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Evolution of Europe-North Korea relations: from active engagement to partial rupture (1/2)

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The Korea Program on Security and Diplomacy aims to provide a better understanding of key issues on the Korean Peninsula through the organization of conferences, the publication of interviews and articles. This program is not limited to inter-Korean relations alone and aims to address South Korea more broadly as a global power on the international scene. This note is supported by the South Korean Ministry of Unification.

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While the North Korean nuclear and ballistic missile crisis persists in a deadlock, and the reopening of North Korea sparks renewed discussions regarding the potential role of the European Union and its member states on the peninsula, it is imperative to delve into the history of cooperation between Europe and the country since its establishment in 1948.

With this objective in mind, we present two concise briefs. The first predominantly delves into the events of the 1990s and early 2000s, a post-Cold War era characterized by North Korea's increased international engagement. The second shifts focus to the period from North Korea's inaugural nuclear test in 2006 through to the onset of the Covid-19 pandemic in 2020.

Often, analyses of the relationship between Europe and North Korea begin with the 1990s, focusing primarily on the humanitarian aid provided to the country from 1995 onward. However, these analyses offer a limited perspective. The roots of this relationship run deeper and are more diverse, serving as a cornerstone for the blossoming of ties in the early 2000s.

While the European Union officially established diplomatic relations with the Democratic People's Republic of Korea (DPRK) in May 2001, some member states have had official interactions with the DPRK since its inception in 1948. These diplomatic ties were forged in three waves: in the late 1940s for Eastern European countries within the Communist bloc, in the early 1970s for so-called Scandinavian neutral countries as well as Austria and Portugal, and in the early 2000s for Western European nations. Presently, only France and Estonia have not established diplomatic relations with the DPRK. Out of the 24 embassies in Pyongyang prior to the pandemic-related closures, six belonged to European Union member states (Germany, Bulgaria, Poland, Czech Republic, Romania, and Sweden).

Although relations between Europe and North Korea benefit from a lack of a conflict-laden past such as colonialism, the Korean War marked the first significant involvement of some European states on the peninsula, either directly or indirectly. Six Western European countries dispatched troops to support the Republic of Korea (in descending order of troop numbers: the United Kingdom, Greece, France, Belgium, the Netherlands, and Luxembourg), while others provided medical assistance to either the United Nations command (Denmark, Italy, Norway, and Sweden) or the DPRK (Bulgaria, Hungary, and Romania). After the armistice was signed in 1953, a number of Eastern European nations offered direct support for reconstruction, most notably East Germany, whose aid played a pivotal role in rebuilding the completely devastated town of Hamhung, the provincial capital of South Hamgyong, and the epicenter of the DPRK's chemical industry.

In the following decades, despite the absence of diplomatic relations between the DPRK and Western European countries, North Korean trade missions, faced with limitations in purchasing specific equipment from the Soviet Union and other communist states, actively procured heavy industrial machinery and entire factories in Western Europe through long-term credit agreements¹. Trade relations between Europe and the DPRK were officially established in the 1960s. Pyongyang set up a trade office in France in 1968, later evolving into a general delegation of the DPRK in 1984.

¹ Eberstadt Nicholas, "The DPRK's International Trade in Capital Goods, 1970-1995: Indications from 'Mirror Statistics'", *The Journal of East Asian Affairs*, vol. 12, n° 1, 1998, pp. 165-223.

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The Paris-Pyongyang Friendship Association between France and North Korea (AAFC) was established in 1969 to facilitate various interactions and exchanges, including economic endeavors.

In the 1980s, concrete cooperation projects were initiated, particularly in the field of architecture. One notable example is the Yanggakdo Hotel, constructed with French investment and by a French civil engineering company. However, relations between Europe and the DPRK experienced a downturn afterward. At the close of 1974, North Korea defaulted on its debts, primarily to Japanese, French, and British banks and companies². It was not until the 1990s that economic cooperation truly flourished, expanding beyond a few European countries.

Year diplomatic relations were established with the DPRK

Austria	1974	Germany	2001	Poland	1948
Belgium	2001	Greece	2001	Portugal	1975
Bulgaria	1948	Hungary	1948	Romania	1948
Croatia	1992	Ireland	2003	Slovakia	1993
Cyprus	1991	Italy	2000	Slovenia	1992
Czech Republic	1993	Latvia	1991	Spain	2001
Denmark	1973	Lithuania	1991	Sweden	1973
Estonia	X	Luxembourg	2001	UK	2000
Finland	1973	Malta	1971	GDR	1948
France	X	Netherlands	2001	Czechoslovakia	1948

A clear commitment to initiating political dialogue

Political engagement with North Korea marked a significant shift in the late 1990s. In December 1998, amid growing international engagement in the Korean peninsula, the European Commission advocated for a proactive approach of “actively involving North Korea in the global community”. This led to the organization of the inaugural round of political discussions with North Korea (first EU-DPRK political dialogue), followed by an *ad hoc* delegation from the European Parliament (first *ad hoc* delegation from the Committee on Foreign Affairs – AFET – to the DPRK). Subsequent meetings became more frequent and formalized, including the second EU-DPRK political dialogue in November 1999, the second *ad hoc* AFET delegation to the DPRK in October 2000, the third EU-DPRK political dialogue in November 2000, and the first EU-North Korea dialogue on human rights in June 2001.

