

An Exemplary Story: The Collaboration of Two Historical Regions – The Special Role of the European Union in the Korean Peninsula

Pallos Judit¹

The History of the Korean Peninsula Summarized in a Few Sentences

The Korean peninsula located in East Asia was governed by several Korean Empires until it was annexed by the more and more powerful and expanding Empire of Japan in 1910. During the Japan hegemony, which lasted more than three decades the Korean people faced a savage suppression almost losing their unique identity. The isolation and with that the Japan rule over the Peninsula ended in 1945, when Japan finally surrendered at the end of World War II after two atomic bombs were dropped to two of its cities causing absolute destruction for the entire Empire. After emancipating the Korean peninsula, the two greatest victorious powers divided it between them along the 38th latitude, creating two occupied zones, the northern territories belonging to the Soviet Union and the southern areas falling under the authority of the United States of America. Because of irreconcilable disagreement between the two opposite sides, the USA took Korea's case before the United Nations, which ordered free elections in the Peninsula. The United Nations-supervised election materialized only in South Korea, resulted in the proclamation of the Republic of Korea, then as an answer to this action the leaders of North Korea arbitrarily announced the birth of the Democratic People's Republic of Korea a few days later. Both individual governments claimed and until today claim sovereignty over the entire Korean Peninsula this leading to the outbreak of the Korean War in 1950, when soldiers from North Korea aggressively crossed the 38th latitude attacking the South. When a positional warfare and a standoff formulated between the two parties an armistice was created ending in a cease-fire in 1953. The two countries are officially and technically still at war until this day. In 1991 both states were accepted into the United Nations as sovereign countries.

¹Ph.D Candidate at the International Relations Doctoral School of Corvinus University of Budapest, Hungary

A Short Introduction of the Democratic People's Republic of Korea (North Korea)

The Democratic People's Republic of Korea (DPRK) is a single-party state led by the Korean Worker's Party and practically by the Kim-dynasty (today the leader is Kim Jong-un). The country's leadership follows and guides its activities according to the Juche ideology of self-reliance, initiated by the first president Kim Il-sung.² It means in a nutshell, that the masters and the motive force of the revolution and the construction are the masses of the people. The Juche idea is a man-centred political philosophy based on the principle that man is the master of everything and decides everything. It materializes the independence of the popular masses and explains the theoretical basis of politics that leads the development of the society along the right path. In practice it means the realization of independence in politics, self-sufficiency in the economy and self-reliance in national defense.³ The Songun politics also founded by the late Kim Il-sung, is the country's 'military-first' or 'military-priority' ideology that embodies the above unfolded Juche idea. The next President Kim Jong Il (the son of the first President actually) defended socialism with the might of the Songun politics and advanced the independent cause of the mankind.⁴ Until the collapse of the Soviet Union in 1991 the DPRK was a Soviet satellite state and for this reason it improved economically fairly rapidly.

After the fall of the Soviet Empire North Korea's unique socialist characteristics proved to be surviving, remaining, if not "successful" in a way in the post-Cold War world. Today this country is almost entirely isolated from the world, the government strictly controls and censors the news, and for this reason there is only one news agency in operation in the whole state, the Korean Central News Agency. Every other source of information is considered unofficial and speculative. The information available for the average people are the striking news stories about its nuclear arms threat and the devastating famine of recent years caused by floods and other calamities. However people eager to learn more about this secretive country can find out some more after thorough and very deep research. This people can get access to the shocking information about the devastating results of the Korean War to the country's economy.

