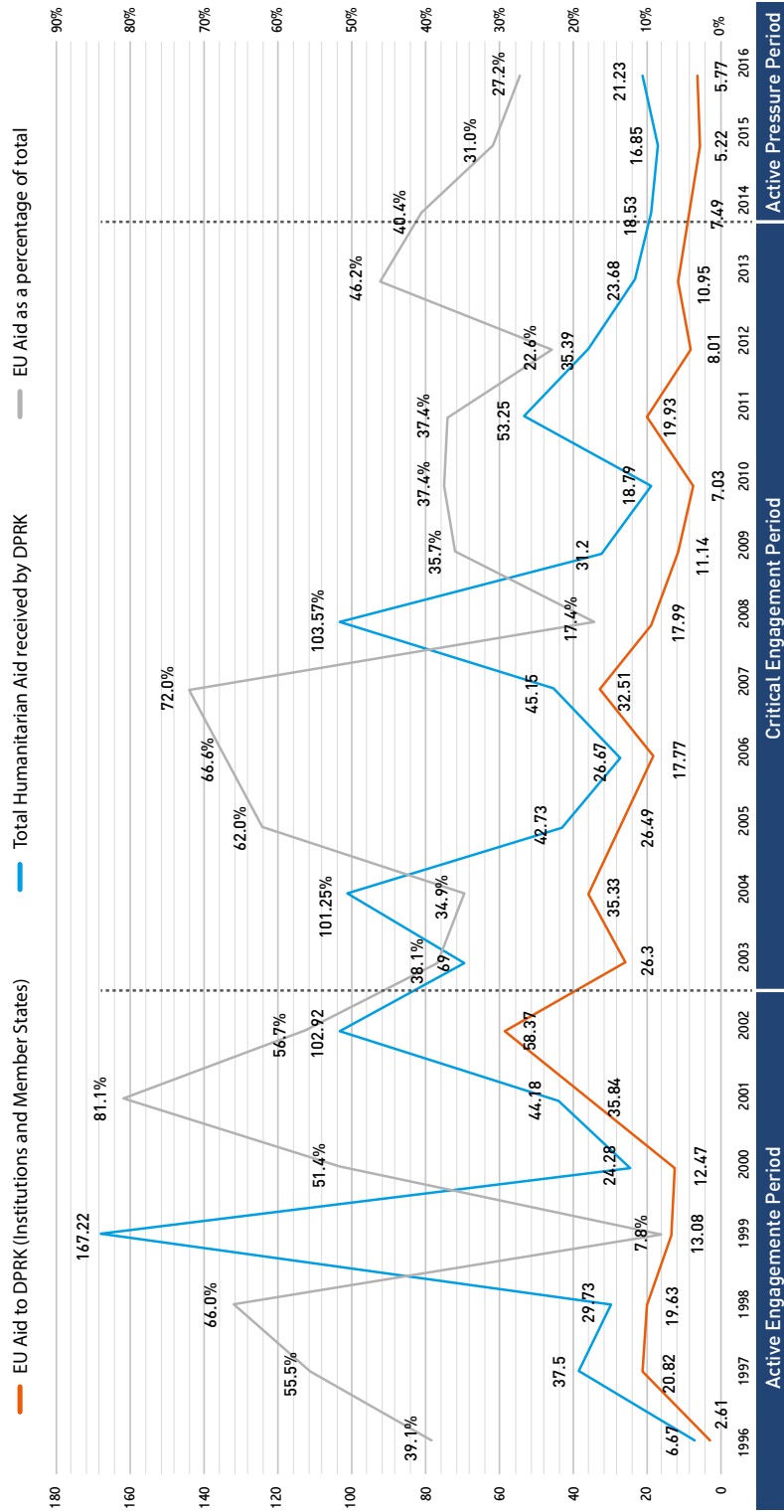
Between 1995 and 2002 the EU significantly increased its relations with Pyongyang and progressively expanded its involvement in different areas.⁹ The first step was to provide Pyongyang with humanitarian aid in 1995. This mainly consisted of food and amounted to US\$400 million by 2004 and was particularly welcome as it had no political or security conditions attached.

7 European Commission (1994).

8 Pacheco Pardo (2017).

9 Berkofsky (2003).

Figure 1. EU humanitarian aid to the DPRK



Source: OECD.

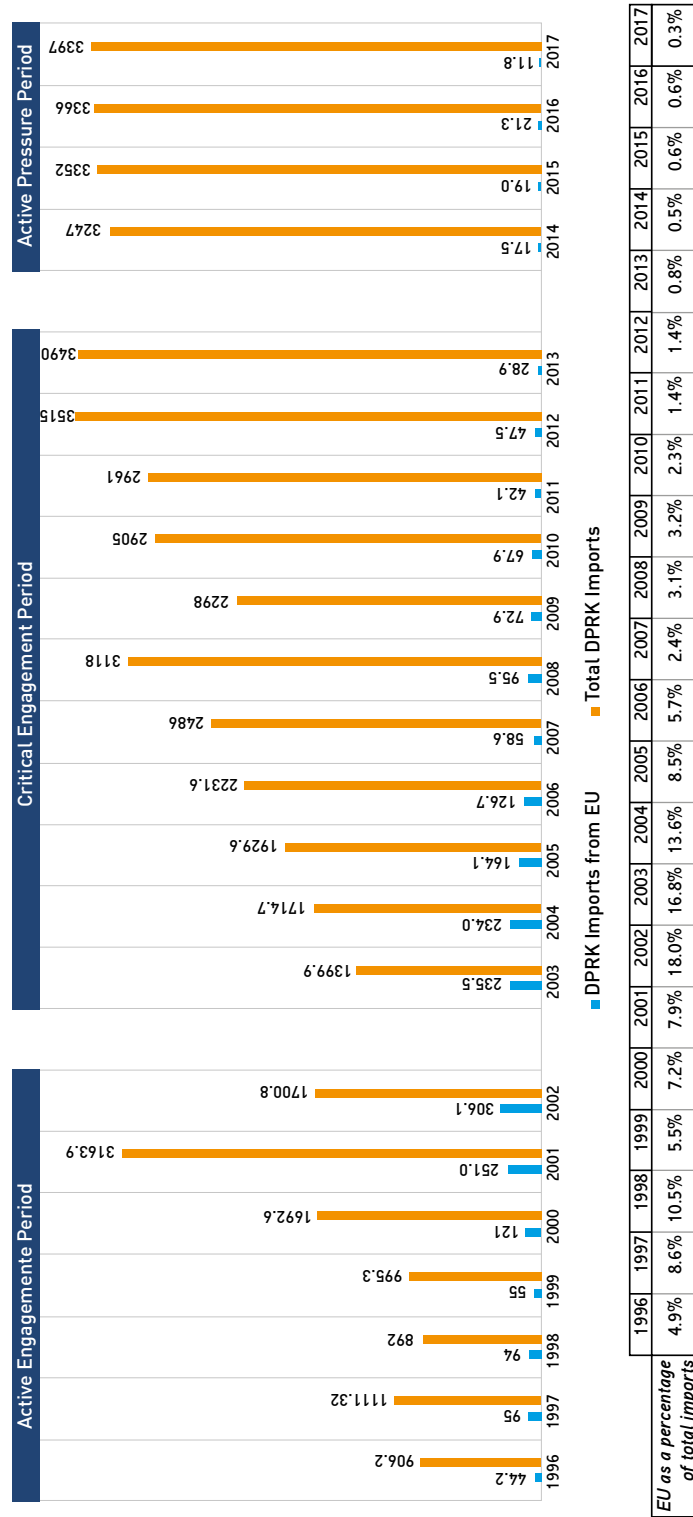
In 1997 the EU started becoming more directly involved in the first North Korean nuclear crisis and joined the executive board of the Korean Peninsula Energy Development Organisation, whose aim was to freeze the development of North Korean nuclear technology by substituting the Yongbyon nuclear reactor with two proliferation-resistant light-water reactors. The EU's participation was an attempt to revitalise the organisation, which had been set up by the US, Japan and the Republic of Korea, but was not functioning smoothly in part due to the obstructionism of the Republican Party.

The following year, the EU and Pyongyang held their first high-level political dialogue, in which they agreed on a bilateral agenda focusing on security, human rights and economic assistance. These high-level political dialogues –in combination with President Kim Dae-jung's Sunshine Policy and the establishment of diplomatic relations between various member states and Pyongyang– led to the EU and Pyongyang establishing official diplomatic ties in May 2001.

