



## EU-South Korea Security Relations: The Current State of Play

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The EU and South Korea both face challenging circumstances in the domestic and international arenas. The EU is focused on Eurozone instability, terrorism, political extremism, revisionist Russia, and crises in the MENA. South Korea, under the new, center-left presidency of Moon Jae In, is fighting to emerge from political corruption, economic malaise, and the cloud of North Korea's threats. Despite all this, the EU and South Korea are underappreciated international security partners. In this Security Policy Brief, Mason Richey discusses the strengths and weaknesses of EU-South Korea security cooperation, and identifies areas for continued strengthening of this partnership.

Security relations between the EU and South Korea (SK) obviously do not take place in a vacuum. Numerous political realities condition the extent and depth of the two polities' cooperation in traditional and non-traditional security domains. On the one hand, EU-SK security relations are nested within broader geopolitical contexts: the 21st century rise of Asia to global pre-eminence, the global and East Asian regional power competition between the US and China, the legacy and transformation of the US-led hub-and-spoke alliance system in East Asia, revisionist Russia,

and turmoil in Europe's neighbourhood. On the other hand, EU-SK security relations are influenced by unique, specific domestic political factors. On the European side, these include terrorism fears and (im)migration policy discord, various European crises (Eurozone instability, extremist political parties), and Brexit. On the SK side, concerns include inter-Korean relations (especially the North Korea (NK) threat) and political and economic aimlessness following twenty years of democratic and liberal capitalist development.

Each of these factors incentivize certain cooperative behaviours between the EU and SK, while disincentivizing others. For instance, on the incentive side of the ledger, mid-sized Asian countries, such as SK, have become "middle powers" with resources and international influence sufficient to not only react to changes in the international system, but to also help sculpt it through cooperative endeavors, including with the EU. Meanwhile, Asia's growth engine has called for a "European pivot"<sup>1</sup> to Asia, which includes not only trade agreements and support for and membership in multilateral fora (such as ASEM or the AIIB), but also strategic partnerships that can include political and security components, as is the case with SK. The 2016 EU Global Strategy outlines areas

for Europe's role in East Asia, particularly in domains such as international rule of law and the provision of maritime security and commons access (this includes everything from supporting an ASEAN-led regional security architecture, to exchange of expertise (e.g., through the European Defence College), to operational patrols with ASEAN countries, India, SK, Japan, and others).

As for disincentives, aggressive Russian revisionism and instability in Europe's southeastern and Mediterranean flanks have compelled the EU and its member states to retrench and focus foreign, security, and defence policy on areas of geographic proximity. To wit, the Korean peninsula is mentioned only twice in the sixty page EU Global Strategy. Numerous domestic political and economic factors—for both polities—also cloud EU-SK security cooperation: terrorism, (im)migration management, economic malaise, and political extremism (especially of the Euroskeptic flavour) have led the EU to inward-focused preoccupations, while domestic political scandal, anemic GDP growth, and NK's menacing nuclear and missile programs have made it difficult for SK to see far beyond Northeast Asia.

Lastly, some factors are ambiguous, both promoting and hindering EU-SK security cooperation. Brexit reduces EU capabilities, particularly in British strengths such as intelligence and diplomatic reach, maritime security, and expeditionary forces, all capacities Europe could use for out-of-area operations with East Asian partners. But the British have also been generally negative regarding greater EU foreign/security/defence policy (CFSP/CSDP) development; thus Brexit also allows the EU to deepen CFSP/CSDP integration, while necessitating a more comprehensive strategic vision that would enhance security cooperation with East Asian states such as SK.