²KoreanHistory –<http://people.cohums.ohio-state.edu/bender4/eal131/EAHReadings/module02/m02korean.html>

³http://www.korea-dpr.com/juche_ideology.html – Official webpage of the Democratic People's Republic of Korea

⁴ <http://www.korea-dpr.com/songun.html> – Official webpage of DPRK

With Soviet and Chinese aid reconstructions could begin immediately, meanwhile the North Korean government collectivized the agriculture, reinforced state and public ownership of heavy and light industries and nationally unified education arts and sciences. Because of the mystery that hovers around North Korea, it is often demonized in the Western media. This is in stark contrast to South Korea, officially known as Republic of Korea, which is a widely open, democratic state.⁵

A Brief Introduction: South Korea

Today the Republic of Korea (ROK) is a leading industrial country, it is the 11th largest economy in the world, with an annual GDP of nearly one trillion USD. This amazing result is due to the state's leading edge in global markets in semiconductor, shipbuilding, steel making and IT industries. It became worldwide known after hosting the 1988 Seoul Olympics and the 2002 Korea-Japan FIFA World Cup. Recently Korean movies and music (the latter known as "K-Pop") are attracting many audiences internationally, creating the "Korean Wave".⁶ In the beginning South Korea had a traditional agrarian subsistence economy and this transformed over the decades into a primarily industrialized one in just little more than one generation. Chaebols are an important factor of the economy, which are family-owned and managed conglomerates and are a unique South Korean formation.⁷ According to one of the dictionaries to be found on the Internet, the definition of chaebols is: "these are business conglomerates originated in South Korea in the 1960s, creating global multinationals with huge international operations. The word 'chaebol' means 'business family' or 'monopoly' in Korean. Its structure can encompass a single large company or several groups of companies. Each chaebol is owned, controlled and managed by the same family dynasty, generally that of the group's founder. Samsung, Hyundai and LG Group are among the biggest and most prominent chaebols."⁸

⁵ <http://www.everyculture.com/Ja-Ma/North-Korea.html>

⁶ <http://www.korea.net/AboutKorea/Korea-at-a-Glance/Facts-about-Korea>

⁷ <http://www.everyculture.com/Ja-Ma/South-Korea.html>

⁸ <http://www.investopedia.com/terms/c/chaebol-structure.asp#axzz2K89VgZ3m>

The European Union

According to the worthy honored and famous Britannica Concise Encyclopedia the short but meaningful definition of the European Union is the following: "International organization of European countries, comprising 27 European countries, formed in 1993 to oversee their economic and political integration. It was created by the Maastricht Treaty and ratified by all members of the European Community (EC), out of which the European Union developed. The successful EC had made its members more receptive to greater integration and provided a framework for unified action by member countries in security and foreign policy, establishing common citizenship rights and cooperation in the areas of police, security, immigration, asylum and justice matters. In pursuit of its major goal to create a common monetary system, the EU established the Euro, which replaced the national currencies of 12 of the 15 EU members in 2002. Originally confined to western Europe, the EU enlarged to include several central and eastern European countries in the early 21st century. The EU was awarded the Nobel Prize for Peace in 2012, in recognition of the organization's efforts to promote peace and democracy in Europe. The EU's principal institutions are the European Community, the Council of Ministers, the European Commission, the European Parliament, the European Court of Justice and the European Central Bank."⁹

The Republic of Korea has been an important partner for the European Union, the country is its 4th largest trading partner outside Europe, and the EU is ROK's 2nd largest one following China, with a two-way trade volume that reached almost 100 billion USD in 2008. Their bilateral trade showed a steady annual growth rate of 7.9% on average between 2004 and 2008. The EU-South Korea relationship has evolved over the years owing this to their shared values, common issues of global concern and their increasing role at world stage.¹⁰

The Story of the EU-North Korean Relationship

North Korea first thought about establishing some kind of relationship with the imperialist Western Europe in the 1950s. Around that time the cooperation was only meant for private-level trade and exchange.

