



Korea Focus

Germany's Relations with the DPRK: Opportunities, Challenges and (Strategic) Limitations

Eric J. Ballbach

KDI School-FU Korea-Europe Programme Institute of Korean Studies Freie Universität Berlin, Germany

> Briefing No. 3 2020

Copyright to papers in this series remains with the authors or their assignees. Reproduction or reposting of texts in this paper can only be done with the permission of the respective author. The proper form for citing working papers in this series is: Name of author or editor. (Year). Title. Working paper, Freie Universität Berlin, Institute of Korean Studies, Berlin.

Germany's Relations with the DPRK: Opportunities, Challenges and (Strategic) Limitations

Dr. Eric J. Ballbach*

KDI School-FU Korea-Europe Programme Institute of Korean Studies Freie Univesität Berlin

2020

Given its own history as a divided nation and given the fact that Berlin is one of the few European countries to maintain diplomatic relations with both North and South Korea, numerous observers have raised the possibility of a special role to be assumed by Berlin in the North Korea conflict. However, despite repeated rhetorical support for a peaceful solution of the nuclear crisis and vocal support for inter-Korean reconciliation, the German government has not, so far, lent any tangible political support to those objectives. Rather, Berlin is fixated on the firm implementation of sanctions and is, in fact, a driving force behind the EU's autonomous punitive measures against Pyongyang.

^{*} Dr. Eric J. Ballbach is director of the Research Unit "North Korea and International Security" at Freie Universität Berlin's Institute of Korean Studies. He also serves as Korea Foundation Visiting Fellow at the German Institute for International and Security Affairs (*Stiftung Wissenschaft und Politik*) in Berlin. His research focuses on North and South Korean foreign and security policies, multilateralism and institution-building processes in Northeast Asia and identity politics on the Korean peninsula. Dr. Ballbach advises the German Parliament and various Ministries on Korea-related issues and he regularly participates in various informal Track 1.5 initiatives involving high-ranking representatives from the DPRK.

Rhetorical, but no political support for Moon Jae-in's engagement strategy

Following its inauguration in 2017, South Korea's Moon Jae-in administration made numerous efforts to secure international support for its policy of enqagement vis-à-vis North Korea. While the Moon administration did not make any specific requests to Berlin, it had the hope that Germany – in view of its own history as a divided nation, the special experiences with the reunification of the country, and the fact that Berlin maintains diplomatic relations with the DPRK – would assume a special role with regard to the question of the denuclearization of North Korea and inter-Korean reconciliation. President Moon's first trip to Europe consequently brought him to Germany, where he outlined the Korean Peninsula peace initiative of his administration and urged Berlin to use the lessons of its own reunification to help bring North and South Korea together. He stressed that to Korea, the experience of Germany's reunification not only gave hope for its own unification, but provided a number of historic lessons. More specifically, Moon highlighted the importance of the process of peace, cooperation and trust-building, the interaction between the citizens of East and West Germany in various areas, the non-political exchanges in the private sector, the importance of a consistent policy supported by the people and the international community and the peaceful order in Europe that made the reunification of Germany possible. "The end of the Cold War that started in Berlin will be completed in Pyongyang and Seoul," Moon stressed in his speech in Berlin. However, despite repeated pledges by German officials, most prominently by Chancellor Angela Merkel, to promote a peaceful solution of the North Korean nuclear issue and to support inter-Korean reconciliation, Berlin remains reluctant to provide tangible political support such as exploring backchannels for talks, offering advice on treaty negotiations or facilitating dialogue with North Korea. While it may seem that it would be a long-term German policy to support a Korean solution, this is not the case. Rather, Berlin remains committed to an approach that first and foremost relies on sanctions as the primary instrument in its dealing with North Korea and has successively curtailed its diplomatic engagement with North Korea. According to ministry officials, the top priority in relation to North Korea remains the complete, verifiable and irreversible denuclearization of the country. They add that while Berlin acknowledges in principle that Germany has a special role, EU coordination is and remains important.