Sino-US competition in East Asia and beyond is another factor with disparate effects on Europe's relations with East Asian countries, including EU-SK security collaboration. On the one hand, the US and China are engaged in high-stakes, destabilizing geostrategic interactions along a range of hard security dimensions—South China Sea (SCS), NK, anti-access/area-denial (A2/AD) in the western Pacific, etc.—that largely exclude (perhaps fortunately) EU involvement. On the other hand, the rivalry between the global superpower and the aspiring regional hegemon pushes most East Asian states to hedge between the great powers. This is especially true of SK, which is dependent on the US for security provision vis-à-vis NK, and over-reliant on China for trade. It thus behooves SK to hedge its hedging behavior, i.e., to look beyond the US and China for other political, economic, diplomatic, and military partners, so as to lessen the possibility of being caught in a Sino-US vice. The EU is a natural choice in this regard.

Finally, the US-led alliance system in East Asia, and especially the alliance with SK, exhibits powerful path dependency. The historically relatively exclusive nature of SK-US security and defense cooperation continues to inhibit other polities from deepening engagement with SK in this domain. Indeed the US resists interference with its foothold in mainland Northeast Asia, which serves both US interests in NK deterrence, and as a strategic location for checking China. For SK's part, for various reasons it is cautious about diversifying its strategic security partners: (a) defense cooperation with the US requires materiel interoperability/integration, which works against SK's military procurement from non-US suppliers (an important aspect of international defense cooperation)<sup>2</sup>; (b) SK is solicitous to not give the impression of downgrading the importance of the SK-US alliance, thus limiting its ability to work with other partners; (c) the SK government has

bandwidth limits, as maintaining full alliance commitments with the US while also increasing cooperation with other partners outstrips the country's political, military, and economic resources. Yet the US is also interested in transforming the hub-and-spoke alliance system in East Asia into a networked model with increasing reliance on trilateral and quadrilateral arrangements. In this transformation there is room for the EU and NATO to play a greater security role both in East Asia and with East Asian partners (in the so-called "middle spaces"), including with SK.

### **EU-SK SECURITY RELATIONS: THE STATE OF PLAY**

EU-SK security relations are anchored in a strategic partnership reflecting shared values and interests. SK is in fact the EU's first partner to have signed all three agreements on political, trade, and security cooperation in EU-led crisis-management operations. The centerpiece of the strategic partnership is a Framework Agreement (2010) outlining rules of the road for EU-SK political dialogue and cooperation. The Framework Agreement is twinned by a 2011 Free Trade Agreement (KOR-EU FTA), the EU's first and most comprehensive "next generation" FTA with an Asian country. The security dimension of the EU-SK strategic partnership is embodied in a Framework Participation Agreement (signed in 2014) facilitating SK's participation in CSDP missions and operations. This crisis management agreement was ratified by SK in December 2016, and, as such, it is the first and only East Asian state to have a formal security cooperation arrangement with the EU.

Certainly this carries symbolic value as a down payment on the EU "pivot" to Asia, but, in addition, the crisis management agreement has already been put to use. Indeed, SK has carried out combined EU-SK missions within the larger Operation Atalanta effort combating

piracy in the western Indian Ocean. This is a natural place for the EU and SK to work together, as the two polities have convergent free trade interests threatened in the region, are keen upholders of international law (against which piracy is a clear affront), and can collaborate under a larger UN mandate.

That said, SK's ability to engage more frequently and deeply in such CSDP missions is improbable in the near term. President Moon Jae In's fledgling administration in Seoul is currently preoccupied by several critical issues on the Korean peninsula and in Northeast Asia more generally. The most well-known problem is NK, whose advancing nuclear weapons and missile programs are a direct threat to SK. Relations with China will also be a focus, as since 2016 the Middle Kingdom has economically punished Seoul's decision to install a US-furnished THAAD<sup>3</sup> battery as a part of the SK-US alliance's ballistic missile defense against NK. Meanwhile Donald Trump's administration has vacillated on commitment to the alliance, calling into question the mutual defense treaty, burden-sharing arrangements, and the South Korea-United States Free Trade Agreement (KORUS FTA). Finally, under Moon's new center-left administration, SK hopes to extricate itself from political scandal (following the 2016 impeachment of conservative President Park Geun Hye) and economic anemia (with comparatively low 2016 GDP growth of 2.8%, and relatively high youth unemployment). Given these headwinds, there is little immediate appetite in SK for assuming additional responsibilities within the context of the crisis management agreement.