Following the first inter-Korean summit in Pyongyang and the adoption of the “Seoul Declaration for Peace on the Korean Peninsula” at the conclusion of the third Asia-Europe Meeting (ASEM) in June 2000, the European Union opted for a more coordinated approach. In May 2001, during the Swedish Presidency of the European Union, a high-level delegation led by Swedish Prime

² Central Intelligence Agency Memorandum, “North Korean Payments Problem with the West”, June 1975. CREST, CIA-RDP86T00608R000600050021-9. Washington, DC: National Archives and Records Administration.

Minister Göran Persson visited Pyongyang. This visit resulted in the establishment of diplomatic relations and the formulation of the first and only Country Strategy Paper on North Korea in 2001. During this period, most Western European states took the step to establish diplomatic relations, with Italy leading the way in January 2000, becoming the first G7 country to do so.

The primary objective was to “*support the European Community’s endeavors towards reconciliation on the Korean Peninsula, particularly in the realms of economic reform and addressing the critical food and health challenges in the DPRK*”³. The 2001 European strategy underscored three core goals: fostering sustainable economic and social development, integrating North Korea into the global economy, and combating poverty through a holistic approach that encompasses political, economic, social, and environmental dimensions of development⁴.

Despite the nuclear crisis in 2003, when North Korea withdrew from the Nuclear Non-Proliferation Treaty (NPT), a delegation of European diplomats visited Pyongyang in December 2003 and emphasized that a resolution of the nuclear issue would present an opportunity to develop training programs and deepen economic exchanges between the European Union and the DPRK. At the time, cooperation between Europe and North Korea spanned four distinct yet complementary areas: trade, capacity building, energy assistance, and humanitarian aid.

An important trading partner

The collapse of the USSR and the subsequent decline in trade between Moscow and Pyongyang, which had accounted for nearly half of the DPRK’s total trade in the mid-1980s, saw Europe’s share of North Korea’s foreign trade surge. Bilateral trade surpassed the \$300 million mark in 1997 and 1998⁵. While North Korea constituted only 0.015 percent of the European Union’s trade in 2000, trade with the EU represented 13.7 percent of the DPRK’s total trade.

In 2000, Germany emerged as North Korea’s foremost European trading partner, surpassing France, Spain, the United Kingdom, and the Netherlands⁶. By 2001, the EU (15 member states) ranked as the DPRK’s third-largest trading partner, trailing behind China and Japan. While trade with the DPRK constituted a minimal portion of the European Union’s overall trade, North Korean exports to the EU played a crucial role in preventing a complete collapse of the North Korean economy. This indirect leverage supported the country’s modernization and social development efforts.

Several European countries entered into economic agreements with North Korea, including Denmark (Investment Assurance Agreement), Sweden (Trade Agreement), Germany (Air Transportation Agreement and Future Transaction Agreement), and Italy (Investment Assurance Agreement). The economic reforms announced by Pyongyang in 2002 were welcomed by European partners, who viewed them as a highly positive step forward for bilateral trade.

³ Quoted in Frank Rüdiger, “The EU’s North Korea policy: no trace of Japanese influence”, in Hagström Linus, Söderberg Marie (eds.), *North Korea Policy Japan and the Great Powers*, 2007, pp. 143-162.

⁴ EU External Action Service, “The EC/Democratic People’s Republic of Korea (DPRK): Country Strategy Paper, 2001–2004”, 2001.

⁵ Kim Sam-sik, “Current Status and Prospects of Economic Exchanges between North Korea and the EU”, KOTRA, 2002.

⁶ Lee Chang-hak, “North Korea’s Foreign Trade in 2002”, KOTRA, June 2003.

A partner in building capacity

Several European countries have played a pivotal role in spearheading capacity-building programs aimed at bolstering the economic capabilities of North Korea, with the hope of catalyzing reforms within its economic system. According to an extensive study by the Korea Development Institute, from 1997 to 2006, Belgium, Germany, Hungary, Italy, Sweden, Switzerland, and even the UK facilitated knowledge-based economic partnership (KP) programs. These initiatives encompassed a spectrum of activities ranging from book exchanges to industrial visits, from organizing training programs to establishing research institutes⁷. Approximately twenty programs were launched, primarily driven by a handful of key players, including the Swedish government, German political foundations (Friedrich Naumann Foundation and Hanns Seidel Foundation), Swiss non-governmental and non-profit organizations (Centre for Applied Studies in International Negotiations), and Italian organizations (Landau Network-Sansandro Volta Foundation).

The case of Sweden stands as the most emblematic. In the late 1990s, North Korea approached Sweden to provide training for its officials and experts⁸. In 2001, the European Institute for Japanese Studies (EJIS) at the Stockholm School of Economics initiated a pilot program centered on “Market Economy and International Trade Training for the DPRK”. Professors of economics from Kim Il-sung University were invited to Sweden for discussions with Swedish government officials, members of Parliament, and representatives from private companies such as Ericsson and ABB⁹. The program was developed between 2002 and 2009, featuring two-week workshops for North Korean policy planners and academics in Vietnam.