Political support for sanctions

Germany's passive stance reflects both its reluctance, dating back to the end of World War II, to assume a global role and the fact that Berlin does not act as an independent actor with regard to North Korea. Rather, Germany's North Korea policy is firmly embedded in that of the EU, which by and large tends to follow the U.S.'s line. This means pushing for a thorough implementation of UNSC sanctions as well as for autonomous restrictive measures by the EU aimed at getting Pyongyang to end its nuclear program.¹ This attitude was particularly evident during the EU-Korea summit in October 2018, when Moon Jae-in visited Brussels to seek support for an easing of sanctions against North Korea. The summit with the EU, in which Germany holds considerable sway, failed to reach an agreement as Brussels insisted sanctions must be upheld until North Korea takes tangible actions towards denuclearization.² While Germany does not act on its own regarding sanctions against North Korea, Berlin (together with Paris and London) is among the driving forces behind EU sanctions and has by and large supported US President Trump's maximum pressure strategy. Despite repeated calls both from allies such as South Korea and from permanent UNSC members Russia and China, Germany has not altered its basic stance that calls for upholding sanctions against North Korea as long as Pyongyang does not significantly alter its behavior.

While the sanctions debate has grown louder following the outbreak of the COVID-19 pandemic, with many observers expressing alarm that North Korea's public health system is not equipped to handle an outbreak, the U.S. and its European allies have refused to lift sanctions even during the pandemic, citing North Korea's refusal to abandon its nuclear weapons. "The hypocrisy on the part of the DPRK – to complain about the humanitarian effects of sanctions while restricting humanitarian access – reflects in a nutshell who bears responsibility for the humanitarian situation," Christoph Heusgen, Berlin's ambassador to the UN, was quoted on the German UN mission's twitter account. "The narrative that sanctions are detrimental to the humanitarian situation in North Korea must be countered," the tweet said.

Support from and activities at the societal level

While there is no broad societal debate in Germany about Berlin's North Korea policy, a number of former politicians and diplomats, academic institutions, civic organizations, NGOs and political foundations engaging with North Korea have called on the German government to change its one-sided, sanction-based North Korea policy. For instance, Berlin's Freie Universität and Pyongyang's Kim Il Sung University, having identified potential for cooperation, signed a Memorandum of Understanding to enhance cooperation in the area of faculty and (short-term) student exchanges and develop joint research endeavors in the fields of history and language. As a first tangible outcome of the program, 12 students and 2 professors from Kim Il Sung University visited Germany in December 2019 for a month-long program during which the North Korean students participated in a special German language program together with other foreign students. The program included language training and lessons on Germany's culture and history. Other German actors engage with North Korea in such fields as forestry, agriculture, environmental and rural development and medical cooperation.

¹ The basic rationale for the EU's sanctions regime against North Korea are the DPRK's nuclear and ballistic missile-related activities, which are said to "represent a serious threat to international peace and security" and to undermine the global non-proliferation and disarmament regime strongly supported by the EU. The EU's sanctions regime against North Korea was initiated after the first nuclear test of the DPRK in 2006 and has since developed successively from mostly targeted sanctions to ever more comprehensive restrictive measures. It encompasses financial, sectoral, diplomatic and individual sanctions as well as commodity sanctions.

² Germany's reluctance is also explained by the fact that Berlin's North Korea policy, as opposed to its Iran policy, is primarily guided by non-proliferation considerations and not by economic or other considerations.

A particularly prominent German capacity-building actor working towards North Korea's environmental and rural development is the *Welthungerhilfe* (German Agro Action, GAA), the only German NGO with a permanent office in the country. In North Korea, the GAA has carried out numerous capacity-building projects and initiatives, including water and sanitation projects, rehabilitation initiatives for cooperative farms, and large-scale projects related to seed improvement and land management. Another German actor that has been active in North Korea is the *Hanns-Seidel-Stiftung* (HSF), which, with funding from the EU, implemented a comprehensive reforestation project to improve rural living conditions with the help of healthy forests. The HSF has also established a Centre for Sustainable Forestry. Several European institutions are involved in medical capacity-building activities in North Korea, including the *German Heart Institute Berlin*.

Diplomatic Incidents

Since 2007, the North Korean Embassy has been renting one of its buildings to the "City Hostel Berlin." According to news reports, North Korea has meanwhile earned roughly 40,000 Euros a month.³ Since the relevant area is North Korean territory under international law, the powers of German authorities end at the property line. The German government was subject to considerable third-party pressure to close this operation, especially from the U.S., the previous conservative government of South Korea and the UNSC's Panel of Experts. However, North Korea rejected repeated calls by the Federal Foreign Office to cease operation of the hostel and what was initially a local issue gradually came to international prominence. In force since 2017, EU Regulation (EU) 2017/1509, which is based on a preceding UNSC resolution, prohibits, among other things, real estate transactions with North Korea with the aim of not providing the DPRK with foreign currency for its nuclear weapons program. The imposition of sanctions was followed by a bureaucratic back and forth. The Berlin Senate banned the hostel from operating, the hostel's operators went to court, the North Korean Embassy signed a notice of termination and the Foreign Office exercised its diplomatic powers by issuing diplomatic notes and admonitions. In January 2020, the Berlin Administrative Court dismissed the hostel's operators' appeal and the Berlin-Mitte District Office set a two-week deadline for the hostel's closure.