Economic exchanges between the EU and the DPRK also increased as a result of political rapprochement. The EU significantly contributed to the development of the North Korean economy by opening its market to North Korean products and providing technical assistance. Notable progress was also made in the area of trade, to the point where the EU became North Korea's third main trading partner. However, the EU's more ambitious plans in the area of technical assistance (outlined in the 'EC-DPRK: Country Strategy Paper 2001-2004' and in the 'EU's National Indicative Programme 2002-2004') never materialised.¹⁰

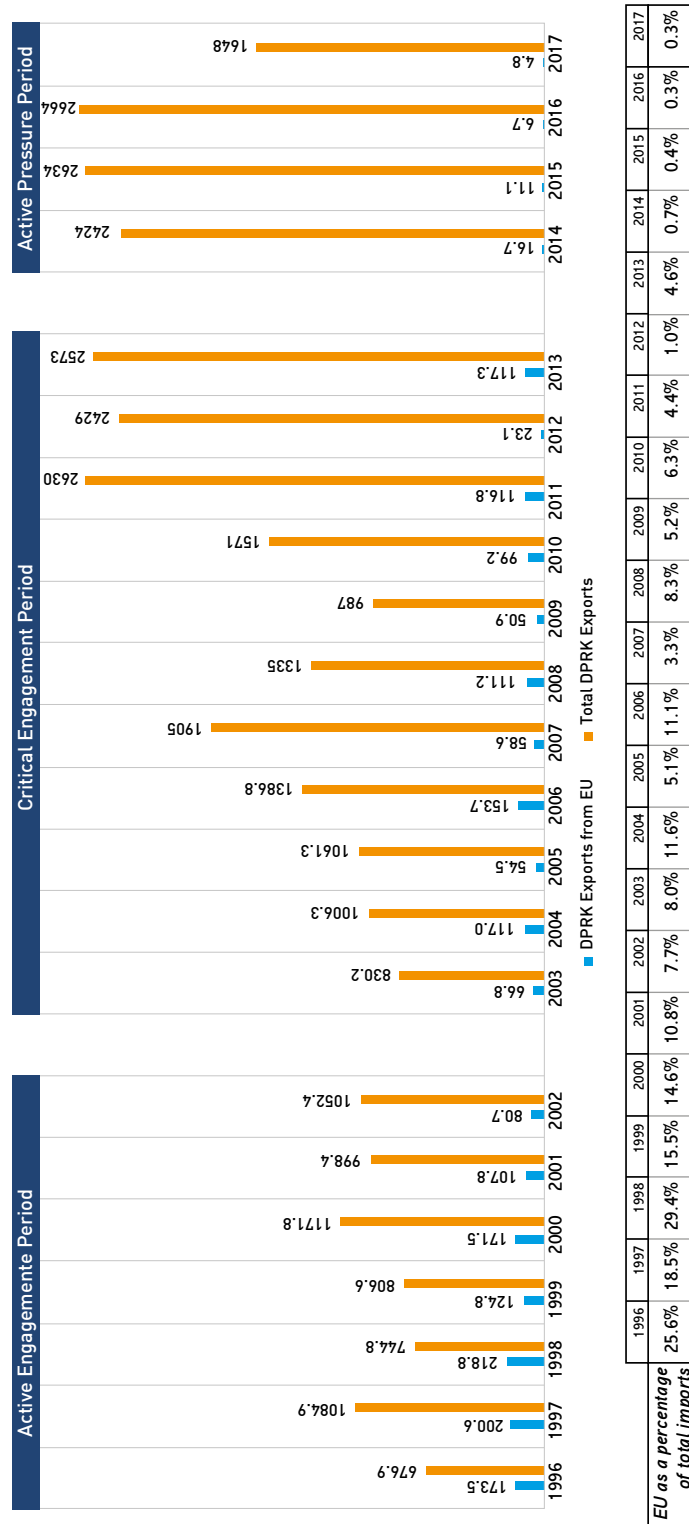
¹⁰ European Commission (2001); and European Commission (2002).

Figure 2. Weight of the EU in DPRK imports



Source: Berkofsky (2003), OEC, Eurostat, European Commission.

Figure 3. Weight of the EU in DPRK exports



Source: Berkofsky (2003), OEC, Eurostat, European Commission.

The EU was positively inclined towards strengthening its relationship with Pyongyang and supporting Seoul's inter-Korean reconciliation policies. However, its bilateral relationship with North Korea was not unconditional: it rested on the regime's willingness to making progress in areas such as nuclear non-proliferation, human rights and the reform of the country's economic system.¹¹

In 2002 it was revealed that North Korea was secretly developing a uranium enrichment programme that could be used to build nuclear weapons. On 10 January 2003 Pyongyang withdrew from the Nuclear Non-Proliferation Treaty. In light of these events, the EU suspended its contributions to the Korean Peninsula Energy Development Organisation. It also ended its technical cooperation plans with North Korea and the commercial advantages it had granted it.

Critical engagement

As a result of the second North Korean nuclear crisis, which began in October 2002, the EU adopted a position of critical engagement towards Pyongyang. This strategy meant that the EU maintained both its relations with Pyongyang and its use of positive incentives to encourage action by the North Korean regime, especially in the areas of non-proliferation and human rights. However, it now also incorporated a coercive dimension to its diplomatic toolkit.

The period saw a substantial decrease of the EU's importance in the denuclearisation process and in North Korea's economy. Instead, the EU took a position of leadership in the international pressure movement that was taking shape in reaction to the country's human rights situation.

The EU had actively participated in the mechanism created to manage the first nuclear crisis, the Korean Peninsula Energy Development Organisation. During the second, however, it was excluded from the Six-Party Talks, launched in August 2003 with the participation of China, Japan, North Korea, South Korea, Russia and the US. Still, its role was not limited to giving diplomatic support to the initiative. Several member states, including France, Germany, Spain and the UK, actively participated in the Proliferation Security Initiative, launched in May 2003 by George W. Bush to intercept any delivery of weapons of mass destruction and nuclear technology to or from the DPRK. In addition to this, several European states (including the two which are permanent members of the Security Council) backed all the resolutions taken by the UN Security Council against North Korea in the period.¹² The European Council also imposed its own sanctions against North Korea following the Security Council's approval of Resolution 1718 (2006).¹³

11 European Commission (2001), p. 5.

12 These include Resolution 1695 (2006), Resolution 1718 (2006), Resolution 1874 (2009), Resolution 1928 (2010) and Resolution 1985 (2011).

13 European Council (2018b).

In parallel, some EU member states –namely France and Ireland– started taking leadership of the international pressure movement against the North Korean human rights situation. Disappointed with the results of its bilateral talks with Pyongyang on human rights, the EU quickly took over this role. Its new stance raised the importance of human rights on the EU's agenda on North Korea and attracted an unprecedented amount of international attention to the human rights situation in the country.¹⁴

In 2003 the EU presented a resolution before the United Nations Human Rights Commission urging the North Korean regime to cease punishing people attempting to leave the country, to resolve all cases of abductions of foreign citizens and to ratify international conventions on the prevention of torture and racial discrimination. The resolution's approval was the first to mark the Human Rights Commission's concern with the serious and systematic violation of human rights in North Korea. The EU presented another proposed resolution before the Commission the following year, warning the North Korean regime that it risked sanctions if it did not significantly improve the country's human rights situation. In 2005 the EU not only presented a new resolution before the United Nations Human Rights Commission condemning human rights violations in North Korea, it also escalated the proposal to the United Nations General Assembly, where it was approved. The following years saw the process repeat itself in both the General Assembly and in the newly created UN Human Rights Council.

The resulting deterioration of political relations between the EU and North Korea substantially affected the level of trade between them. Nevertheless, the EU maintained its humanitarian aid flows towards North Korea even after the latter had conducted its first nuclear test in October 2006.¹⁵ In any case, the European Community Humanitarian Office in Pyongyang closed in 2008, as the improvement of North Korea's food situation meant that emergency aid was no longer required. What the DPRK required instead was technical and technological assistance to help bring about structural changes in its economy, which the EU was not willing to provide so long as Pyongyang continued to develop its nuclear programme.