⁹<http://www.britannica.com/EBchecked/topic/196399/European-Union-EU>,
<http://www.answers.com/topic/european-union>

¹⁰ http://eeas.europa.eu/korea_south/index_en.htm

During the Cold War period North Korea's view about Western Europe was distance keeping, not to enrage its most important supporter, the Soviet Union. On the other side Western Europe had no intention to form an official diplomatic tie with a socialist country anywhere in the world. Diplomatic relations between DPRK and Western Europe started to formulate slowly in the 1970s. This could partly happen because of the *détente*, but more importantly because of North Korea's determination to build an independent national economy based on the principle of self-rejuvenation. To be able to achieve this noble goal, North Korea needed a lot of capital, loans, and a renewed technology, which it wanted to get from the global market. It soon received massive amounts of loans and industrial machinery from Japan and Western European countries. This cooperation resulted in increased trade between North Korea and Western Europe in the 1970s. The North Korean government also wanted from the imperialist European countries to develop and maintain diplomatic relations with both Korean states. This attempt was just partly successful, because only five Northern European countries – Denmark, Finland, Sweden, Norway and Iceland – could be persuaded to acknowledge both North and South Korea. The successful collaboration of North Korea and Western Europe didn't last long because of the economic crisis that affected and challenged all European countries. As a consequence the political and economic relations between North Korea and Western Europe stagnated.

With the fall of the Soviet Union and the communist bloc North Korea lost its most important financial and economic ally and because of that the once prosperous country started to become more and more impoverished. Thus the time once again came to resume ties with the "rich" Western Europe in order to be able to survive. To improve the broken relationship with the capitalist European countries Pyongyang often sent deputy-minister level officials in Foreign Trade and Foreign Affairs to the region. As a consequence economic cooperation improved among the partners, but the diplomatic relations remained unchanged.¹¹ Nonetheless in the 1990s the North Korean economy turned from stagnation into a serious crisis. To help its neighbor out China stepped in and provided some assistance and supplied food and oil, however in 1994 the communist state reduced its exports to North Korea. Soon the North Korean economy became undermined, its industrial and agricultural output started to decline even before the country had to face a series of natural disasters in the mid 1990s.

¹¹ EU Involvement in the Korean Question: Background and Implications – In *East-Asian Review*, Vol.13 No.2. Summer 2001

The inner situation of DPRK worsened because of the government's skyrocketing defense spending and its bad governance. All these factors resulted in the worst economic crises in the history of North Korea. As a merciless side effect famine, malnutrition and starvation became an everyday phenomenon in the North Korean people's life. According to Steve Coll (who is a Pulitzer Price-winning American journalist and writer) this was the greatest man-made catastrophe of the first decades after the Cold War ended. The number of dead is unknown, but experts estimates a range from half a million to more than two million. As a solution the country announced in 1993 a 3-year transitional economic policy placing primary emphasis on agriculture, light industry and foreign trade. However because of the natural disasters, poor storage and transportation practices, and the lack of foreign exchange to purchase oil for electricity generation, Pyongyang could not break out of the crises. The economic institutions were paralyzed, companies went bankrupt. To fulfill the Songun policy, and parallel to boost the economy, the military was deployed to direct production and infrastructure projects. The government's most important policy became the economic self-sufficiency. In order to achieve this, domestic firms were isolated from international competition. The result however wasn't the hoped one, instead what characterized the country's economy was chronic inefficiency, poor quality, limited product diversity, and prevention from taking advantage of economies of scale. As a direct result of the massive flooding, sequential political failures and poor amounts of arable land in the country, food shortages hit the already ailing economy.¹²

The political involvement of the European Union nations in Korean issues became visible after the South Korean President Kim Dae-jung proposed an engagement policy toward its northern neighbor, fully supporting its entry into the international arena. Encouraged by this action, EU countries started to approach the DPRK, cooperating at political and economical levels officially from 1998. Recognizing the most important need of the country, the EU provided to Pyongyang humanitarian and food aid, assistance in the energy sector, medical, water and sanitation, agricultural support and also market economy training from 1995 until 2005. The Europeans have made the largest efforts in terms of assistance after China and South Korea.¹³

¹²Foreign Assistance to North Korea – Congressional Research Service – <http://www.fas.org/sgp/crs/row/R40095.pdf> Coll, Steve: North Korea's Hunger – The New Yorker, Daily Comment

¹³ EU Involvement in the Korean Question: Background and Implications – In East-Asian Review,

