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***Session III:
North Korea's nuclear program***

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Containing North Korea's nuclear programme: The role of the EU

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Introduction

The current security situation on the Korean Peninsula remains bleak. In 2016, numerous provocations heightened tensions and further accentuated the difficulty of finding an internationally agreeable approach to contain Kim Jong-un's ambition. This paper outlines some of the key developments in North Korea, assesses existing international responses and tentatively suggests areas in which the European Union might play a more active role in breaking the current deadlock.

The EU is a peripheral actor with regard to North Korea. Understandably, its interests are not as vested as those of China and the US, nor does it command the same level of regional credibility. Furthermore, in a strategic sense, the EU has a variety of pressing foreign policy concerns closer to home; a resurgent Russia on one border, ongoing conflict and migration crises on another, and looming questions about the future of Europe itself dominate the agenda. Yet, the EU has long demonstrated an interest in supporting efforts for enhanced stability on the Korean Peninsula. It has, since 1998, actively engaged in dialogue with North Korean officials on an almost annual basis, the most recent such meeting occurring in June 2015. The EU has also sought to improve the human rights situation through provision of aid and humanitarian assistance. Simultaneously, the EU has also joined international efforts to punish irresponsible behaviour by introducing restrictive measures against North Korea's nuclear- and ballistic missile-related programmes. As developments in both of these fields have increased, so too has the EU's willingness to create and adopt autonomous sanctions.

Heightened provocation

Interest in North Korea has again peaked following numerous high profile provocations. The most notable occurred on 6 January 2016 when a fourth nuclear test was conducted. Triumphantlly described as the detonation of a hydrogen bomb by North Korean media sources, the test reignited popular debate about Kim Jong-un's nuclear ambitions and how the international community should halt it. The magnitude of the blast suggested that North Korean technicians may have only 'boosted' the country's existing designs, rather than develop a fully-fledged fusion device. Despite being exaggerated, this new capability would not only mean more explosive power

but, worryingly, the potential for improved miniaturisation, meaning that it would be easier to deliver on a missile.

North Korea's capacity to deliver a nuclear warhead has also grown. In addition to the nuclear device, a range of missiles have also been unveiled and publicly tested in an attempt to bolster the deterrent credibility of North Korea's nuclear forces. On 7 February 2016, a satellite was launched into orbit, demonstrating long range missile technology. A submarine-launched ballistic missile has been tested from a new *Gorae* class submarine and four attempts have been made to launch the intermediate range Musudan, although all have reportedly failed.¹ Rumours of a road-mobile intercontinental ballistic missile also continue to circulate and the North Koreans have been seen testing nosecones for ballistic missile re-entry vehicles.

Acknowledging the hubris of North Korean claims, as well as the outright failures associated with certain delivery systems, Kim Jong-un's nuclear and missile capabilities remain on a trajectory of improvement. Unfortunately, this trend shows no signs of abating.

International responses

In response to these developments, the international community has struggled to develop a coherent strategy to counter Pyongyang's advances. The current policy is underpinned by multilateral sanctions, which have been designed to prevent North Korea acquiring goods or materials for its nuclear or missile programmes, while also targeting Pyongyang's ability to generate and access hard currency. The success of such an approach has been questionable; advancing these strategic capabilities has become harder and costlier for North Korea, but they have not been stopped. A combination of patchy implementation and evolving North Korean techniques for evading embargoes and interdictions have meant that sanctions have not been as influential as some perhaps thought they might be.

Despite the questionable efficacy of restrictive measures to date, the international sanctions regime received a notable boost with the passing of UN Security Council Resolution 2270 (UNSCR 2270) in March 2016. The new legislation, developed predominantly by the US and China, enacts a swathe of new measures which go much further than before, targeting North Korea's air and maritime transport networks,

¹ Ankit Panda, 'What's Up With North Korea's Repeated Failed Musudan Launches?' *The Diplomat*, 7 June 2016, http://thediplomat.com/2016/06/whats-up-with-north-koreas-repeated-failed-musudan-launches/?utm_content=buffercf74c&utm_medium=social&utm_source=twitter.com&utm_campaign=buffer

overseas diplomats and officials, as well as key exports, namely coal, iron ore and rare earth metals. While much still relies on improved implementation, active Chinese engagement in the drafting process was deemed to represent a shift in its approach to North Korea, given its traditional opposition to such punitive measures. Beijing has seemingly lost patience with its antagonistic neighbour and has seemingly prioritised denuclearisation of the Korean Peninsula over the former goal of peace and stability.