The balance between positive incentives and coercive measures progressively tilted towards the latter as North Korea continued developing its nuclear programme and eliciting rounds of sanctions from the Security Council. These had little dissuasive effect on the regime's determination to develop nuclear armament, which led the EU to approve increasingly severe autonomous sanctions, as it made clear on 18 February 2013.¹⁶

14 Sangtu Ko (2006).

15 Aid consisted mainly of emergency food, the improvement of the health system and access to drinking water and sanitation for North Korea's most vulnerable groups. See Sangtu Ko (2006).

16 European Council (2013).

Active pressure

The EU still describes its official position towards North Korea as one of 'critical engagement'.¹⁷ Nevertheless, the volume of coercive measures within its strategy has increased substantially and its ties to the country have been significantly reduced. This suggests that its current approach could be more accurately defined as one of 'active pressure'.¹⁸

The EU had already approved autonomous sanctions that were more severe than those of the Security Council with Resolution 1718 (2006), which included an arms embargo.¹⁹ However, it was with Resolution 2087 (2013) that the EU began to systematically adopt a tougher position towards North Korea than that of the Security Council and significantly expand its autonomous sanctions on nuclear programme-related persons and entities, dual-use goods and technology, trade, financial services, investment and transport.²⁰

In addition to this, Resolution 69/188 (December 2014), which demanded that the Security Council contemplate the possibility of referring these violations to the International Criminal Court, intensified the level of international pressure against North Korea's human rights situation.²¹ The EU had played a fundamental role in this, as it had attracted attention to the issue in 2005 by co-sponsoring the Resolution on the Situation of Human Rights in the DPRK, which had since been annually approved by the UN General Assembly.

These autonomous sanctions have gone hand-in-hand with a significant political disengagement between the EU and North Korea. Disengagement has not been reverted by the North Korean regime's intensive diplomatic activity, which is best exemplified by the two diplomatic processes it has opened with the US and South Korea. Its persistence is evidenced by the suspension of all bilateral political dialogue between Brussels and Pyongyang. No dialogue has been held since June 2015, where previously talks had been held every year since 1998.²² Furthermore, member states that have a North Korean embassy on their territory have been demanding that Pyongyang reduce the size of its delegations throughout 2017. Member states with an embassy in North Korea have done likewise. The most extreme case was Spain's expulsion of the North Korean Ambassador in Madrid in September 2017.²³ Since then, it has only allowed North Korea to have a single diplomat in its embassy. It should also be noted that Portugal fully suspended its diplomatic relations with North Korea in July 2017, a decision it will not revert unless the regime takes effective and independently verified measures towards denuclearisation.

17 European External Action Service (2018a).

18 Anon. (2017).

19 European Council (2018b).

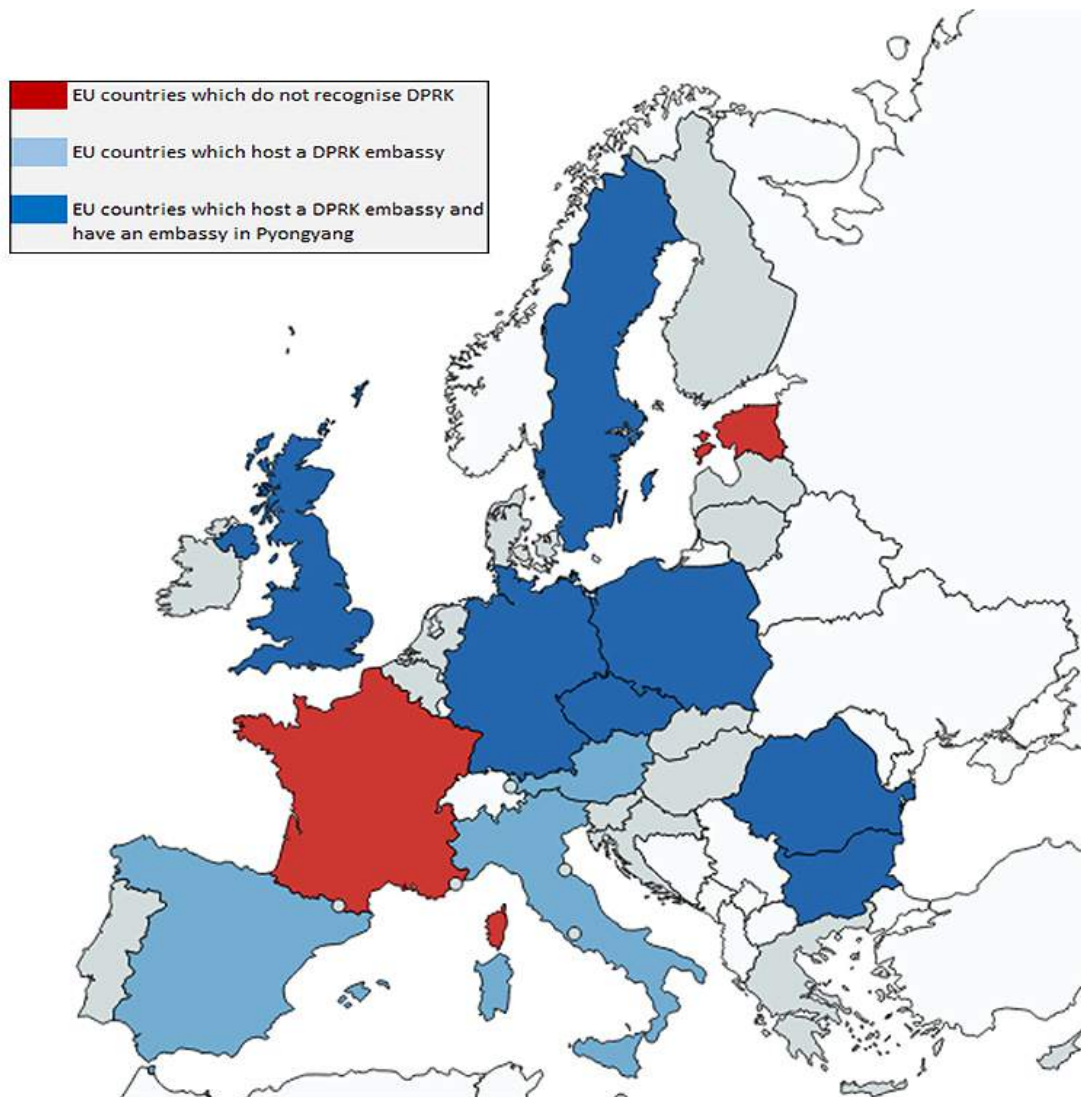
20 European External Action Service (2018b).

21 UN General Assembly (2014).

22 European External Action Service (2015).

23 Italy is the other country in the EU that has stopped recognising the North Korean Ambassador. See *The Italian Insider* (2017).

Figure 4. Diplomatic relations of EU member states with the DPRK



Europe's presence in the cultural sector has also been substantially reduced, with the closing of the Goethe Institute in Pyongyang. Its humanitarian presence has also decreased significantly with the withdrawal of all European NGOs from North Korea.

The EU's current policy debate on North Korea centres on how it should react to the two diplomatic processes opened in 2018: that between the two Koreas, which is focused on national reconciliation, and that between Pyongyang and Washington, centred on the North Korean nuclear programme. This is because the EU makes any rapprochement with Pyongyang conditional on it making concrete progress on denuclearisation, and is sceptical that these diplomatic processes will lead to that.

3. What is at stake

This section outlines the key issues that the current diplomatic processes are seeking to resolve on the Korean Peninsula. The following four topics are not only hugely important to the 80-million-strong Korean population, but also to the international community at large: the possibility that war might break out in Korea; the proper functioning of the nuclear non-proliferation regime; the balance of power in East Asia; and the security and well-being of the Korean population.

A second Korean War

The Korean Peninsula was one of the tensest areas during the Cold War, particularly during the Korean War (1950-53), one of the most dramatic conflicts of the era. Nuclear deterrence played a fundamental role in avoiding a new large-scale conflict between the two Koreas during the remainder of the Cold War as they were respectively protected by the nuclear umbrellas of the Soviet Union and the US. It could, however, also be argued that North Korea's military capacity was already significant enough before the development of its nuclear programme to dissuade any foreign military intervention. This is evidenced by both the Bush and the Clinton Administrations' decision not to go through with a preventive strike to keep Pyongyang from developing nuclear weapons. Both Administrations ruled out the option due to its large human and economic costs.²⁴

Even in a scenario where only conventional weapons were to be used, where China were to decide not to help the North Korean regime despite the Sino-North Korean Mutual Aid and Cooperation Friendship Treaty, and where North Korea were to decide not to escalate the conflict by also attacking Japan, the cost of life in South Korea within the first few days of combat would range from several tens of thousands to several hundred thousand dead. In addition, the direct economic cost to the US could be of more than US\$1 trillion.²⁵

On the other hand, the international intelligence community almost completely rules out the possibility of a preventive attack by the DPRK, particularly in the form of a nuclear strike. This is because it is regarded as tantamount to the end of the Kim regime. Even coercive bargaining through a cyberattack or a limited conventional attack against the Republic of Korea is very unlikely in the current circumstances, as it could quickly escalate out of control and lead to the collapse of the North Korean regime.

