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# Policy Forum 09-019: EU: On the Bench in Pyongyang



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## EU: On the Bench in Pyongyang

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By Axel Berkofsky

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### I. Introduction

Axel Berkofsky, Adjunct Professor at the University Milan and Advisor on Asian Affairs at the European Policy Centre (EPC) in Brussels, writes, "Sitting quietly on the sidelines of the process of denuclearizing the Korean peninsula, the EU has never been invited or made any clear efforts to become actively involved in the six-party North Korea nuclear talks. And while the US, Japan, South Korea, China and, of course, North Korea, call all the shots, Brussels waits for the right moment to step in."

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for International Policy Studies, The Japan Forum on International Relations, The Japan Institute of International Affairs, and Research Institute for Peace and Security.

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## **II. Article by Axel Berkofsky**

- "EU: On the Bench in Pyongyang"

By Axel Berkofsky

Sitting quietly on the sidelines of the process of denuclearizing the Korean peninsula, the EU has never been invited or made any clear efforts to become actively involved in the six-party North Korea nuclear talks. And while the US, Japan, South Korea, China and, of course, North Korea, call all the shots, Brussels waits for the right moment to step in.

While some have criticized Brussels for its lack of involvement, others says the six-party talks were doomed from the onset and the EU would do best to wait for the right opportunity to enter the game as a honest - and very financially generous - broker.

"The EU has never been formally asked to be part of the six-party talks and it's not clear why. Participants in bilateral meetings always blamed others for not inviting the EU," an EU Commission official told ISN Security Watch.

After Pyongyang agreed in Beijing in February 2007 to disable and dismantle its plutonium-producing reactors in return for the provision of energy and financial aid, Javier Solana, the EU's High Representative for the Common Foreign and Security Policy (CFSP), instructed his spokesperson to announce that the EU would henceforth request to be a "player" as opposed to a "payer" in a post-nuclear North Korea.

The reality, however, has been different. Still, some experts say it is preferable that the EU remains outside the six-party talks.

According to Robert Carlin, visiting fellow at the Center for International Security and Cooperation (CISAC) at Stanford University and former senior policy advisor at the Korean Peninsula Energy Development Organization (KEDO), the six-party talks were "always going to be a dead end, and it never made any sense to me why the Europeans would want to tie themselves to the mast of a ship that was so clearly doomed.

"The talks were based on the entirely false premise that the 1994 Agreed Framework (a bilateral deal between the US and North Korea by which Washington offered energy and aid in return for Pyongyang foregoing its nuclear ambitions) had failed because it was a bilateral arrangement, and the way to hem the North Koreans in was to surround them at the negotiating table with five other parties," Carlin told ISN Security Watch.

"It was also conceived (at least in Washington) as a way to avoid having to deal directly with Pyongyang."

Furthermore, according to Ralph Cossa, president of the Pacific Forum CSIS in Honolulu, Hawaii, "The more Washington negotiates directly with Pyongyang - as Bush started doing and Obama is likely to continue doing - the [fewer] roles there [are] for others."

Not necessarily so, says Carlin.

"For the past eight years, it was impossible to craft any serious joint EU-US policies on the North Korean nuclear issue because there was, frankly, no serious US policy," he said. "If there develops a better considered, more sober US policy that looks at the totality of the North Korean problem and sees it in more than just the nuclear context, then I would assume there will be much more room - in fact, much more need - for US-EU cooperation on North Korea."

On paper, Washington and Brussels have been discussing East Asian security issues including North Korea since 2004 in the framework of the so-called EU-US "strategic dialogue on East Asian security."

However, the semi-annual dialogue has not led to any EU-US joint policy approaches - let alone policies toward North Korea. In retrospect, the main, if not only rationale for setting up this dialogue was to "institutionalize" US pressure on the EU not to lift the weapons embargo imposed on China in 1989. Back then, Washington was alarmed by Brussels' alleged plans to lift the weapons embargo and decided to talk Brussels out of this - successfully, as it turned out.

### **Back to square one**

Recent events in and around North Korea indicate that Brussels and Washington will have additional time to think about cooperation in a post-nuclear North Korea.

Currently, the US and North Korea differ on the terms of the verification of Pyongyang's nuclear program and sites agreed as part of the February 2007 deal. So far, North Korea is not allowing international inspectors into the country, and while Washington wants to have samples of atomic material taken away for examination, Pyongyang argues that it never agreed to anything like that.