In May 1997 the EU decided to participate in the KEDO (The Korean Peninsula Energy Development Organization) as an executive Board member as part of its goal to contribute to global peace. In practice the EU connected to KEDO through the EURATOM, its nuclear regulatory body. The KEDO was founded by the United States of America, Japan and South Korea in 1995, its duty is to implement the 1994 U.S.-North Korean Agreed Framework, under which Pyongyang has promised to freeze and ultimately dismantle its nuclear weapons program which has been under development for a long time mostly with the support of the Soviet Union and China.¹⁴

Official diplomatic ties between North Korea and most of the EU countries were established by May 2001, when the Swedish Prime Minister Goran Persson visited Pyongyang with his high-powered delegation. It was a symbolic issue of formulating alliance, since Sweden held the EU's rotating presidency at that time. The delegation included Chris Patten, EU Commissioner of External Relations and Javier Solana, High Representative of the Common Foreign and Security Policy. Among the reasons why North Korea opened towards Western Europe was the motive to use those countries as a protection against the Bush administration in the United States. Because of Pyongyang's nuclear research and development the U.S. regarded it as an enemy and placed it in the list of countries that support terrorism and considered it as a rogue state. Although later the US removed North Korea from that list, the relationship of this two countries remain unchanged, the DPRK still considers the USA as its biggest enemy, which is the main reason behind the continuing development of North Korea's WMD (Weapons of Mass Destruction) and nuclear programs. The reclusive state, DPRK thought about the EU as its suitable partner for providing him economic assistance, and in the mid-and long term to help stimulate North Korea's economy without the threat of weakening its regime. The main motive and goal of the EU in the Korean peninsula has always been to encourage regional and global peace and to resolve issues through peaceful dialogues. It agrees however with the US about its opposition of Pyongyang's WMD, ballistic and nuclear programs. The EU's focus is to use all diplomatic and economic tools to prevent any hostile North Korean action and to encourage this reclusive state to become a responsible member of the international community by bringing it into the international arena.

As Asia is regarded to have the greatest potential for economic growth, it is not a surprise that the EU wants to break into its market, including of course both Korean states. The European Union in return also allows more and more North Korean product to enter the European market, for this reason an economic delegation was sent to the country to do research on the possibility of agriculture and energy sector cooperation. Because the region is dominated by superpowers like USA, China and Japan, European nations can only be effective competitors there if they act as a single European Community. After the Asian financial crisis at the end of the 20th century, European investment in Korea skyrocketed, which was a huge help for the Peninsula in the economic recovery. Although trade between the two region is increasing, North Korea will only account for a minor portion of EU's total trade, because of the hermit kingdom's weak economy and infrastructure. The EU is waiting for the time when the two Korean states reunite and can break into that huge market. The EU is also interested in the democratization and liberalization of Pyongyang, which until today seems to be a mission impossible.¹⁵

A Few Words about the Unique Asian Values

This study would not be complete without covering the Asian values, because these are entirely different from the Western or European ones. To know them will help us better understand the motivations, behaviors, reasonings and reactions of the Asian countries, and from then on it will be easier for us to observe the world through Asian lens. The Asian states have an advanced, centuries-old culture, which can be characterized with the paternalist attitude of the traditional respect towards the leadership, the old people. The savings instinct in these societies are traditionally high, other important human values include hard work, respect of learning, honesty, decency, self-discipline, self-confidence; to turn to the most important social values, these are social order, harmony, the employee's perfect sense of duty, open-mindedness for new ideas and concepts, and last but not least respect for authorities.¹⁶

¹⁵ EU Involvement in the Korean Question: Background and Implications – In East-Asian Review, Vol.13 No.2. Summer 2001

¹⁶ Éva,Bóka – Európa és a világ (Europe and the World) – Grotius Library, Veszprém 2011