Despite this, there was a genuine fear in the second half of 2017 that a war might break out in the Korean Peninsula, be it because of a US attack or an accident during a North Korean missile test. The anxiety rests on several factors: the escalation of insults between the US and North Korean leaders; the unpredictable and personality-based style of government of President Trump, which limits the amount of influence that the Administration can exercise

²⁴ Wampler (2017b); and Wampler (2017a).

²⁵ McInnis (Coord.) (2017); and Feffer (2017).

over his decisions; the intensification of war preparations in both the US and some of its allies;²⁶ and the increase in North Korean nuclear and missile testing.²⁷

These anxieties led two of the key US allies, German Chancellor Angela Merkel and South Korean President Moon Jae-in, to publicly express their disapproval of Trump's bellicose rhetoric. The former warned that she would not support a US-initiated war in the Korean Peninsula, while the second stated that his government would do everything in its means to prevent a war.²⁸ Similarly, Victor D. Cha, then candidate to be US Ambassador at Seoul, made very a public and alarmed warning about the risks of a US military attack against North Korea.²⁹

It is therefore not surprising that the current period of *détente*, initiated with the Pyeongchang Winter Olympics, has been unanimously welcomed by a relieved international community.

The non-proliferation regime

The nuclear non-proliferation regime is one of the main pillars of the international security order. Its own main pillar is the Non-Proliferation Treaty (NPT), which has been ratified by 190 states. The NPT has not been signed by three nuclear-weapon states (India, Israel and Pakistan), and one non-nuclear-weapon state that has signed the treaty, Iran, has since made notable efforts to acquire nuclear arms. However, the DPRK is the only country that has signed the NPT as a non-nuclear-weapon state only to later abandon that treaty and become a nuclear-weapon-state.³⁰ This makes the North Korean case critical to the survival of the NPT, as it could set a precedent for other countries to follow.

North Korea is estimated to have produced enough fissile material to build somewhere between 30 and 60 nuclear weapons. However, it has most probably only assembled a maximum of 10 to 20 nuclear warheads, with a yield that presumably varies between 10 and 20 kilotons.³¹ The medium-range ballistic missile, Nodong, is the one that is most likely to be able to deliver a nuclear warhead; North Korea has not yet demonstrated that it has the capacity to deliver a nuclear warhead using a fully functioning intercontinental ballistic missile.³²

Although the DPRK has suspended its missile and nuclear tests, it continues to have an active nuclear programme while progressing in its process of national reconciliation with Seoul and negotiating with the US.

26 CNN (2017); and Daily Mail (2017).

27 Williams (2017).

28 DW (2017); and The Korea Times (2017).

29 Cha (2018).

30 McEachern & McEachern (2017).

31 Kristensen & Norris (2018).

32 Kristensen & Norris (2018).

The outcome of the current diplomatic initiatives dealing with the North Korea nuclear programme should have an impact on the international non-proliferation regime. Three different scenarios can be considered: the failure to reach a diplomatic deal; the de facto or de jure recognition of the DPRK as a nuclear power; and the reintegration of the DPRK into the NPT as a non-nuclear-weapon state.

The first scenario involves the failure to reach a diplomatic deal that contains the DPRK's nuclear and missile programmes. It therefore results in Pyongyang developing a significant arsenal of nuclear-armed medium and long-range missiles, which could eventually be launched from land, sea and airborne platforms. This scenario would damage the NPT, as it would prove that the treaty cannot prevent one-time signatories from becoming nuclear powers.

The acceptance of North Korea as a de facto nuclear power would provide some benefits. These would include the regulation and limitation of the DPRK's nuclear and missile capabilities to guard against proliferation to other state or non-state actors and against accidental use. This would require Pyongyang to provide a complete and accurate list of its nuclear capabilities and accept international inspections. On the downside, it could set an example for other countries to attempt to obtain nuclear weapons as an effective tool to extort concessions from the international community. Accepting the DPRK as a de jure nuclear power could provide the same benefits, but its negative impact on the international non-proliferation regime would be much more severe than that of a de facto recognition and therefore should actually be ruled out.

The international community is highly sceptical that North Korea would be willing to renounce its military nuclear programme under conditions acceptable to the US. A more plausible route that might convince North Korea to abandon its programme is being considered. It involves a profound reconfiguration of the alliance between the US and South Korea, which would include the withdrawal of US troops from the Korean Peninsula.³³ Nevertheless, it is very unlikely that such a measure would be acceptable to Washington. Even if President Trump were to consent to it – a possibility he has hitherto ruled out – the US Senate is in the process of debating a bill that would not allow him to make the decision unilaterally.³⁴

Regional balance of power

The outcomes of the current dialogue between the two Koreas and between North Korea and the US could have a significant impact on the East Asian balance of power. The East Asian balance of power is not only key to the region, but also to the evolution of the international order itself. After all, the only rising power that can challenge US hegemony, China, is located in the region.

33 Cha & Kang (2018).

34 ABC News (2018).

The US has maintained a significant military presence in East Asia since the end of the Second World War. The reasons for this have been its bilateral alliances with Japan and South Korea. To the South Koreans, the alliance's main object has been to defend themselves against a potential North Korean attack. The progress of the current inter-Korean reconciliation process could result in growing political pressure for South Korea to redefine its alliance with the US. In the long term, the pressure would be even greater if progress were made in a negotiated process of political integration between the two Koreas –a development that would probably force the US army out of the Korean Peninsula–.

Withdrawal would reduce the US capacity to lead balancing or hedging coalitions against China and/or Russia in the region. That is why the US might see the withdrawal of US troops from South Korea as a heavy price to pay for the stabilisation of the Korean Peninsula.

The withdrawal of US troops from the Korean Peninsula would also be especially worrying to Japan. The latter would then become Washington's only ally in the region and witness the rise of a potentially powerful and unsympathetic neighbour. The tensions between Japan and Korea are grounded in historical grievances from Japan's colonial era that have not yet been effectively healed through a process of Korean-Japanese reconciliation.³⁵

On the other hand, both China and Russia would welcome a neutral Korean Peninsula that is free of foreign troops.³⁶ After all, it would probably lead to both Korean regimes –or a possible unified Korea– diversifying their foreign relations and strengthening ties with countries with which they currently have a more strained relationship. Their dependence on what are now their main allies would therefore be reduced.

The EU currently considers the US military presence to be constructive to East Asian security, given that there is no regional security system.³⁷ However, the EU would also stop seeing much of a rationale behind it if tensions between the two Koreas were to subside and the peninsula become free of nuclear weapons.

The well-being of the Korean population

Another key issue being settled in the current negotiations is the well-being of the Korean population. From a South Korean perspective, a successful national reconciliation programme and North Korea's suspension of its nuclear weapons programme would offer countless benefits.

To begin with, this radical improvement in South Korea's strategic outlook would reduce the threat felt by its population because of the possibility of foreign attack. Furthermore, it could lead to lower military spending, which currently stands at 2.6% of South Korea's GDP, the ending of universal conscription, which currently forces all South Korean males

³⁵ Cha & Kang (2018), p. 172.

³⁶ Tae-Hwan Kwak & Seung-Ho Joo (Eds.) (2016).

³⁷ European Council (2012).

to complete two years of military service, and the increase of its credit rating and its attractiveness as a destination for foreign direct investment.³⁸ There would be significant economic repercussions, including an increase in the South Korean labour force available and access to the very numerous and affordable North Korean workforce. This would be very positive for a rapidly ageing country like South Korea.

Additionally, South Korea would cease to be an 'economic island' that has no land access to the mainland. This would simplify both its import and export operations, making its economy even more competitive. South Korean companies could not only use North Korea as a production and exporting platform, but also enter what is a promising and growing market. They could also invest in its mining sector, as North Korea has enormous mineral reserves that are yet to be exploited.