What's more, last month, Pyongyang nullified a 1991 agreement with Seoul on reconciliation, non-aggression and cooperation. It says it will no longer honor the western maritime boundary between the two countries, known as the northern limit line.

Worse still, earlier this month, South Korean media reported that Pyongyang was making preparations to test-fire a Taepodong-2 missile with a range of 6,700 kilometers, capable of reaching Alaska, at least in theory.

It should be kept in mind that North Korean missile tests of recent years demonstrated the technical shortcomings of its missiles as opposed to their abilities to actually reach and hit a target.

### **Brussels to the (economic) rescue?**

Rogue missiles and megaphone diplomacy aside, Brussels continues to implement what little is left of its economic engagement projects with North Korea. It's not much, but it's still more than most (except China) are willing to invest into the ailing North Korean economy.

However, there are serious doubts that Pyongyang is at all interested in implementing any of the structural reforms the EU and its member-states are promoting through small-scale training and capacity-building projects, mainly in finance, trade and management.

In fact, North Korea's economic reform process has essentially been suspended at best and scrapped for good at worst, says Leonid Petrov, research associate at the School of Pacific and Asian Studies at the Australian National University in Canberra, Australia.

"In 2004, North Korean government officials and the army were told that market liberalism was a temporary phenomenon and would not be tolerated in the future. The economic policy of partial liberalization started in July 2002 was gradually abandoned and old patterns of central economic planning, public distribution system, and strictly controlled market activity were being reintroduced," he told ISN Security Watch.

And recent personnel changes are making things even worse, he added. "In 2007, [North Korean President] Kim Jong-il's brother in law, Chang Sun-taek, was promoted to the newly created post of first vice-director of the ruling Korean Workers' Party. He visited the border area with China to 'clean up' smuggling and speculation, and issued an order to tighten regulations authorizing the maintenance of free markets in the country."

### **Getting down to business**

The nuclear crisis and the interruption of economic reforms notwithstanding, European business does not shun North Korea completely. The European Business Association Pyongyang (EBA) was founded in 2004 and recent European-North Korean cooperative business ventures include the PyongSu pharmaceutical joint venture (JV), which produces generics like aspirin for the North Korean domestic market; a Polish-North Korean shipping joint venture; and an IT services partnership between the Korea Computer Centre (KCC) and a German company.

However, the most successful joint ventures have been in the areas of tobacco and beer. The British American Tobacco (BAT) plant close to Pyongyang is reportedly operating profitably and the North Korean Taedonggang Brewery shipped stock and barrel from Trowbridge in the UK to North Korea to open up a brewery in Pyongyang.

But beer and cigarettes are nowhere near the top of most North Korean grocery lists. Food and medical supplies are, and the EU is doing its share to address food shortages and malnutrition, mainly through a food security program, which is funding NGO projects over the period 2007-2010 out of a €35 million (US\$45 million) budget set aside for the DPRK in 2002.

From 1995 until 2005, the EU provided North Korea with humanitarian aid worth roughly €370 million. The most recent notable provision of food aid for North Korea, however, dates back to November 2006.

For the time being, an EU Commission official told ISN Security Watch, the EU has no plans to provide more humanitarian or food aid to North Korea.

"At this stage, the EU has no plans to give food aid, but continues with ongoing food security and agricultural rehabilitation projects. We monitor of course closely the situation and stand ready to help if there is a clear indication of a significant deterioration in the humanitarian situation," the official said on condition of anonymity.

The World Food Program (WFP) operating in the North Korea, however, feels the situation is more urgent and maintains that North Korea's 2008 harvest was the worst in a decade. Malnutrition amongst infants, children and women remains alarmingly high and some 50 percent of the population does not have access to basic medical services or supplies, according to the WFP.

Essentially, Petrov says, the EU is now playing a wait-and-see game regarding North Korea and the bloc's future role there.

Short of a collapse of the regime in Pyongyang, "North Koreans see Europe as a valuable alternative to the US in politics, trade and security. The EU can play a very positive role in helping North Korea

through economic cooperation and training programs, but for this to happen the nuclear issue has to be solved and the economic sanctions lifted," Petrov said.

### **III. Nautilus invites your responses**

The Northeast Asia Peace and Security Network invites your responses to this essay. Please send responses to: [napsnet-reply@nautilus.org](mailto:napsnet-reply@nautilus.org) . Responses will be considered for redistribution to the network only if they include the author's name, affiliation, and explicit consent.

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