The Main Institutional bodies of the EU-Korea Relations

The main notable international organization in Southeast Asia is the ASEAN (Association of Southeast Asian Nations), established in 1967 in Bangkok with the signing of the ASEAN Declaration by the Founding Fathers of the organization, namely Indonesia, Malaysia, Philippines, Singapore and Thailand. Its slogan is: One vision, One identity and One community. The most important aims and purposes of this organization are: "to accelerate to economic growth, social progress and cultural development in the region through joint endeavors in the spirit of equality and partnership in order to strengthen the foundation for a prosperous and peaceful community of Southeast Asian Nations; to promote regional peace and stability through abiding respect for justice and the rule of law in the relationship among countries and adherence to the principles of the United Nations Charter; to promote active collaboration and mutual assistance on matters of common interest in the economic, social, cultural, technical, scientific and administrative fields; to provide assistance to each other in the form of training and research facilities in the educational, professional, technical and administrative spheres; to collaborate more effectively for the greater utilization of their agriculture and industries, the expansion of their trade, the improvement of their transportation and communication facilities and the raising of the living standards of their peoples; to maintain close and beneficial cooperation with existing international and regional organizations with similar aims and purposes and explore all avenues for even closer cooperation among themselves."

When characterizing an international organization the description of its fundamental principles cannot be left out. These are as written in the Treaty of Amity and Cooperation in Southeast Asia (adopted in 1976): "Mutual respect for the independence, sovereignty, equality, territorial integrity and national identity of all nations; the right of every State to lead its national existence free from external interference, subversion or coercion; non-interference in the internal affairs of one another; settlement of differences or disputes by peaceful manner; renunciation of the threat or use of force; effective cooperation among themselves."¹⁷ By the end of the twentieth century the organization successfully expanded and it counted ten members. However the Asian financial crisis in 1997 showed that the alliance of these ten countries is not enough to find the correct answers and solutions to the challenges of the rapidly changing world suitable for their own region.

¹⁷ <http://www.asean.org/asean/about-asean>

For this reason in a separate contract the members invited the big three East Asian States – China, Japan and South Korea - to join their organization, and the ASEAN Plus Three was created. As it soon turned out the accession of these “big three countries” was an excellent decision, because the opening of the Chinese market, the deployment of the Japanese crisis management know-how and the thirty billion USD-worth stabilization loan and aid offered by the Japanese prime minister saved the region and the countries could easily and miraculously fast recover from the financial crisis by the year of 1998. The big lesson from this is, that East Asia was able to manage the crisis from its own sources, using Asian methods and models. Of course the ASEAN countries were well aware of the fact that recovery would not be possible without the effective help of China, South Korea and Japan. That is why the ten members of ASEAN decided on their sixth summit in Hanoi in 1998 to formalize the ASEAN Plus Three cooperation. Although ASEAN countries chose not to change the name of their international organization, from that time on no decision could have been made without the consent of the “Plus Three countries”.¹⁸ Since its foundation in 1997 the ASEAN + 3 cooperation has broadened and deepened, it already expanded to the spheres of food and energy security, financial cooperation, trade facilitation, disaster management, people-to-people contacts, narrowing the development gap, rural development and poverty alleviation, social welfare, human trafficking, labor, communicable diseases, environment and sustainable development and transnational crime, including counter-terrorism.¹⁹

Another important cooperation associated with this region is the Asia-Europe Meeting (ASEM), which was established in 1996. At first it was not a planned cooperation, it came into being by coincidence: in 1996 the ASEAN held its summit in Bangkok, Thailand, when the prime minister of Singapore had an idea to organize a summit with the Presidency of the European Union, filled in at that time by Italy. To the proposal of Jacques Chirac from France the entire leadership of the European Union attended that summit in Bangkok. The elaboration of the European level “Asian concept” dates back to this time with the shaping of a new relationship between the two continents.²⁰ The Asia-Europe Meeting is an informal process of dialogue and cooperation bringing together the 27 (after July 2013 twenty-eight) European Union member states, two European countries, the European Commission, twenty Asian countries and the ASEAN Secretariat.