With regard to North Korea, reconciliation with its southern neighbour and renouncing its nuclear programme would allow it to normalise its relations with the rest of the international community. This would grant it access to foreign technical expertise, financing and technology, which would result in a general improvement in the country's living standards and reinforce its regime's domestic and international prestige. In this scenario, the North Koreans would not only see an improvement in their socioeconomic well-being, but also an increase in their civil freedoms and political rights as the country transitions from a totalitarian to an authoritarian regime.

38 Sue Mi Terry (2014).

4. A matter of priorities

This following section introduces the EU's main priorities with regards to the situation in the Korean Peninsula, comparing it to those of South Korea, North Korea, the US, China, Japan and Russia. The only point in common between these actors' preferences is that they all prioritise avoiding a war on the peninsula.

The EU welcomes the diplomatic processes that currently exist between the two Koreas and between the US and North Korea, as they have reduced tension and the risk of war on the Korean Peninsula. The EU completely rules out a preventive attack against North Korea as an option. This brings its position closer to that of the other main actors in the area rather than to the Trump Administration's.

The priority for the EU, and especially of those countries that are also members of NATO, is to minimise any negative impact that a deal with North Korea might have on the international non-proliferation regime. This brings Brussels' position closer to that of Washington and Tokyo, who also prioritise North Korea abandoning its nuclear weapons programme over any progress in the reconciliation process between Pyongyang and Seoul. On the other hand, both Koreas would like to significantly deepen their economic ties, but this is impossible in the context of the Security Council's sanctions against North Korea.

The EU's main objective in this whole process is for North Korea to re-join the Non-Proliferation Treaty as a non-nuclear-weapon state. The Europeans consider that North Korea has not yet made enough progress in this direction and are very sceptical that it will do so in the future. That is why the EU and its member states are maintaining the pressure on North Korea despite progress in the inter-Korean talks.

These differences between the European and South Korean positions were made obvious on several occasions last October, during Moon Jae-in's European tour. During his visit, several European leaders reiterated that they would not reduce the pressure on Pyongyang until it had made significant progress towards denuclearisation. A good example is President Donald Tusk's opening remarks at the EU-ROK Summit:

'The EU supports the leading role of the Republic of Korea, and your efforts personally Mr President, to engage in a credible and meaningful dialogue with DPRK, in order to defuse tensions on the Korean Peninsula. Our common goal is the complete, verifiable and irreversible denuclearisation of the Korean Peninsula and the full implementation of all relevant UN Security Council resolutions.'³⁹

As for the regional balance of power and the US military presence in Korea, these issues are less relevant to the EU than to the countries that participated in the Six-Party Talks. Nevertheless, the EU values the role played by the US in contributing to East Asian security.

³⁹ European Council (2018a).

President Moon Jae-in is prioritising reconciliation with his northern neighbour over denuclearisation, as he considers the latter impossible in the context of international hostility towards Pyongyang. That is why South Korea, unlike the Trump Administration and the EU, is more favourable to intensifying its economic relations with Pyongyang and bringing about a gradual convergence between the two Koreas than to using coercive methods. This has been made obvious by the multiple cultural exchanges and sports programmes that it has organised with North Korea since February 2018, as well as by certain initiatives that could be breaking the international sanctions regime. An example is the opening of a joint permanent liaison office in the North Korean city of Kaesong.⁴⁰

In addition to this, South Korea prefers a gradual process of political integration between the two Koreas –where the political and economic system of the Republic of Korea would be maintained– to a collapse of the North Korean regime. The latter would result in a terrible humanitarian crisis and economic costs that would largely be borne by South Korea. Seoul's position on this matter is closer to that of China and Russia than to that of its US ally. In this respect, it could be argued that the rising tension on the Korean Peninsula throughout 2017 (partly fostered by President Trump's bellicose rhetoric) has made South Korean conservatives more inclined to support an engagement strategy with North Korea. They do, however, remain more demanding than the liberal Moon in their conditions for this.

In fact, President Moon wants to drive the inter-Korean reconciliation process by creating an institutional framework that will persist after his presidency, even if there are issues in the negotiations between North Korea and the US. This was made clear by his sudden holding of a second summit with Kim Jong-un in May 2018, in response to the White House's announcement that the summit between Trump and Kim would not take place. It was also exemplified by the opening, in mid-September, of the joint liaison office in Kaesong and by the signing of an inter-Korean military agreement a few days later.

As for the long and medium-term presence of US troops on the Korean Peninsula, the Moon administration has leaked that North Korea does not ask for their withdrawal as a prerequisite to denuclearisation.⁴¹ It has also stated that the signing of a peace treaty between the two Koreas would not mean the withdrawal of US troops from South Korea.⁴² In spite of this, there is a strong consensus among international analysts that the most likely route to North Korean denuclearisation would involve the withdrawal of US troops from the Korean Peninsula, and that any progress in the reconciliation process with the north would in any case lead to growing political pressure in South Korea for a US military withdrawal.

The nuclear programme is key for the North Korean regime to maintain and consolidate its power. First, this is because the North Korean regime sees US intervention as the most probable scenario for its immediate collapse. The development of its nuclear programme is therefore aimed principally at dissuading Washington from carrying out an operation of this sort. Any agreement aimed at containing this development should therefore include

40 Yonhap News Agency (2018b).

41 CNN (2018).

42 Yonhap News Agency (2018a).

US security guarantees that minimise the likelihood of a possible intervention. After all, the probability that Pyongyang would attack the US or any of its allies is very low, since North Korea's main aim is to avoid US intervention in its territory.

Secondly, Kim Jong-un has resorted to the development of the North Korean military nuclear programme to reinforce his own authority. This has translated into the modification of the country's constitution and the Workers' Party of Korea's statutes, which now indicate that the country is a nuclear power. If the North Korean regime were to renounce its nuclear weapons programme, it would not only lose nuclear deterrence as a security tool but also the status that comes with being a nuclear power. This second loss could be counterbalanced by some historical achievement by the North Korean regime, such as the withdrawal of US troops from the Korean Peninsula. Another solution would be to build an alternative source of legitimacy by becoming a developmental state, as China did at the end of the 1970s and Vietnam did in the mid-1980s.

The international community is unsure whether the North Korean authorities continue to perceive increased levels of interaction with the outside world as a threat to the regime's survival or whether they now see it as an opportunity to consolidate their power through socio-economic development. This point is very important: if the North Korean regime were to continue to see the outside world as a threat and not be interested in internationalisation or profound economic reform, the most that the international community would be able to do with regard to its nuclear programme would be to develop a damage-control strategy.⁴³

Some argue that the North Korean authorities could be willing to make the country significantly more internationalist. This is based on the idea that the North Korean regime is more stable than it has ever been, mainly due to the economic reforms that are currently being implemented. These have combined a profound marketisation of the economy with the continuation of absolute political control. To understand the extent of these changes, it is enough to underline that Kim Jong-un has consciously turned socio-economic development into one of his regime's sources of legitimacy: it is one of the pillars of the *byungjin* doctrine (the other being the nuclear programme), and North Korean households derive 75% of their income from the market.⁴⁴

The US, for its part, is seeking to reduce the threat posed to itself and its allies by the North Korean nuclear and missile programme. Ideally, it seeks to end them both.⁴⁵ It also seeks to safeguard its role as a key actor in East Asian security throughout the whole process, even if President Trump has shown himself to be more inclined than any of his predecessors to consider a US withdrawal from Korea. Finally, the US is also worried about the risk of nuclear proliferation that could result from North Korea selling nuclear material and technology to other states or terrorist groups.

43 Haggard & Noland (2017).

44 Cha & Kang (2018).

45 Many in South Korea and Japan are worried that the Trump Administration could negotiate a deal with North Korea that centres on the missile programme rather than considering proliferation at large. The fact that this would alienate the US's regional allies makes it quite unlikely. It cannot, however, be ruled out since Donald Trump would have a significant political incentive to close some sort of deal with North Korea before the 2020 elections.

Like the EU and Japan, the US is resistant to any progress in the inter-Korean reconciliation process if it comes at the expense of the sanctions regime against North Korea. The US considers that coercive diplomacy is the most effective method to eventually establish a meaningful dialogue with Pyongyang. The Trump Administration's position is especially tough in this respect, as it even wants UN agencies to abandon North Korea. This has nonetheless not been an obstacle to Donald Trump embarking on an unprecedented process of direct high-level dialogue with Pyongyang, which currently exceeds the level of contact that either the EU or Japan have with North Korea at any political level.