Enhanced sanctions have been criticised, however, for maintaining a cycle of provocation and punishment that looks unlikely to end. Attempts at engagement and dialogue have been suggested instead, with the US policy, labelled as ‘strategic patience’, continuing to be questioned. Yet, there are few channels for communication and, perhaps of more importance, there is a dearth of trust, with North Korea having reneged on agreements in the past. Conditionality on the part of both Washington and Pyongyang further complicate the process of engaging in negotiations. As such, a North Korean offer to stop nuclear tests in exchange for the US ending its joint military exercises with the ROK was dismissed. North Korean bellicosity would not be rewarded with direct talks, it would seem.

What role for the EU?

In contrast to US strategic patience, the EU has a formal policy of ‘critical engagement’. This amounts to ‘a lasting reduction of tensions on the Korean Peninsula and in the region, the upholding of the international non-proliferation regime, and the improvement of the situation of human rights in the DPRK.’² Given the prevailing security situation on the Korean Peninsula, European involvement is unlikely to affect things significantly at the current time. The EU’s role is perhaps best summarised as one of peripheral support, which includes the parallel processes of punishment and engagement.

EU punitive measures

In response to continued tests of North Korean missile systems and a nuclear device, the EU adopted autonomous measures against the DPRK in May 2016 under Council Decision 2016/849/CFSP. European sanctions are now targeted at specific sectors and include:

² European Union External Action Service, ‘EU-Democratic People’s Republic of Korea (DPRK) relations’, 1 June 2016, http://eeas.europa.eu/factsheets/docs/eu-dprk_factsheet_en.pdf.

- prohibition of the import of petroleum products and luxury goods from the DPRK, prohibition of the supply, sale or transfer to the DPRK of additional items, materials, equipment relating to dual-use goods and technology and ban on any public financial support for trade with the DPRK;
- prohibition of transfers of funds to and from the DPRK, unless for certain predefined purposes and authorised in advance;
- prohibition of all investment by the DPRK in the EU; prohibition of investment by EU nationals or entities in the mining, refining and chemical industries sectors as well as in any entities engaged in the DPRK's illegal programmes;
- prohibition on any aircraft operated by DPRK carriers or originating from the DPRK from landing in, taking off or overflying EU territory; prohibition on any vessel owned, operated or crewed by the DPRK from entering EU ports.³

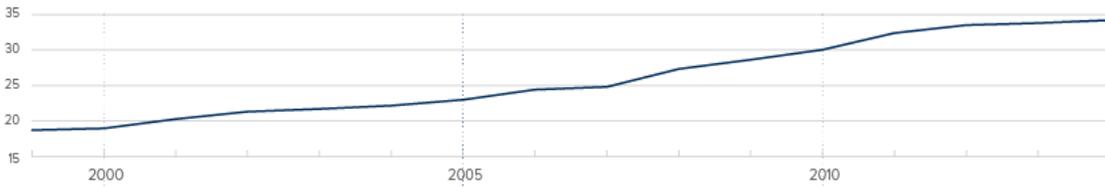
Despite their broad scope, the utility of sanctions in this context is perhaps more symbolic, particularly given the existence of UNSCR2270. Moreover, the level of trade between the EU and North Korea has declined sharply, totalling just €30 million in 2015 compared to €146 million in 2013.⁴ Figure 1, produced by Oxford Analytica, outlines North Korea's respective trading partners.

³ Council of the European Union, 'North Korea: EU adopts new restrictions on trade, financial services, investment and transport', 27 May 2016, http://www.consilium.europa.eu/en/press/press-releases/2016/05/27-dprk-new-restrictions/?utm_source=dsms-auto&utm_medium=email&utm_campaign=North+Korea%3a+EU+adopts+new+restrictions+on+trade%2c+financial+services%2c+investment+and+transport.