However, if one takes a step back and examines EU-SK security relations in a larger context than CSDP, then security cooperation between Brussels and Seoul appears more vibrant. Indeed, the Framework Agreement

lays out areas of cooperation between the signatories, including provisions on non-/counter-proliferation of weapons of mass destruction (WMD), counter-terrorism, cyberthreats, money laundering and illicit trafficking, and promotion of human rights (and the international legal order more generally). Of special interest is burgeoning EU-SK cooperation on cyberthreats. This is institutionalized in the EU-SK Cyber Dialogue,<sup>4</sup> an annual official-level meeting, ongoing since 2013, for addressing cyberspace, internet governance, cybersecurity, cyber capacity building in third countries, and cybercrime. This is a natural and growing area of EU-SK security cooperation, given the fact that both the EU and SK are highly technically capable and face unique cyberthreats (Russia and NK). Especially noteworthy is that EU-SK cybersecurity cooperation vis-à-vis NK is also beneficial for Europe. Pyongyang's elite cyberwarriors have successfully attacked European institutions including the UK NHS (in the 2017 WannaCry ransomware hack) and Polish banks, as well as unsuccessfully the ECB, Deutsche Bank locations in the US, and Czech banks.

The EU's contribution to SK's security on the peninsula and in Northeast Asia more generally is broader and more sustained than might be expected. Obviously the US and China dominate the security and defense sectors of East Asia, and thus Europe is largely out in the cold (few major defense contracts with Japan and SK, no presence in the Asean Defense Ministers Meeting+, etc.), but both the EU and its member states make other important contributions to the maintenance of the East Asian order. First, they have a massive economic presence in East Asia, which, especially in light of the transatlantic alliance with the US, a true Pacific power, undergirds the norms of the current international/regional regime. Second, Europe actively maintains the international/regional system in terms of international law in a range of areas: non-

/counter-proliferation, human rights, counter-terrorism, territorial/maritime dispute resolution, sanctions against NK, etc. Both of these sets of actions contribute indirectly to SK's national security by promoting a stable regional system.

Beyond that, the EU and its member states play an understated but meaningful role in countering Pyongyang's weapons programs and other malfeasance, often in consultation with the international community and SK counterparts. Mostly visibly, perhaps, the EU vigorously enforces both standard international and enhanced voluntary sanctions against NK as a part of the effort—led by SK, Japan, and the US—to curb that country's WMD (especially nuclear) and missile development. In February 2017 the EU imposed new sanctions—implementing a November 2016 UNSC resolution—for Pyongyang's nuclear and ballistic missile tests.<sup>5</sup> These sanctions cover trade in coal, iron and iron ore, and imports from NK of copper, nickel, silver, and zinc. New sales of helicopters and ships were banned under the new sanctions, tighter controls on the finance and transport sectors were introduced, and educational, training, and scientific exchanges were prohibited if they could benefit NK's nuclear and/or ballistic missile programs. NK's use of real estate property on EU territory was also restricted, as was the right of NK diplomats to have more than one bank account in the EU.<sup>6</sup> More recently, in April 2017, the EU expanded the sanctions regime again, prohibiting European companies from investing in any NK industry connected with conventional armaments, including metallurgy, aviation, information technology, chemicals, mining, and refining. The same measure increased to 41 and 11 respectively the number of sanctioned individuals (with travel bans and asset freezes) and institutions with connections to NK's nuclear and missile programs.