China is one of the actors that is most interested in avoiding armed conflict on the Korean Peninsula, as it could find itself directly involved and would probably have to face a humanitarian catastrophe of enormous dimensions. A war could also lead to the collapse of the North Korean regime and to a process of reunification with South Korea on terms dictated by Seoul. In consequence, China would find itself sharing a territorial border with a country that has a security alliance with the US. That is why Beijing will do everything within its means to avoid international pressure resulting in the potential collapse of the North Korean regime. It is therefore not surprising that China, along with Russia, are the two Security Council members that have applied UN sanctions more laxly and have openly called for them to be softened.

At the same time, Beijing is opposed to the development of the nuclear weapon and missile programme. This is due to two fundamental reasons. First, China understands that maintaining stability in the region is beneficial to both its economic development and its international prestige. Both are undermined whenever Pyongyang conducts missile and nuclear tests, as key partners such as the US, South Korea and Japan point at Beijing whilst strengthening their own alliances. Secondly, these programmes diminish North Korea's dependence on China, reducing Beijing's influence on its neighbour. As a result, China's leverage in negotiations with the US about this and other questions would be reduced.

Japan feels directly threatened by the North Korean nuclear programme, as the US bases on its territory have been identified as one of the most likely targets of a hypothetical North Korean nuclear attack. It is also worried that future North Korean missile tests in the Sea of Japan could accidentally hit Japanese territory. This is why its interest in ending the North Korean nuclear programme goes beyond a concern for enforcing the nuclear non-proliferation regime. The Japanese are also especially resistant to any agreement that would involve reducing the US military presence in Korea. They feel that this would impact the military balance in East Asia in a way that would negatively affect its interests.

Tokyo is also one of the international actors that, along with the EU, has been most critical with the human rights situation in the country. Both have co-tabled several UN resolutions on the human rights situation in North Korea. Japan would like any agreement reached with North Korea to address the issue of the Japanese citizens that were kidnapped by North Korean agents in the 1970s and 1980s.

Like the EU, Japan has supported President Trump's coercive diplomacy towards North Korea. Nevertheless, there is a growing concern that a North Korean deal negotiated by the current US Administration might not take Japan's interests into account. This could apply to matters of nuclear non-proliferation or to the US military presence in the area. Tokyo is therefore diversifying its strategy towards the Korean Peninsula by seeking greater coordination with Europe and a cautious rapprochement with China and North Korea.

Russia's priorities in the Korean Peninsula are very similar to China's. Like Beijing, Moscow condemns Pyongyang's missile and nuclear tests. However, it opposes any armed intervention, especially one involving a forced regime change. Russia sees East Asia as an area of great-power competition with the US. It therefore wants to use its position in the Korean Peninsula to emphasise its role as a strategic actor and support any scenarios that might lead to a reduced US influence in the area.

Both the stabilisation of the Korean Peninsula and a greater economic integration between the two Koreas would benefit the Russian government's efforts to develop the eastern regions of its country. Like Beijing, Moscow therefore opposes the complete economic isolation of North Korea, has applied sanctions very laxly and is pushing for them to be softened.

Like the North Koreans, the Russian government does not favour a large increase in Chinese influence in the area. Alongside a reduced US presence, it wants to see a more diverse and plural set of actors operating in the area. This explains why the Russian government has openly expressed its willingness to participate in three-way projects with Seoul and Pyongyang.

5. A secondary but significant role for Europe

Before elaborating on the specific role that European diplomacy could play in the stabilisation of the Korean Peninsula, it should be clarified that the parts that different European actors can play will be very diverse. The most relevant EU actors are the European Commission, in particular the High Representative and the rest of the European External Action Service, the member states who hold a seat at the Security Council, particularly France and the UK, which have permanent seats, Germany, due to its influence inside the EU and its role in the Iranian deal, and Sweden, thanks to its record of track 1.5 dialogues with North Korea.

Neither the EU nor any of its member states play a leading role in the Korean Peninsula. This is evidenced by the fact that they did not participate in the Six-Party Talks, the latest multilateral process launched to meet the challenges of the North Korean nuclear programme, nor is the EU participating directly in the diplomatic dialogues taking place between Pyongyang and Seoul and between Pyongyang and Washington. Similarly, none of the actors that are directly involved in these processes are seeking to agree their negotiating stance with the EU.

There is also no great appetite within the EU to assume a leading role in this matter, with the possible exception being Sweden. Several factors explain this. The two that are most important are the existence of other more pressing strategic priorities and the precedent of European participation in the Korean Peninsula Energy Development Organisation. The EU and member states invested many resources into the latter only to have no political influence in the process and see it fail to meet its objectives.

Despite this, the EU should not seek to avoid the Korean issue because of a perception that it does not affect its direct interests. When the EU began to play a more active role in the matter, it was guided by the spirit of its first Asia Strategy, which was published in 1994.⁴⁶ The strategy already highlighted the importance of East Asia to European well-being and security, and this importance has only increased in the 25 years since the document was published. The same can be said about the Korean Peninsula more specifically, as evidenced by the strategic partnership that the EU and the Republic of Korea have developed since 2010.

The EU must therefore assume a secondary but significant role that it is suited to in this process. It needs to aim to avoid war on the Korean Peninsula and minimise the risk of proliferation within, as well as emanating from, North Korea. Europe's specific role will vary as current diplomatic processes evolve. There are three possible scenarios to be considered with respect to these negotiations: they might continue, they might successfully end with a diplomatic agreement or they might fall apart with no deal.

⁴⁶ European Commission (1994).

If negotiations continue

The EU is giving its diplomatic support to the current diplomatic processes led by the US, South Korea and North Korea, though support has so far been mainly rhetorical. Additionally, the EU supports President Trump's coercive diplomacy as the most effective method to force Pyongyang into a meaningful dialogue with the international community.

In this context, some argue that Europe could play a more salient role in the diplomatic processes, especially between the US and North Korea. For example, it is still proposed that the EU could act as mediator between the US and North Korea. This argument rests on three main factors. The first is that, unlike the US, the EU has diplomatic relations with North Korea, and several member states have a diplomatic presence of some sort in Pyongyang; the second is that Europe is perceived by North Korea to be less menacing than the US; the third is the EU's track record in this type of processes, as evidenced by the Iran nuclear deal.

Nevertheless, it does not seem realistic to suggest that the EU could serve as mediator with North Korea at this time. This is due to three main reasons. First, the EU and most of its member states are absorbed with more immediate domestic and foreign policy preoccupations. They are therefore unwilling to devote too much attention or diplomatic resources to the conflict. Secondly, the North Korean leadership believes that adding too many actors to the process will only increase its complexity. To them, the EU's image as a possible honest broker in proceeding with denuclearisation in the Korean Peninsula was tarnished by its support for the Trump Administration's maximum pressure strategy. Finally, neither the US nor South Korea see any added value in the Europeans acting as mediators. After all, Moon Jae-in's government has a much higher level of trust and communication with the North Korean authorities than the Europeans do.

It would instead be more feasible for the EU or some of its member states to act as facilitators in this process. Some member states have expressed their interest in adopting this role and hosting a summit between Donald Trump and Kim Jong-un. It would be especially likely for Sweden to take on the role. To begin with, its embassy in Pyongyang is the one that represents US consular interests in North Korea. It is also the member state that is more inclined, or even the most inclined, to maintain engagement with the country, and has clearly shown its desire to assume such a role.⁴⁷

The magnitude and relevance of the EU's role as facilitator will largely depend on how the North Korean regime perceives an increase in its country's relations with the outside world in relation to its own power. If the North Korean leadership continue to see a greater exposure of their country as a threat to their continuity in power, the EU's ability to facilitate a successful diplomatic deal to stabilise the Korean Peninsula will be very low. If, on the other hand, Kim Jong-un were willing to follow a route similar to that of China in the late 1970s or of Vietnam in the mid-1980s, this would mean that the North Korean élites see greater openness as a way of consolidating their own power. In this context, both the EU

⁴⁷ Reuters (2018).

and its member states would be able to offer significant political and economic incentives to encourage the process.

If a diplomatic agreement is reached

If the nuclear problem were to be resolved peacefully, the EU could again follow a strategy of active engagement with North Korea. It could intensify its political and economic relations with the country, including the economic assistance and cooperation it designed in the early 2000s. Moreover, the EU and its member states could act as guarantors of any agreement aimed at securing the overall safety of the North Korean regime. The agreement would probably include a greater political and economic engagement between Pyongyang and the rest of the international community and national reconciliation with the South as substitutes for the development of a nuclear and missile arsenal.