¹⁸ Éva, Bóka – Európa és a világ (Europe and the World) – Grotius Library, Veszprém 2011

¹⁹ <http://www.asean.org/asean/external-relations/asean-3/item/asean-plus-three-cooperation>

²⁰ Éva, Bóka – Európa és a világ (Europe and the World) – Grotius Library, Veszprém 2011

This formation – whose original aim was to revive the trade of this two continents - deals with political, economic and cultural issues, and has the objective to strengthen the relationship between this two regions, in a spirit of mutual respect and equal partnership. Obviously other states wanted to join too, one of the most important round of enlargement took place in Brussels, Belgium in October 2010 with the entrance of Australia, New Zealand and Russia. During the 9th ASEM Summit of Heads of Government and State in Vientiane (Laos) in November 2012, ASEM was joined officially by Bangladesh, Norway and Switzerland. With this last round of enlargement the membership counts 51 partners.²¹ The ASEM basically covers all issues of common interest to Europe and Asia. To pick some examples it has already covered issues like United Nations reforms, issues in connection with weapons of mass destruction, terrorism, migration flows, WTO negotiations. The two regions has worked together to improve the international security environment, to manage globalization, to enhance interregional and international business frameworks and to promote the role of the EU in Asian countries. According to its self-definition the ASEM is a policy-making laboratory. By promoting an open dialogue it allows its participants to develop and test new ideas, and it has also helped to streamline the international agenda.²²

This informal dialogue-based cooperation is the most appropriate framework to be able to learn from each other, to get acquainted with each others' culture and history. It is not a secret, that the European Union has always been viewed by the Asian countries as a model for successful economic and political integration. According to the Asian experts the European continent has an advantage compared to Asia: the concept of the European citizen. There are several common cultural, social and historical characteristics which describe people living in the European Union, regardless of their home country. However a research made a few years ago in East Asia indicated that the awareness of the USA is higher than of the EU in this region. The most frequent perception about the EU among the East-Asian people is connected to its welfare system: It seems that the majority of the population value the EU because of its outstanding social achievements, and according to their knowledge the entire block constitutes a huge welfare state. An investigation revealed the interesting fact that EU is mentioned mostly when business and trade is on the discussion table, political issues are only second in the row.

²¹ <http://www.aseminfoboard.org/about-asem-menu.html>

²² <http://www.aseminfoboard.org/about-asem-menu-achievements.html>

Among these topics European cultural reports are also slowly sneaking in into the East-Asian news, which means that average people can already get access to an increasing scale of news coming from the European Union. By the way nowadays the ASEAN Plus Three is considered the second most successful integration after the European Union.²³

Present and Future of the EU-Korean Relations

Many believed that when Kim Jong-il died in December 2011 and his son Kim Jong-un took over the leadership of the Democratic People's Republic of Korea, the youth and limited leadership experience of the new dictator will generate changes inside the hermit Kingdom. As it soon turned out however the policy line remained unchanged, and so did the strategic interest of the EU towards this unique state. Since North Korea's aggressive behavior (meaning mostly its ongoing WMD and nuclear program, which highly jeopardize international peace and also violate international agreements) produces distrust and suspicion all around the world to put it mildly, the normalization of the relationship between him and the EU would most possibly contribute to break North Korea's isolation and help it to pursue a more pragmatic approach to its regional relations by strengthening its diplomatic ties with its neighbors. According to experts the time has come for the EU to step in with its soft power diplomacy and engage more actively in the Korean Peninsula in a way that could contribute to regional stability. A more active role by the most successful integration has the unique potential to enhance the peace building process and conditions in East and Southeast-Asia. It can be successful since the EU has a long experience in preventive and peace-building diplomacy.²⁴

South Korea and the European Union have established diplomatic relations more than forty years ago and their cooperation in trade have substantially increased ever since. To give some relevant data: South Korea's exports to the EU increased by 250 times from 87 million USD in 1971 to 21.7 billion USD in 2002; its imports from the EU also increased by 67 times over the exact same period. Since 2002 the EU was South Korea's third biggest exporting partner after USA and China and the fourth largest importing partner after Japan, USA and China, while South Korea was the thirteenth exporting and the tenth importing partner for the EU.

