

Tentative Institutionalism?: EU's foreign policy towards the Korean Peninsula¹

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Abstract

This paper will address the relation of the change of power position and the EU's external policy. In this sense, I firstly discuss respectively given power concepts to which IR literatures have referred. Secondly then, I develop theoretically relation between power and foreign policy under existing IR literature context. Finally as an empirical case, I seek in the EU's foreign policy towards the Korean Peninsula including North Korea to understand how diplomacy strategy has been affected by power concepts. As a result the exploitation type of the EU's capabilities approaching as external policy is distinguished from tools of other power states, for example, US. The EU is extending its influence to Korean Peninsula through economic partnership, humanitarian aids and regular political meetings, so called "soft power" and institutionalized cooperation rather than such as military coercion.

1. Introduction

¹ The first version of this paper was presented to 2006 1st ECPR Graduate Conference in Essex.

The EU, as far as its influence and security interests on the Korean Peninsula are concerned, has not been considered to be a major player and hardly gets stated at all. For a long time, the EU maintained merely 'Quiet diplomacy' until the Korean Peninsula Nuclear crisis. However, the EU is currently seeking to concentrate on the Korean Peninsula policies especially North Korea in terms of institutionalism including participation in KEDO. This change of the EU's policy can be assumed that due to its power position's change because of the EU's enlargement and increasing its available capabilities in the international system. It is noted that the change of EU's foreign policy² depends obviously on international institutions such as KEDO in the Korean Peninsula. In this assumption, I argue that the change of the EU's foreign policy based on the change of its power positions in the international system, and its foreign policy tool is approached through international institutions especially towards the Korean Peninsula. In order to demonstrate it, above all I will examine the concepts of power, and then show what the EU's external policy towards Korean Peninsula is. And finally I will conclude whether it is possible to apply perspective of institutionalism between the EU and Korean Peninsula in globalisation era.

2. 'Power' in the International Relations

According to realists including neorealists, the key to understanding international relations is the concept of interest defined in terms of power. They also draw attention to the reality of conflict in international relations, and the lessons to be learnt from its cyclical and recurrent patterns. Realists stressed the positive functions of those features of international diplomacy normally associated with 'power politics' as key words - state sovereignty, anarchical society and the balance of power.³ Furthermore, the term of 'capabilities' and 'resource' are also important factors as much as that of power to analyzing international politics. However, capabilities and resources must be distinguished from the concepts of power in terms of causality with them when especially explaining the foreign policy.

Power

A classical realist, E. H. Carr defines, that "politics are, then, in one sense always power politics"⁴ and

² In theory, it seems that scholars prefer to the term of 'foreign policy' because 'units' in international system from traditional viewpoint are all 'sovereign state'. But the EU's identity is still ambiguous between intergovernmental actor and supranational one. Accordingly, the term of 'foreign policy' and 'external policy' are used interchangeably in this paper.

³ Scott Burchill, Scott Burchill and Others, "Realism and Neorealism", *Theories of International Relations* (2nd Edition), New York: Palgrave, 1996, pp. 79-83.

⁴ Edward Hallett Carr, *The Twenty Years' Crisis*, (Macmillan and Company, 1939), First Harper Torchbook edition published 1964, Reprinted in Perennial 2001, p. 102.

Morgenthau claims, "International politics is a struggle for power. Whatever the ultimate aims of international politics, power is always the immediate aim."⁵

As above mentioned, for realists, to understand international relations is to analyze the concept of national interest through the concept of power. They also draw attention to the reality of conflict between states, and the lessons to be learnt from its repeated and recurrent patterns. Thus realists stressed the positive functions of those features of international diplomacy normally associated with 'power politics'.⁶

In general, it seems that among scholars define the concept of power as influence or control that the one exerts over the others. Karl W. Deutsch defines, "Power, put simply and crudely, is the ability to prevail in conflict and to overcome obstacles."⁷ and Susan Strange, "Power is simply the ability of a person or group of persons so to affect outcomes that their preferences take precedence over the preferences of others. Power is to be gauged by influence over outcomes rather than mere possession of capabilities or control over institutions."⁸ Robert O. Keohane and Joseph S. Nye claim, that "Power can be thought of as the ability of an actor to get others to do something they otherwise would not do (and at an acceptable cost to the actor). Power can be conceived in terms of control over outcomes.... Initial power resources give an actor a potential ability."⁹

Here, it must be noted the differences of the concept 'soft power' and 'hard power'. Hard power is defined as the ability to induce others to change their position through military power and economic power, for example. Hard power can rest on inducements (carrots) or threats (sticks). For (neo) liberals, however, soft power is the concept in contrast to hard one of (neo) realism. Soft power lies in the ability to get desired outcomes because others want what you want. This ability rests on attraction rather than coercion on which hard power. Soft power depend mostly on the appeal of one's idea or culture or the ability to set the agenda through standards and institutions the form the preferences of others. And then it rests on the persuasiveness of the free information that an actor seeks to transmit. If a state can achieve its legitimate soft power, it may not have to expand expensive economic or

⁵ Hans J. Morgenthau and Kenneth W. Thompson, *Politics Among Nations –The Struggle for Power and Peace –* (6th Edition), (New York: Alfred A Knopf, 1985), p. 31.