⁴ European Commission, Directorate-General for Trade, 14 April 2016, http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113428.pdf.

GNI has grown steadily and almost doubled since 1998, despite successive rounds of increasingly tight sanctions

North Korea GNI, 1999-2014 (trillion won)



Growth in trade with China has more than compensated for trade sanctions from other partners

North Korea trade, 1999-2014 (billion dollars)

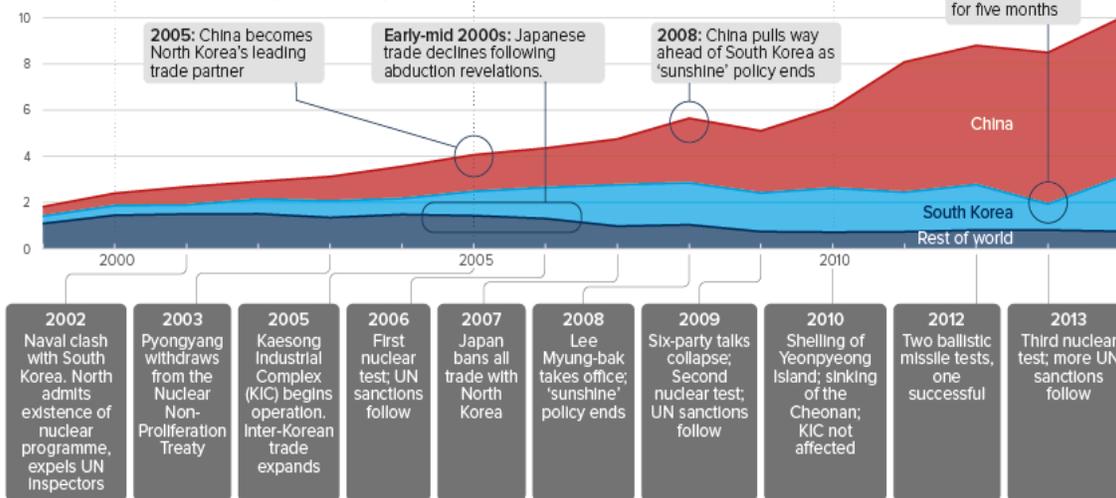


Figure 1: North Korea's Gross National Income and trading partners (Source: Oxford Analytica; <https://dailybrief.oxan.com/Analysis/GA211012/North-Koreas-economy-will-withstand-sanctions>, 10 May 2016.)

The graphic demonstrates the significant role that China, and to a lesser extent South Korea, play with regard to sanctions, given their trade levels. Although trade is now limited, EU states could improve their implementation of sanctions. The supply of luxury items, such as vehicles from Austria and yachts from Italy, have featured in UN Panel of Expert reports and recent reports have highlighted how North Korean forced labourers have been discovered working in Poland, with their wages directly financing the Kim regime.⁵ Although this is a commonly used method for Pyongyang to earn money, it is troubling to think that such activity occurs in the EU.⁶ It certainly goes against the underlying principles of critical engagement and represents another area in which the EU could be doing more.

⁵ Christian Vonscheidt and Miriam Wells, 'Cash for Kim: How North Koreans Are Working Themselves to Death in Europe', *Vice News*, 23 May 2016, <https://news.vice.com/article/cash-for-kim-how-north-koreans-are-working-themselves-to-death-in-europe>.

⁶ Simon Mundy, 'North Korean workers exploited abroad to pay Pyongyang's bills', *Financial Times*, 8 May 2015, <http://www.ft.com/cms/s/0/e84af180-e0f7-11e4-8b1a-00144feab7de.html#axzz4Bexvclzu>.