²³ Éva, Bóka – Európa és a világ (Europe and the World) – Grotius Library, Veszprém 2011

²⁴ <http://www.economicvoice.com/north-korea-and-the-eu/50028525#axzz2J0V44UBz>

The four main export products of the Republic of Korea to the EU include Electric Machinery and Equipment, Nuclear Reactors and Boilers, Ships, Boats and Floating Structures and Motor Vehicles, while the most important import products from the EU for ROK are Nuclear Reactors, Boilers, Machinery and Mechanical Appliances, Electrical Machinery and Equipment, Optical, Photographic, Medical Instruments and Motor Vehicles. The historical facts prove that the EU has been among the most important trading partners for South Korea and many experts share the opinion that the EU has made a huge contribution to the industrialization and the openness of the South Korean economy. As it can be observed South Korea's growth strategy is trade-oriented, from its viewpoint, boosting the domestic market is a way of achieving more balanced growth between domestic and world markets, which means Koreans living in the Southern part of the Peninsula are interested in strengthening the economic relations with the EU to contribute to permanent prosperity and stability worldwide.²⁵

A huge success in the EU-South Korean cooperation has been the signing of the Free Trade Agreement on 6 October 2010 in Brussels, which is in effect since 1 July 2011. Under this agreement the trade barriers between EU and South Korea have been lifted and it is easier for companies belonging to these two regions to do business with each other. The first meeting of the newly created FTA Trade Committee was held in October 2011 and was chaired by EU Trade Commissioner De Gucht and South Korea's Trade minister Kim. Shortly after that the first meeting of FTA Customs committee took place in December 2011, Working Groups have also been created. These institutions provide an opportunity both to seek resolution of market access concerns and to engage in closer regulatory cooperation. It is interesting to know that this agreement is the EU's first trade deal with an Asian country. It eliminates tariffs for industrial and agricultural goods in- Head of Europe Team, Korea Institute for International Economic Policy, Seoul a progressive, step-by-step approach. It also includes provisions on issues ranging from services and investments, competition, government procurement, intellectual property rights, transparency in regulation to sustainable development. Since the establishment of this FTA, the European Commission is monitoring closely the imports to and from South Korea in sensitive sectors.

²⁵ Kim, Heungchong: Building a New Era of Partnership: EU-Korea Relations 1963-2003 – EU-Korea Trade Relations

“Every two months the EC presents a monitoring report to the EU member states, the European Parliament, and the relevant industry associations on the evolution of imports of textiles, consumer electronics and cars. In addition the EC presents an annual monitoring report to the European Parliament and the Council.” A Framework Agreement is also in effect between the EU and South Korea since 10 May 2010, which provides a basis for strengthened cooperation in political and global issues like human rights, non-proliferation of WMD, counter-terrorism, climate change and energy security. A permanent forum has also been created for consultation on all kind of matters and to share experiences and views on competition policy between each other.²⁶

What the Future Holds for the EU-Korea Cooperation

Experts on this topic tend to agree about the future prospect, that knowing both regions, while interest in the cooperation will be high, deeper engagement beyond the Free Trade Agreement is unlikely in South Korea, because neither side plays an important role in the basic security issues of the other. To be more specific, the European Union cannot assist South Korea with its acute security dilemma, and on the other side South Korea does not share the EU's preferences for soft power, regionalization and multilateral collective security. For the EU this special relationship with the ROK will always be considered an important one, to channel and promote liberal and democratic values to other Asian nations.²⁷

It is important to mention one more fact, namely that unfortunately the EU cannot contribute to the stabilization and non-proliferation of North Korea, because it does not have a seat at the famous Six Party Talks, which seems to be now in standstill and it not yet known when it can be resumed. Lately the world press was overloaded and loud with North Korea's third nuclear test and that the country sent successfully a satellite into orbit. Now the main actors of the international arena are confused about what to do next, because as it turned out economic sanctions proved to be unsuccessful, the Hermit Kingdom grew stronger militarily. Maybe it would help to solve this issue if the EU had an observer and advisory status in the Six Party Talks.

²⁶ <http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries/korea/>

²⁷ <http://www.eastasiaforum.org/2012/03/16/the-future-of-eu-south-korean-relations-after-the-fta/>