Such measures by the EU not only contribute to SK's security—and are often calibrated and executed in coordination with Seoul—but also are important to the interests of the EU and its member states. NK is a known proliferator of WMD (including nuclear technology) to states in the Middle East. For example, it has been recently revealed that NK attempted to sell lithium-6—a material for increasing nuclear explosive yield—to unknown, black-market buyers in 2016.<sup>7</sup> Even more notoriously, Pyongyang almost certainly ordered the assassination by VX of Kim Jong Nam in the Kuala Lumpur airport in early 2017. While not proliferation in the typical sense, a side-effect of the assassination was that it served as a message to the international community that Pyongyang is willing to employ chemical weapons to achieve its objectives. As a proliferator of WMD to the Middle East, a volatile region with both governments and terrorist organizations hostile to the EU and its member states, NK's WMD and missile programs represent a threat to European security.

The EU (with Japan) has co-sponsored UN resolutions targeting NK's human rights abuses, while Poland (although not Malta) has stopped accepting North Korean visa applications for seconded laborers (whose hard currency earnings go to pay for Pyongyang's nuclear and missile programs). As of July 2015 the European Commission has also designated (for asset freeze and operation suspension) the North Korean insurance company KNIC (Korea National Insurance Corporation) as an entity violating Council Regulation (EC) 329/2007. This insurance company, linked to Pyongyang's Office 39, was responsible for committing insurance/re-insurance fraud as a way of earning hundreds of millions of dollars in hard currency that was sent directly into NK's funds for its nuclear and missile/rocket programs. Germany closed a KNIC branch in 2015, freezing the assets of four Hamburg-based managers, while the UK did the same thing in October 2016 for the KNIC's London headquarters.<sup>8</sup>

Lastly, the UK and France both store/reprocess and transport (to the US) for reprocessing used plutonium from SK and Japanese civilian nuclear reactors. This task reduces these countries' available nuclear fuel (were they to “go nuclear” in response to the NK nuclear threat). As importantly, these actions are an essential part of the nuclear cooperation agreements that undergird the NPT.

### **EU-SK SECURITY RELATIONS: PATHS AHEAD**

The EU and its member states have extensive, meaningful, ongoing security relations with SK, and certainly contribute to security in East Asia more broadly. In fact they are strong on international rule of law issues and general support for the regimes and institutions that have buttressed the peace and prosperity of SK and East Asia in the post-WWII/post-Cold War period. Currently the mantra emanating from the EU's External Action Service is that the more Asian countries support the EU's security challenges, the more the EU is likely to reciprocate. One imagines Seoul feels likewise. Going forward, however, many of the challenges facing Europe and SK, as outlined above, will, absent pollyannish visions of dramatic improvement, diminish both side's overall power, in turn diminishing the force they can bring to bear in responding to each other's security concerns in the face of non-state/non-conventional threats and/or potential destabilizing state revisionism (e.g., by NK, China, or Russia).

In this regard, SK's biggest short/medium term difficulty is NK. Pyongyang's capabilities and threatening posture make it difficult for Seoul to look far afield in applying scarce assets to crisis management. That said, President Moon is a reformer, and some of his plans may open opportunities for greater EU-SK security cooperation. In the long term, SK's biggest challenge is actually domestic, as politico-economic corruption and recent scandals have

exposed serious, intractable shortcomings in SK's leading institutions. Moreover, the country is facing a demographic crunch and the imperative of adapting to new forms of creativity-driven globalization that are not amenable to SK's economic strengths (the optimization of industrial production processes invented elsewhere).

For Europe, the big obstacle to greater contribution to East Asian security and order, including in partnership with SK, is Europe's relationship to China. The EU and its member states have been reluctant to use economic firepower vis-à-vis China to pressure Beijing to refrain from destabilizing actions in East Asia (particularly in the South and East China Seas), or to persuade it to adopt a harder line vis-à-vis NK. Indeed European leaders' visits to China are judged primarily by the business deals signed in front of cameras broadcasting the good economic news back to beleaguered industries in Europe. Europe's weakened condition going forward will incentivize it to play an even meeker role vis-à-vis China's revisionism. This point is really just an instance of a larger issue: Europe has the economic, diplomatic, and soft power to intervene selectively (and in concert with the US, the international community, and the EU's strategic partners such as SK, Japan, China, and India) in East Asian security issues, but political will is absent.