Recommendations for the EU

The critical engagement strategy formed the basis for the EU's North Korea policy for almost a quarter of a century. Above all, its advocates praise the approach for its flexibility. It is said to avoid the restrictions and risks of escalation associated with a policy based on conditions and linkages, and to make it possible for Europe to apply pressure (e.g. through sanctions) or offer incentives (e.g. through humanitarian aid, economic cooperation or dialogue) vis-à-vis North Korea in a flexible manner.

³ Der Tagesspiegel, Nordkorea schuldet Berlin bis zu zehn Millionen Euro, May 17, 2017, available at:

https://www.tagesspiegel.de/berlin/city-hostel-in-mitte-nordkorea-schuldet-berlin-bis-zu-zehn-millionen-euro/19819794.html [July 7, 2020].

While Europe's critical engagement policy seemed a promising starting point for a coherent and sustainable foreign policy towards the DPRK, the past 25 years have shown that critical engagement did not, in fact, promote a comprehensive European strategy vis-à-vis the Korean peninsula in general and North Korea more specifically. The strategy has proved to be highly dependent on political circumstances and has failed both on the level of its strategic objectives and on the level of its strategic calculations, thereby further weakening Europe's role in East Asian security affairs.

Firstly, the critical engagement approach has failed to achieve its stated objectives, that is to support a lasting diminution of tensions on the Korean peninsula and in the region through a denuclearized North Korea, to uphold the international non-proliferation regime and to improve the situation of human rights in the DPRK.⁴ With North Korea's nuclear and missile programs significantly advanced and tensions on the Korean peninsula hardly decreasing, the non-proliferation regime noticeably weakened and the human rights situation in North Korea not improving, the goals of the EU's critical engagement strategy have not been achieved, to put it mildly. To argue that critical engagement has failed to achieve its stated objectives is not, of course, to say that Europe is pursuing the wrong objectives, but rather that critical engagement is the wrong method to achieve those objectives.

Secondly, Brussels' critical engagement strategy has also failed on a strategic level, for the era of active pressure beginning in 2013/2014 has had distinctly negative strategic consequences for the EU. The strategy of active pressure has promoted a passive and reactive North Korea policy – demonstrated most vividly by a singular focus on restrictive measures and a halt of official dialogue – which, in turn, has led to an even more diminished role for the EU in East Asian security affairs, to the point where it now borders on irrelevance. In parallel with the EU's active pressure strategy against North Korea and the subsequent strengthening of the sanctions regime, Brussels dramatically decreased its political engagement of North Korea, with only some informal dialogue channels and individual engagement initiatives by specific member states remaining. What is more, the EU started linking tangible progress on the nuclear issue, at times even in the form of CVID, to the development of other aspects of its relationship with the DPRK. In other words, the EU made progress in the one area in which it has virtually no diplomatic clout a precondition for developing other aspects of its relationship with North Korea. As such, the EU's disengagement promoted a further decrease in diplomatic influence in security affairs in East Asia and a further diminishing of its role in security affairs in Northeast Asia.

Against this background, the EU and the E3 states in particular (Germany, France and the UK) would be well advised to change their strategy on North Korea, both on the institutional level (EU) and the level of individual member states. A new EU strategy on North Korea should

- target those dimensions of the conflict to which Europe can make a meaningful contribution,
- identify corresponding initiatives which better contribute to the realization of the EU's main objectives vis-à-vis the Korean peninsula,
- reflect the different roles of, and contributions that can be made by, the individual actor(s) within the EU and

⁴ European External Action Service, DPRK and the EU, available at: https://eeas.europa.eu/headquarters/ headquarters-homepage/4186/dprk-and-eu_en.

• specify the different stages of the conflict (or its resolution) during which the proposed EU initiatives are expected to be put into practice.

More specifically, this means that a new EU strategy on North Korea should, among other things,

- strengthen and institutionalize interactions between the EU and North Korea by resuming the Political Dialogue between Brussels and Pyongyang in particular,
- facilitate dialogue between major international players and North Korea on such issues as denuclearization, trust-building and reconciliation or the establishment of a peace regime on the Korean peninsula and
- address the unintended consequences of international sanctions.