Similarly, EU Member States are obliged to exercise enhanced vigilance over North Korean diplomats in their territory so as to prevent them from contributing to illegal programmes or other prohibited activities.⁷ Even those states without North Korean embassies need to remain vigilant; in 2014, the French ministry of economy and finance froze the assets of three North Koreans who had infiltrated UN agencies, UNESCO in Paris and the World Food Programme (WFP) in Rome, on the grounds that they were likely to engage in illicit activities.⁸

EU engagement

In addition to more restrictive measures, improved sanctions implementation and increased vigilance, the EU also has an important role to play in engaging North Korea. There is certainly a need to maintain the high level meetings between European and North Korean officials. Given the limited engagement between Pyongyang and the rest of the world, and despite the differences of opinion that may be expressed, such a forum for discussion should not be overlooked.

There is also potential for a heightened European diplomatic presence in Pyongyang, and vice versa. Several EU Member States have embassies in North Korea: Bulgaria; Czech Republic; Germany; Poland; Romania; Sweden; and the UK. Similarly, North Korea has representation in Austria; Bulgaria; Czech Republic; Germany; Italy; Poland; Romania; Spain; Sweden; and the UK. The Embassy in London takes the lead in following EU affairs, yet reciprocal missions in Brussels and Pyongyang would present an important step in improving relations and advancing engagement. This is not a new idea. In 2012, soon after Kim Jong-un was declared leader, my colleague Mark Fitzpatrick wrote a paper on the role of the EU in solving North Korean non-proliferation challenges.⁹ Fitzpatrick referred to ‘incremental enlargement of the EU footprint, beginning with exchanging missions’.¹⁰ Although little progress appears to have been made, such a development could provide a useful channel through which dialogue could take place.

⁷ European Union External Action Service, ‘EU-Democratic People’s Republic of Korea (DPRK) relations’, 1 June 2016, http://eeas.europa.eu/factsheets/docs/eu-dprk_factsheet_en.pdf.

⁸ Matthew Cottee, ‘Gold seizure highlights dilemma of diplomacy with North Korea’, *The Guardian*, 19 March 2015, <https://www.theguardian.com/world/2015/mar/19/north-korea-gold-seizure-diplomatic-dilemma>.

⁹ Mark Fitzpatrick, ‘North Korean Proliferation Challenges: The Role of the European Union’, EU Non-Proliferation Consortium Non-Proliferation Papers, June 2012, https://www.sipri.org/sites/default/files/EUNPC_no-18.pdf.

¹⁰ Ibid.

In this regard, the role of the EU as facilitator should also be remembered. The role of the EU in facilitating the recently negotiated Joint Comprehensive Plan of Action between Iran and the E3/EU+3 was fundamental. Although the parallels between the cases of Iran and North Korea should not be associated closely, the EU should stand ready to facilitate dialogue if such an opportunity presents itself.

Similarly, there appears to have been a conscious move away from the non-diplomatic engagement options, such as EU-funded projects, educational exchanges and trade or investment. The EU's soft power has, for the moment, been usurped by 'harder' alternatives, but should not be forgotten should the strategic environment change again.

Conclusion

Developments on the Korean Peninsula have long been of interest to the EU. Direct discussion between European and North Korean officials has occurred for more than a decade and the EU's stated policy of 'critical engagement' continues to recognise the need to maintain some channel of communication with Pyongyang, while also punishing provocative behaviour. Although the recent nuclear and missile tests have led the EU to adopt a heightened set of sanctions aimed at key sectors such as finance and transport, their efficacy remains questionable given the reduced level of trade between North Korea and the EU. Of greater significance, EU Member States should prioritise improving implementation of existing sanctions and continue to be vigilant of North Korean nationals, diplomats or otherwise, who reside within their borders. The EU should also stand ready to facilitate or broker dialogue and negotiation. Although the EU is not a key regional actor in Northeast Asia, it does have experience in successfully convening sensitive diplomatic negotiations of the highest level. The North Korean case is very different to that of Iran, but European experience could be utilised, even if it does not have a formal seat at any negotiation table. The Korean Peninsula is not an immediate strategic priority for the EU, nor its Member States, in the same way that it is for China, Japan, South Korea, Russia or the US. The issues of human rights and non-proliferation are priorities however, suggesting that North Korea will therefore remain a concern for the EU, albeit a peripheral one.