Were that fact to change, there are opportunities for Europe to contribute to security and order in East Asia in general and SK in particular. Transatlantic security cooperation in Asia would top the list. The US and Europe would be well advised to link Atlantic and Pacific security networks and create patterns of cooperation between, for example, NATO and countries such as SK, Japan, and Australia (this would involve diplomatic handholding with China, which makes it unlikely). There is also opportunity (and necessity) for establishing better space and cybersecurity cooperation between Europe and East Asian countries, especially SK. Finally, to select one area among several, the EU could contribute to the slowing of the NK nuclear program by sanctioning banks and financial institutions that have any role in linking NK's foreign exchange activities to the country's nuclear and missile/rocket programs (so-called secondary financial sanctions). If this were done in concert with the US, it would be a major hit to the regime. China would be unhappy, but that would be precisely because the impact would be real.

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## Endnotes

- <sup>1</sup> The Diplomat (2016) “The EU’s Own Pivot to Asia: An Interview with Fraser Cameron,” The Diplomat (9/12/2016). At: <http://thediplomat.com/2016/12/the-eus-own-pivot-to-asia/>; Beesley, A. and McClean, P. (2017) “Europe explores Asia pivot to fend off protectionism,” The Financial Times (14/2/2017). At: <https://www.ft.com/content/52a46184-ed5c-11e6-930f-061b01e23655>
- <sup>2</sup> See, for instance, the failed attempt by EADS to sell Eurofighters to SK in 2013.
- <sup>3</sup> Terminal High Altitude Area Defence.
- <sup>4</sup> European Union (2016) Press release: Third annual European Union-Republic of Korea Cyber Dialogue held today in Brussels (16/12/2016). At: [https://eeas.europa.eu/headquarters/headquarters-homepage/4979\\_fr](https://eeas.europa.eu/headquarters/headquarters-homepage/4979_fr)
- <sup>5</sup> European Union (2017) Press release: North Korea: EU expands sanctions against the Democratic People’s Republic of Korea (DPRK) in line with UN Security Council resolution (27/2/2017). At: <http://www.consilium.europa.eu/en/press/press-releases/2017/02/27-north-korea-sanctions/>
- <sup>6</sup> Ibid. One way NK earns foreign exchange abroad, which can be funneled into nuclear and missile programs, is by renting out Embassy premises (in violation of UNSC resolution 2321), as for instance the NK Embassy in Berlin did by turning an Embassy-owned building into a hostel. See: Chitao Li. 2017. “Is Berlin violating UN sanctions on North Korea?,” Die Welt (6/4/2017). At: <http://www.dw.com/en/is-berlin-violating-un-sanctions-on-north-korea/a-38321591>
- <sup>7</sup> Garcia, C. (2017) “U.N. report: North Korea attempted to sell nuclear material online,” The Week (8/3/2017). At: <http://theweek.com/speedreads/684893/un-report-north-korea-attempted-sell-nuclear-material-online>
- <sup>8</sup> Booth, R. (2017) “UK freezes assets of North Korean company based in south London,” The Guardian (23/4/2017). At: [https://www.theguardian.com/uk-news/2017/apr/23/uk-freezes-assets-of-north-korean-company-in-south-london-insurance-nuclear-weapons?\\_s=%5Bsubscriber.token%5D&\\_s=ifhxobezsfhvv8jcw2f](https://www.theguardian.com/uk-news/2017/apr/23/uk-freezes-assets-of-north-korean-company-in-south-london-insurance-nuclear-weapons?_s=%5Bsubscriber.token%5D&_s=ifhxobezsfhvv8jcw2f)