If the EU could commit to ensuring that any promises and obligations adopted by the international community in its negotiations with North Korea are kept, it would increase their credibility before North Korea's leadership. This would especially be the case if the EU acted in conjunction with other actors that North Korea does not perceive as a direct security threat. This would make the closing of a diplomatic deal to stabilise the area much more feasible.

This point is relevant for the following reason. A regime whose political élites are so unchanging as North Korea's is concerned that a change in South Korean, or especially US, leadership could invalidate any agreements reached with these countries. Their concern is understandable taking into account that it was not the only party that failed in meeting the commitments it agreed to in the previous round of negotiations on the North Korean nuclear programme.⁴⁸ It is also unsurprising in light of the fate of Muammar Gaddafi despite having abandoned his chemical and nuclear weapons programme.

The Agreed Framework serves as a useful example of the international community's inconsistencies when it comes to meeting its commitments towards Pyongyang. The agreement, which had been signed by the Clinton Administration in October 1994, was heavily affected by fluctuations in US politics. Less than a month after the agreement had been signed, the Republican Party achieved a great victory in the 1994 US midterm elections. Much more reluctant to engaging with Pyongyang, the Republicans used their renewed control of the Senate and the House of Representatives to obstruct the implementation of the Agreed Framework despite the efforts of the EU and Japan. For example, they delayed the approval of the budget items needed for its implementation, which resulted in constant hold-ups on the heavy fuel oil shipments that North Korea was to receive in exchange for dismantling the Yongbyon reactor. It is important to underline that, at that time, both the EU and Japan made efforts to ensure the well-functioning of the Agreed Framework despite

48 Bennett et al. (2018).

the obstacles thrown in its way by the US. Although it is clear that they did not succeed, it is an interesting precedent to reflect on in light of the current situation.⁴⁹

A more recent, and so far more successful, precedent for the role that the EU could play as guarantor is the Iran nuclear deal. The deal is being retained despite the US withdrawal from it, and the EU is playing a fundamental role in ensuring its survival. This would be highly valued by all actors that see reaching an agreement with Kim Jong-un's regime, aimed at stabilising the Korean Peninsula, as something positive.

Break of diplomatic relations

The role of Europe in stabilising the Korean Peninsula would be especially important if the current negotiations with North Korea –in particular those in which the US is involved– were to end without a deal. This would create a very tense situation which would increase the risk of armed conflict in the peninsula. In this context, the EU would have to be very active in publicising its stance against the use of force in the region, which High Representative Federica Mogherini summarised perfectly in her September 2017 speech before the European Parliament:

'Our goal of a de-nuclearised Korean Peninsula can only be achieved through diplomatic and political means. There is no military way out of this crisis. We have said it loud in the European Union, from the very beginning (...) An attack –a military attack– would be useless and harmful, as it could easily spiral into a large-scale conflict. The consequences would be totally unpredictable and certainly dramatic for the people of the Korean Peninsula, for the region and, most likely, for the entire world.'⁵⁰

The most likely scenario that could trigger a large-scale war in the Korean Peninsula would be US military intervention in North Korea. European leaders and officials are therefore encouraged to remind their US counterparts (privately), as well as increase awareness among the US public, about the devastating consequences that a military solution could entail. One of the main problems is Donald Trump's unorthodox style of government as well as his lack of rapport with his European counterparts, with the possible exception of Emmanuel Macron. If the determination of the Trump Administration to go down the military path stiffens, European diplomats may need to increase their activism and repeatedly make the case against war. They could use the General Assembly and the Security Council as platforms to argue against this, or limit their security cooperation with the US via NATO and other mechanisms. This advocacy against a US military intervention should be coordinated with other allies such as Australia, Canada, Japan, New Zealand and the Republic of Korea.

The main players involved in the security of the Korean Peninsula would find it more difficult to deal directly with each other in the context of military intervention. This would make it more of an imperative and also more feasible for European actors to share their experiences

49 Naoko Aoki (2017).

50 European External Action Service (2017).

on reconciliation, which go well beyond German unification, and to encourage confidence-building measures among those countries.

The diplomatic back-channels at both European Commission and member-state levels have expressed their willingness and capacity to engage in future negotiations for the de-escalation of tension in the Korean Peninsula. This is not currently possible, as the US, North Korea and South Korea have assigned the Europeans a minor role in the negotiations started in 2018, but could become possible if the negotiations were to fail.

So long as the White House is not set on going to war in Korea, the US could favour a European diplomatic intervention aimed at reducing tension in the area. It would mean that the US does not have to assume the political cost of such a process. This would also be the case with South Korea, especially under a conservative government that would be less inclined to negotiate directly with Pyongyang. On the North Korean side, the regime usually tries to use the Europeans as a counterweight to moderate the US stance whenever it feels that it is more hawkish than that of the Europeans. It also helps them dilute the influence of other actors that have more geostrategic interests in the Korean Peninsula than the Europeans do.

6. Recommendations

The EU should re-establish its high-level political dialogue with North Korea as soon as possible. This would improve the level of trust between the two actors, which would have positive effects regardless of whether current negotiations are successful or not. If they are successful, having an existing dialogue will mean that the EU will be able to resume a pro-engagement policy with Pyongyang more easily. If they fail, an existing EU-DPRK political dialogue would facilitate EU advocacy against a military conflict on the Korean Peninsula and could also serve as a back-channel for communication between Washington and Pyongyang. Furthermore, if the EU resumes dialogue while current negotiations are still going on, it will be able to more accurately assess how they are evolving. It will also enable it to try and influence them by making it clear to the DPRK how much it has to gain by abandoning the nuclear programme and strengthening its ties with the international community.

The EU should establish a political track 1.5 dialogue with the two Koreas. This would have similar, albeit less significant, benefits to the reestablishment of a bilateral political dialogue with Pyongyang. On the other hand, a track 1.5 dialogue would have the advantage of being less unstable in the face of the evolving diplomatic situation on the Korean Peninsula. It would also have a lower political cost to European leaders, as it would be seen as a less controversial move by both the US and European public opinion.

The EU should not try to mask its ignorance with cynicism. Considering North Korea is possibly the hardest intelligence target in the world, there is no hard evidence to assume or to rule out that the North Korean regime wants to abandon its nuclear weapons programme or significantly increase its level of openness, but European diplomatic sources on the ground and some of the most reputed scholars on the DPRK point to the fact that both are plausible assumptions. After all, Kim Jong-un has accelerated and deepened economic reforms that enhance the role of the market and this could positively affect the implications that a greater internationalisation of North Korea would have on the regime's sustainability. Therefore, the EU and its member states should refrain from assuming that the denuclearisation of the Korean Peninsula is not a plausible scenario, as this could become a self-fulfilling prophecy.

The EU should support a gradual and incentives-based negotiation process. As the use of military force is not a viable option to any of the parties involved, the extent to which the Korean Peninsula can be stabilised through coercive diplomacy has its limits. On the other hand, the positions of the different parties are too far apart to envisage a joint agreement in the short term, but neither is it possible to wait for 12 years as with the Iran deal while North Korea continues developing its missile and nuclear programmes.

The EU should clarify which meaningful and verifiable steps towards denuclearisation North Korea should take before the EU begins to offer them economic and political incentives. When it does so, it should be in coordination with the US and its allies in the region and using a gradual package of economic assistance and political engagement. Coordination with other actors will be key, as there is nothing that the EU can do on its own that would

persuade North Korea to abandon its nuclear weapons programme. Instead, this would also require a growing willingness from the US to provide security guarantees to North Korea and significant progress in the inter-Korean national reconciliation process.

If the DPRK were to make significant and verifiable progress in dismantling its nuclear weapons programme, the EU could resume its humanitarian aid to the country, authorise a greater North Korean diplomatic presence in Europe, relax its own restrictive measures against Pyongyang and support the easing of UN Security Council sanctions to support the inter-Korean reconciliation process.

As the North Korean regime makes progress in the agreed steps towards denuclearisation, humanitarian aid could be complemented with financial and technical assistance, as well as with measures to encourage an increase in bilateral trade relations and European investments in the country. In this way, the North Koreans would not only be made aware of how cooperation in non-proliferation can lead to greater prosperity, but also have access to the knowledge, technology and capital necessary to successfully integrate their country into the global economy.