⁶ Scott Burchill, 1996, pp. 79-83.

⁷ Karl W. Deutsch, "On the Concepts of Politics and Power", in *International Politics and Foreign Policy*, James N. Rosenau (ed), New York: The Free Press, 1969. p.257.

⁸ On the other side, Politics is defined to include all activities by which others are persuaded or coerced to collaborate in the achievement of aims designated and desired by another. Susan Strange, *The Retreat of the State – The Diffusion of Power in the World Economy -*, Cambridge: Cambridge Univ. Press, pp.16-30, 53.

⁹ Robert O. Keohane and Joseph S. Nye, *Power and Interdependence* (Third Edition), Addison Wesley, 2001, p. 10, 220; Joseph S. Nye, *The Paradox of American Power*, Oxford: Oxford Univ. Press, 2002. p.4

military resource. Joseph Nye asserts for example although the U.S. represent nearly half of world's military expenditure, when the U.S. policies appear legitimate in the eyes of others, American soft power is enhanced.¹⁰

Capabilities

Neorealist, Waltz describes capabilities of states as a structural dimension. He understands that structure of a hierarchic is defined in the terms of 'distribution of capabilities system'¹¹ and that the units of an anarchic system are functionally undifferentiated. He asserts also that the units of such an order are distinguished primarily by their greater or lesser capabilities for performing similar tasks. When from his viewpoint, the structure of a system changes with changes in the distribution of capabilities across the system's units. And changes in structure change expectations about how the units of the system will behave and about the outcomes their interaction will produce. He maintains also "The ranking of capabilities rests on how they score on all of size of population, territory, resource endowment, economic capability, military strength, political stability and competence."¹²

One the one hand, David Baldwin interchanges the term of power and that of capabilities, because the capabilities are regarded as highly fungible to be power resources.¹³ He claims that any statement about a state's capabilities is based on a prediction about which other actors can be affects in which way. This suggestion has a meaning in common with Waltz's "states spend a lot of time estimating on another's capabilities, especially their abilities to do harm."¹⁴ In this sense, Morgenthau asserts that nine resource factors (they will be referred to below 'resources') are combined to form national power.

One the other hand, (neo)liberals agree basically with the viewpoint of realists. They insist that hegemony above all is defined as "a situation in which one state is powerful enough to maintain the essential rules governing interstate relations, and willing to do so." Thus for (neo)liberals describes matter of capabilities as hegemony stability condition. According to Keohane, hegemonic power has the capacity – four resources sets - to control over raw materials, sources of capital, markets, and have competitive advantages in the production of highly valued good. Furthermore he claims that hegemony candidates need a state decision to exercise leadership as well as four resource sets previously. That is to say, capabilities of hegemony include four resource sets and also leadership to

¹⁰ Joseph S. Nye, *The Paradox of American Power*, Oxford: Oxford Univ. Press, 2002. pp. 8-12; Joseph S. Nye, "U.S. Power and Strategy After Iraq", *Foreign Affairs*, Vol. 82, No. 4, July /August 2003, p.66.

¹¹ Thus he seems to regard 'capabilities' and 'power' as same meaning.

¹² Kenneth N. Waltz, *Theory of International Politics*, New York: McGraw-Hill 1979, p.97, 131.

¹³ David A. Baldwin, "Neoliberalism, Neorealism, and World Politics", *Neorealism and Neoliberalism – The Contemporary Debate* – New York; Columbia Univ. press, 1993, p.20.

¹⁴ Kenneth N. Waltz, *Theory of International Politics*, New York: McGraw-Hill 1979, p.131.

activate the posited relationship between power capabilities and outcomes. However, it is also stressed that he does not agree the logic of hegemony stability system. For him, more important argument is “cooperation does not necessarily require the existence of a hegemonic leader after international regimes have been established.”¹⁵

Resources

Realist, Morgenthau describes resources (or elements) in national power as nine factors - geographic condition, natural resources, industrial capacity, military preparedness, population, national charter, national morale, quality of diplomacy, and quality of government.¹⁶ Waltz describes that states in hierarchy international system rely on seven factors the items of population size, territory, resource endowment, economic capability, military strength, political stability and its competence.¹⁷

Baldwin's study focuses on whether power resources as defined capabilities can be used from one issue areas to other issue areas. He acknowledges that both neorealism and neoliberals assume that the power resources are highly fungible, and asserts that the longer time, in politics as economics, the more useful a high fungibility assumption. He suggests TIT-for-TAT strategy as an example.¹⁸

Joseph S. Nye says that power is often associated with possession of certain resources. It is defined as possession of relatively large amounts of such six elements as population, territory, natural resource, economic strength, military force, and political stability. Today, however, he claims that military force and conquest are moving away from power foundation. And then he says “economic power *has* become more important than in the past”, because military force has relatively decreased while economic significance has increased in post industrial societies.¹⁹ For (neo)liberals, therefore, soft power as political resource is distinguished from (neo)realism's resources arrangement.

