

that need to be urgently addressed, some of which may expose divisions within the international community. These are the following:

Will China fully implement the sanctions to which it has subscribed? After voting in favour of the sanctions, the Chinese ambassador announced that his country would *not* carry out searches of the North Korean cargoes and ships. Since China is the DPRK's key economic partner, this decision would seriously undermine the efficiency of the agreed sanctions regime.

Will America agree to hold bilateral negotiations with the DPRK? This is the most fundamental demand of Pyongyang. So far, the Bush administration has refused to talk to the North Koreans other than in the Six-Party framework. However, the argument in favour of returning to bilateral talks is gaining ground in the US and is now advocated by some prominent Republicans such as James Baker (a former Secretary of State under George W. H. Bush's presidency).

Will South Korea end its *rapprochement* with the North? The South announced that it will join in the sanctions against the North but it also stated that it will continue its cross-border projects (which, reportedly, provide a vital lifeline to the DPRK regime). The South is torn between conflicting priorities – it fears the collapse of the DPRK state but it also fears the DPRK itself.

What will be the DPRK's reaction to the sanctions? The North Korean leaders have declared the sanctions an act of war and threatened to carry out more tests. On the other hand, there are signals that Pyongyang may be willing to return to Six-Party talks.

1. Background

At the beginning of October, the North Korean regime announced its intention to conduct nuclear test bombings. The General Director of the IAEA expressed his 'serious concern' about the situation which 'threatens the nuclear non-proliferation regime and creates serious security challenges' for the international community.²

What the DPRK

regime has done is seen as wrong and unacceptable and the world seems united in the face of Pyongyang's defiance.

However, beyond this remarkable show of unity, there are number of questions that need to be urgently addressed, some of which may expose divisions within the international community.

Prior to this incident, on 15 July, the UNSC unanimously adopted a resolution urging the DPRK to immediately return to Six-Party talks without any preconditions, as well as to work towards the implementation of the Joint Statement (September 2005) on abandoning all nuclear weapons and existing programmes, and to observe NPT and IAEA safeguards.³ Likewise, the UNSC also warned the DPRK of unspecified action if it conducted tests.⁴

In reaction to the DPRK test, on 14 October, the Security Council (SC) adopted a resolution imposing sanctions on the DPRK after its test bombings.⁵ One of the most important points in the resolution is the demand that North Korea immediately return to the Six-Party talks, where the main issues are a security guarantee for North Korea (from an alleged US threat); the construction of light water reactors as a substitute for the cessation of the DPRK nuclear programme; the right to use nuclear energy for civilian purposes; and the normalisation of diplomatic and trade relations. However, a last point which has created wide disagreement within the group is whether disarmament should be absolute or rather follow a step-by-step approach, as well as how the disarmament should be monitored and verified.⁶

1.1. The Response of the US

Official response

In its official reactions to the test the US has emphasised the three following points:

The US has no intention of threatening or carrying out military strikes against the DPRK.⁷ By making this declaration, the Administration hopes to pre-empt Pyongyang's argument that it needs to develop a nuclear weapon to protect itself against the US.

Secondly, the US stressed that it remains committed to the protection of its allies in the Asia-Pacific. This is a warning against the possibility of a DPRK threat against Japan or South Korea – where the US continues to station its troops.

Washington again refused to hold bilateral talks with Pyongyang. However, Condoleezza Rice has been leaving the door open to negotiations as she pointed out that if North Korea goes back to negotiations with the purpose of giving up all nuclear programmes, they could count on other advantages being made available to them as a

substitute. The fundamental US official position, though, is that it requires North Korea to return to the Six-Party talks before any negotiations could take place.⁸

Unofficial discourse

There is no doubt that the North Korean tests are embarrassing the administration and that they have demonstrated a fundamental failure in Bush's policy towards the peninsula. The critics point out that since Bush came to power and changed the orientation of US policy towards Pyongyang, the DPRK has withdrawn from the IAEA, has reprocessed nuclear fuel, has left the Six-Party talks and has conducted nuclear tests. Most worrisome, the Bush Administration 'has failed to stop North Korea from becoming a declared nuclear weapons state'.⁹ The following arguments have been articulated by the most authoritative critics:

Former President Jimmy Carter points out that after Bush labelled North Korea as a part his 'axis of evil', Pyongyang withdrew from the NPT and speeded up its nuclear programme – more plutonium has been produced in North Korea in the last 5 years than in the preceding 10 years. Consequently the US's position in Asia-Pacific has considerably deteriorated. Carter argues that the US can choose one of the two following courses of action: the US can try to force the DPRK to abandon the nuclear programme through *military* threats and by further applying *sanctions*. This is an option that would have increasingly devastating effects on an already very poor people. It would also create a sense of exclusion and further contribute to the already strong 'siege mentality' in North Korea. A second option, however, – although one less likely to be pursued – would be to make an effort to put the denuclearisation agreement into effect according to the step-by-step framework.¹⁰

Former Defence Secretary William Perry labels Bush's North Korean policy a 'strange combination of harsh rhetoric and inaction'. Perry argues that whilst the policy offered no carrots, its sticks were not credible either. The Bush administration warned the DPRK that it would not tolerate its production of plutonium and its nuclear tests – on both accounts the US was ignored and the administration was made to look

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weak. Perry argues that imposing strong sanctions might lead to the North Korean government using its isolation as an advantage. The greatest danger to the US is not that the DPRK would ‘commit suicide’ by attacking the US but rather that it would sell a bomb to a terrorist group.¹¹ Perry also warns that the test will no doubt encourage Iran to proceed along a similar route. The other undesirable outcome is the possibility of a regional arms race, with Japan and South Korea acquiring nuclear capacities.

Anatol Lieven and John Hulsman argue that as far as America is concerned, ‘North Korea Isn’t Our Problem’. In a recent newspaper article, they essentially call for a less active, almost isolationist foreign policy and a withdrawal of US troops from South Korea. The key point is the following: the DPRK is a ‘regional problem to be managed by regional powers, with China in the lead. The US role should be sympathetic – and distant’.¹²

1.2 The response from the DPRK’s neighbours

The North-Korean test took place during two major summits between the new Japanese Prime Minister Shinzo Abe and his Chinese and South-Korean counterparts, Hu Jintao and Roh Moo-hyun. From a regional point of view, the question arises as to whether the DPRK’s initiative will help to bring together the neighbouring countries China, Japan and South Korea to circumscribe the threat, or if it will further divide a region that has suffered in the past few years from significant diplomatic tensions, most notably following the former Japanese Prime Minister’s visits to Yasukuni shrine. Indeed, and contrary to what happened during the July crisis when the DPRK tested its ballistic missiles, so far a basic consensus has prevailed in the positions of three powers, all of which have expressed their deep discontent with Pyongyang. However, different threat perceptions have called for diverging responses between China and South Korea on the one hand, favouring dialogue and diplomatic incentives, and Japan on the other, pushing for hard sanctions (harder than those agreed by the SC).¹³

South Korea

While President Roh Moo-hyun issued a firm statement condemning what he considered an intolerable act, there is little evidence that South Korea will take any bold action against its rogue neighbour.¹⁴ More generally, South Korea’s anxiety about the

DPRK's action has found its expression in internal politics, leading to a confrontation between the government and the opposition. The latter has expressed its criticism regarding the inter-Korean *rapprochement*.¹⁵ The so-called 'sunshine policy' originally took the form of humanitarian aid but it expanded to include investments in the special economic zone of Gaesong and a programme of tours to the Mount Kumkang region.¹⁶ During the last few days, South Korea has sent contradictory messages regarding further maintenance of this policy. While Unification minister Lee Jong-seok called for continued engagement with the DPRK¹⁷, President Roh Moon-hyun indicated that the crisis might have well put an end to the *rapprochement*.¹⁸

In stark contrast to this vivid debate is the attitude of South Korea's population, who appear rather 'unfazed' by the DPRK threat.¹⁹ Likewise, Bank of Korea Governor Lee Seong-tae reported no major impact on the country's economy.²⁰

Japan

The new Japanese Prime Minister, Shinzo Abe, has made significant efforts to engage with China and South Korea, which surprised many commentators who expected him to be even more nationalistic than his controversial predecessor.²¹ Nevertheless, Japan has not hesitated to adopt unilateral sanctions in response to the DPRK test. The Japanese sanctions, comprising a ban on all port calls by North Korean ships, the suppression of all imports from the DPRK as well as the ban on entry into Japan of North Korean nationals, were supported by the US State Department. Tokyo's move was also pitched to influence the content of UN sanctions, as was in fact admitted by the ruling Liberal Democratic Party's chairman, Yuya Niwa.²² Some US commentators have also warned that Japan may now contemplate developing its own nuclear weapon to deter a threat from the DPRK. In fact, already in the 1980s Japan had declared itself a so-called 'nuclear threshold nation', meaning that it has the capacity to become a nuclear power within a short period of time. However, so far, there is no evidence that this option has been seriously considered by Tokyo. It has been