The EU's technical and financial cooperation could be guided by the two documents that the European Commission already published on the topic in the early 2000s: the 'EC-Democratic People's Republic of Korea (DPRK) Country Strategy Paper 2001-2004' and the 'EU's National Indicative Programme 2002-2004'. These documents established three priority sectors: institutional support and capacity building to assist North Korea with the necessary capacity to work out and implement effective development policies; sustainable management and use of national resources; and the development of transport systems and rural areas. Member states such as Germany and Sweden could resuscitate their accords on economic and technical cooperation with North Korea to achieve the same objectives. Other EU member states could sign similar accords with Pyongyang.

These incentives would be made even more powerful through the participation of private sector companies who might be interested in the opportunities offered by a North Korea that is integrated in the global market. To achieve this, the Korea-Europe Technology & Economy Service could reopen an office in Pyongyang. Between its opening in 2004 and its closing due to the escalation of the Korean nuclear crisis, this entity helped European companies invest in North Korea and North Korean companies export to Europe.

Parallel to this, the EU should increase its political links to Pyongyang. These could be progressively normalised through measures such as the establishment of an EU Delegation to Pyongyang, a North Korean embassy in Brussels and official diplomatic relations between France and North Korea. It would be desirable for rapprochement to also translate into an increase in people-to-people exchanges between North Korea and Europe, especially in the educational and tourism sectors.

The EU's strategy to promote human rights in North Korea should be based on favouring the country's internationalisation, rather than its isolation. The North Korean regime is

very stable, meaning that its isolation does not encourage change in its internal political structures. Instead, it further deteriorates the living standards of the most vulnerable sectors of the population and makes an eventual transition into a post-totalitarian regime less likely. In this respect, a future deal granting security guarantees to the regime in exchange for its cooperation in nuclear non-proliferation should not be seen as sacrificing human rights for the sake of the geostrategic interests of the countries involved. Instead, it should be seen as an opportunity to improve the human security of the North Korean population as the security of the regime improves too. The experiences of China and Vietnam and those of the Helsinki Accords are evidence that this type of approach can have very satisfactory results in very different contexts.

The EU should become more conscious about the very negative results that failure to reach a deal ending the North Korean nuclear programme would have for European interests. It would not only increase the risk of conflict in the region, but also undermine the legitimacy of the nuclear non-proliferation regime and regional stability. It would demonstrate that the Nuclear Non-Proliferation Treaty cannot prevent countries that signed it as non-nuclear-weapon states from becoming nuclear powers, thus setting a dangerous precedent for other countries to follow. It would also allow North Korea to resort to coercive bargaining with even greater impunity than in the past, creating a crisis with its neighbours and/or the US so as to negotiate from a position of strength.

If a deal on the North Korean nuclear programme were to be reached, multilateralising it would improve the likelihood that it is effectively implemented. The Iranian nuclear deal has made that obvious. With this aim, the EU could propose the establishment of an organisation that, unlike the Korean Peninsula Energy Development Organisation, also included important regional players such as China and Russia. This organisation's agenda would also have to be wider than that of its predecessor. It should not limit itself to energy, but facilitate the strengthening of political, economic, cultural, and educational exchanges between North Korea and the rest of the international community.

If North Korea agrees to denuclearise and subject itself to the subsequent processes of international supervision, different European actors would have to volunteer the extensive experience they have in the denuclearisation of third-party states. This would apply to the verification of the process, the dismantling of North Korea's nuclear installations and nuclear arsenal, and the decommissioning of radioactive materials. In addition to this, the Europeans would have to increase their contributions to the International Atomic Energy Agency, as its current budget would clearly be insufficient to tackle North Korea's denuclearisation.

If North Korea decided to maintain its nuclear programme, both the EU and its member states should implement measures that make it clear to Pyongyang that its fully-fledged nuclearisation strategy would actually deteriorate both its security and its economic situation. For example, they should further decrease their bilateral relations with the country, adopt a stricter interpretation of international sanctions and press other states to do the same. This could be combined with a tougher implementation of the Proliferation Security Initiative and support US efforts to extend tactical nuclear weapons to the Republic of Korea and Japan.

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In addition to this, they should engage in intense diplomatic activity with any countries that feel threatened by North Korea's nuclear capabilities.

The EU should continue to oppose any US preventive strike against North Korea. If the US became more determined to go down this route, the EU should match its determination in engaging in diplomatic activities to prevent it. It should preferably do so in coordination with other US allies, especially with those that would be most seriously affected by a hypothetical military conflict on the Korean Peninsula.

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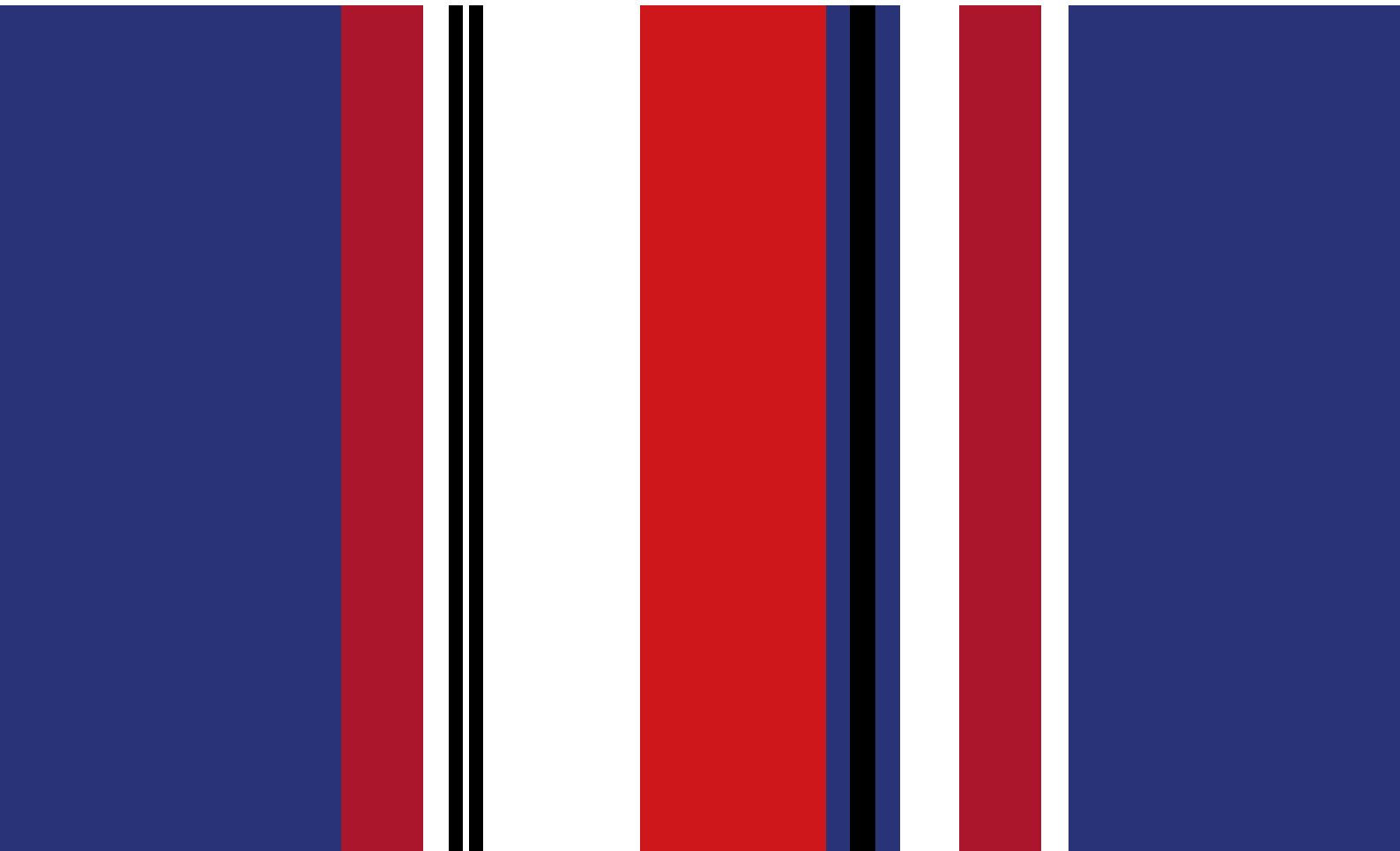


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