The European Union has also provided funding for a number of events, including the DPRK-EU Economic Modernisation Workshops held in August 2004, October 2005, and October 2007. These workshops involved the participation of members of the European Parliament and were conducted in collaboration with the Friedrich Naumann Foundation. They facilitated dialogues between economic development experts and consultants, particularly from Eastern Europe, and their North Korean counterparts on a wide array of topics, including agriculture, light industry (with a focus on textiles), finance, and information technology.

A partner supporting international initiatives

The European Union, represented by the European Atomic Energy Community (EAEC), has joined the executive board of the Korean Peninsula Energy Development Organization (KEDO) to contribute to the resolution of the North Korean nuclear issue. KEDO was established in the wake of the 1994 Geneva framework agreement, wherein North Korea committed to freezing its nuclear program in exchange for the international community’s provision of two 1,000-megawatt light water reactors and an annual shipment of 500,000 tons of heavy fuel oil. The construction of the light water reactors was financed by South Korea (58 percent of the total KEDO budget) and Japan (20

⁷ Park Jin, Jung Seung-Ho, “Ten Years of Economic Knowledge Cooperation with North Korea: Trends and Strategies”, *KDI School of Public Policy and Management Policy Paper*, n° 7-01, January 2007.

⁸ Andersson Magnus, Bae Jinsun, “Sweden’s Engagement with the Democratic People’s Republic of Korea”, *North Korean Review*, vol. 11, n° 1, Spring 2015, pp. 42-62.

⁹ Park Jin, Seung-Ho Jung, *op. cit.*

percent). The United States (16 percent) and the European Union (5 percent) contributed to the supply of heavy fuel oil¹⁰.

While European aid constituted slightly over 5 percent of the total, when including the financial contributions of member states, it played a crucial role in globalizing KEDO's efforts. This was instrumental in bolstering the initiative's credibility and persuading North Korea to uphold its commitments. Notably, the EAEC made an initial contribution of nearly 4 million dollars in July 1996. It is worth mentioning that many European Union member states contributed to KEDO's financing prior to the European Union's involvement. In 1995, the United Kingdom, Finland, and the Netherlands, and in 1996, Finland, Germany, the Netherlands, Greece, Norway, and Switzerland made unilateral contributions to KEDO. Italy emerged as the largest European contributor before Germany¹¹.

A vital partner in assisting the population

Europeans played a pivotal role in delivering substantial humanitarian aid precisely when the North Korean population needed it most, during the mid-1990s. Starting from 1995, the European Union extended humanitarian aid, with a particular focus on providing essential food assistance to North Korea. This effort reached its zenith in 1997, during the severe famine. At this critical juncture, North Korea received nearly 5 percent of the total humanitarian aid disbursed by Brussels for international relief efforts, a stark contrast to the subsequent years where the allocation was less than 1 percent¹².

Between 1997 and 2000, the Commission allocated a total of €168 million through three key channels: bilateral aid, predominantly through the European Community Humanitarian Office¹³ (amounting to €106.7 million), funding from the World Food Programme (€50 million, encompassing €12 million worth of food aid products distributed by European NGOs), and direct funding from seven European NGOs (€11 million). These NGOs included Cesvi, Concern, Children's Aid Direct, Action Contre La Faim, German Agro-action, Médecins Sans Frontières, and Triangle Génération Humanitaire¹⁴. Following this initial phase of food assistance, the focus shifted towards structural food aid, with a particular emphasis on providing resources and technical support to enhance agricultural production across various sectors, including the provision of fertilizers.

However, recognizing the full scope of Europe's contribution requires acknowledging that EU aid is just one facet. Many member states also extended bilateral aid. When considering both joint aid efforts and contributions from member states, the EU's share (55 percent) logically surpasses that of individual countries like Germany (12 percent), Sweden (12 percent), and Denmark (10 percent)¹⁵. This collective European endeavor between 1995 and 2006 has sustained its commitment to providing aid to the DPRK at both bilateral and multilateral levels.

¹⁰ Ko Sangtu, "Vanguard of European Politics: The Role of Member States in the EU's Foreign Policy toward North Korea", *Journal of International and Area Studies*, vol. 15, n° 1, June 2008, pp. 47-59.

¹¹ KEDO, Annual Report, 2005.

¹² Frank Ruediger, "EU-North Korean relations: no effort without reason", *International Journal of Korean Unification Studies*, vol. 11, n° 2, 2002, pp. 87-119.

¹³ ECHO, later rebranded as the Directorate-General for Civil Protection and European Humanitarian Aid Operations.

¹⁴ EU policy on the Democratic People's Republic of Korea (DPRK) – Supporting international efforts to reduce tensions on the Korean peninsula, Relief Web, 2001.

¹⁵ Calculations based on the EDRIS database (DG ECHO).

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