Different threat

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also argued that some US negotiators have been using the ‘threat of a nuclear Japan’ (not a welcome prospect for China) to extract harsher sanctions from the SC.²³

China

The DPRK’s action represents a clear failure of China’s policy towards North Korea and a betrayal of Beijing’s long and active support to the DPRK regime.²⁴ This resultant embarrassment of Beijing on the international stage has been the primary reason why China departed from its long-established opposition to sanctions at the SC.²⁵ However, whilst supporting the sanctions, China has strongly objected to a threat of military action against the DPRK, an approach in which it remained in line with Seoul’s position.²⁶ China has also declared, somewhat surprisingly, that it will not search North Korean ships – although that provision was part of the UNSC vote that Beijing supported. While acknowledging the negative impact of the test on its bilateral relations with the DPRK, China still presents friendly cooperation with Pyongyang as an ‘unshakable’ policy and has expressed its preference for a rapid resumption of the Six-Party talks.²⁷

2. What Policy Options for the EU?

It may of course be asked why the EU should do anything about a crisis in a remote part of the world, in which it has no direct security or economic interests at stake. There are two simple answers to this. Firstly, the crisis presents us with a complete collapse of the NPT regime (from which the DPRK has already withdrawn). As much as Japan and South Korea deny having nuclear ambitions, they may decide they have no other option but to go nuclear when faced with the all-powerful, unpredictable and belligerent neighbour. Secondly, there is no doubt that Iran is carefully watching the crisis and international reactions to it. Whilst some may argue that the EU does not need to care about the DPRK, very few would say the same about Iran, yet the analogy is obvious.

The EU has long supported *détente* and denuclearisation in the Korean peninsula. Following the 1994 US-DPRK framework agreement, the EU joined the Korean Peninsula Energy Development Organization (KEDO) and along with South Korea, Japan and the US it became KEDO’s executive board member. Since 1995 the EU has provided assistance amounting to 450 million euros in food aid, agricultural support, technical assistance and energy contributions in North Korea.²⁸

However, despite its considerable financial and humanitarian engagement in the DPRK, the EU remains marginal to developments in the peninsula. The EU is not involved in the Six-Party talks, it has no troops and no defence commitments in the area. But the EU's low political profile in the region can be seen as its asset. No party to the conflict in the region can see the EU as a security threat. At the same time, the EU has proven that it is willing to invest its resources in the positive resolution of the conflict.

In this context, the following steps are suggested as policy options for the EU.

Influencing Washington to consider bilateral negotiations with Pyongyang. Many arguments may be put forward in favour of or against direct US-DPRK negotiations; however some facts are indisputable. When the former administration kept the lines of communication open with Pyongyang, the latter remained in the NPT, it produced no plutonium and it embarked on a (painfully slow) *rapprochement* with South Korea and Japan. It is true that the DPRK has subsequently cheated on its commitments (as was discovered in 2002) but the evidence clearly suggests that the policy of direct engagement (however erroneous) was vastly superior in providing stability to the peninsula. Besides, as currently argued by James Baker, 'it is not appeasement to talk to your enemies'.

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Letting China take the lead in reaching sustainable solutions. The crisis is unfolding in China's backyard and it is China that has direct (mostly economic) leverage on the DPRK. China's leadership on the issue would also be consistent with the EU principle of promoting regional integration.

Overcoming the DPRK's intellectual isolation. No communist regime has fallen when it was at its most repressive. However impoverished and isolated the Soviet Union was during the Stalin era, the regime was stronger then than at any time subsequently. The same is true for Central and Eastern Europe – the Soviet bloc's weakest links were Poland and Hungary, both of which were more open to the west than their neighbours. The EU should develop an extensive programme of scholarship programmes for North Koreans, including the members of its communist establishment.

Promote reconciliation and regional integration. In many respects developments in the Korean peninsula are reminiscent of those in Europe (especially in Germany) that took place about half a century ago. The EU is therefore in a unique position to offer its own experience as a successful example of regional integration and how to overcome difficult issues inherited from the past.

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