¹⁵ Robert O. Keohane, *After Hegemony*, Princeton and Oxford; Princeton Univ. Press, 2005, p. 32, 34, 35; Critical discussion on the term of 'hegemony' and the concept of 'hegemonic stability', Mario Telò, *Europe: A Civilian Power? – European Union, Global Governance, World Order-*, Palgrave, 2006, pp. 18-24. Telò describes that today the U.S. presents a mixture of power and uncertainty, arrogance and doubt, cohesion and internal fragility, unilateralism and multilateralism although it has been fortified dominant military economic power. He, therefore, claims that current the US 'hegemony' is conceptually more correct to speak of US 'supremacy' in economic and military in international system.

¹⁶ Hans J. Morgenthau and Kenneth W. Thompson, *Politics Among Nations –The Struggle for Power and Peace –* (6th Edition), (New York: Alfred A Knopf, 1985), Chapter 9, pp.127-169.

¹⁷ Kenneth N. Waltz, *Theory of International Politics*, New York: McGraw-Hill 1979, p.131.

¹⁸ David A. Baldwin, “Neorealism, Neoliberalism, and World Politics”, in David A. Baldwin (ed.) *Neorealism and Neoliberalism – The Contemporary Debate-*, New York; Columbia Univ. Press, p. 20.

¹⁹ Joseph S. Nye, *The Paradox of American Power*, Oxford: Oxford Univ. Press, 2002. p. 4-8.

3. Relationship between power and foreign policy

Jürgen Schuster and Herbert Maier assert, that “though it is disputed to what extent international relations theories (especially neorealism) can be used as or translated into theories of foreign policy, all approaches stress specific factors that can be used to analyze and forecast foreign policy.” Therefore, they add also that it is common for international relations scholars to use to analyze foreign policy with their international relations theories.²⁰

Theory of classical realism is composed of ascertaining facts and giving them meaning through reason. Thus realists assume that the character of a foreign policy can be ascertained only through the examination of the political behaviours performed and of the foreseeable consequences of the behaviours. Yet Morgenthau acknowledges that examination of the facts is insufficient for explaining state’s behaviour. To give meaning to the factual raw material of foreign policy, therefore, observers must approach political reality with a kind of rational outline, a map that suggests to them the possible meanings of foreign policy. That is to say, “observers put themselves in the position of a statesman who must meet a certain problem of foreign policy under certain circumstances, and observers ask themselves what the rational alternatives are from which a statesman may choose who must meet this problem under these circumstances (presuming always that he acts in a rational manner), and which of these rational alternatives this particular statesman, acting under these circumstances, is likely to choose.” Morgenthau believes also there is a ‘tangible reality’ or ‘essential rationality’ of foreign policy which theories can reveal. And another important thing is about the motives of one state’ behaviour. According to him, to search for the clue to foreign policy exclusively in the motives of statesmen depends on both futile and deceptive. And to decide foreign policy, “the motives of the statesmen are certainly superior in moral and political quality”. Then the motives of statesmen distinguish between their ‘official duty’ (national interest) and their ‘personal wish’ (moral value, political principle realized). It requires a sharp distinction between the desirable and the possible. That is to say, “political realism focus on pursuing the concept of interest defined in terms of power” instead of ideals, moral principles. Thus it is possible as a kind of prediction tool because realism assumes that a theory of foreign follows rational, objective and unemotional a course.²¹ This means that the idea of interest defined in terms of power reveals the true behaviour of politicians and guards us against two popular misconceptions about the determination of a state’s foreign policy – the motives of statesmen and ideological preferences. Thus there is no room for moral or ethical concerns, prejudice, political philosophy or individual preference in the determination of foreign policy because actions are constrained by the

²⁰ Jürgen Schuster and Herbert Maier, “The Rift: Explaining Europe’s Divergent Iraq Policies in the Run-Up of the American-Led War on Iraq”, *Foreign Policy Analysis*, vol.2, Issue 3, July 2006, p.224.

²¹ Hans J. Morgenthau and Kenneth W. Thompson, *Politics Among Nations –The Struggle for Power and Peace –* (6th Edition), (New York: Alfred A Knopf, 1985), pp.4-7.

relative power of the state.²²

From causality viewpoint, realism can extend its explanatory ability – as conceptualization of anarchy, interest, rationality, and sovereign state - to states' behaviours (foreign policy) in international system because realism emphasizes prediction and causation based on scientific evidences with rational choice and unemotional motives.

On the one hand, for some scholars - Elman, Walt, Rittberger, Palmer and Morgan -, Neorealism can also be developed as theory of foreign policy, in contrast to Waltz viewpoint.²³ Neorealism holds that the interactions of states can be explained by the distribution of power in the international system. Therefore, to formulate theory of foreign policy behaviour in stance of neorealism, the systematic variable 'international distribution of power' has to be transformed into the positional variable 'relative power position' of a certain state. Above all, however, it has to be shown how the relative power position of a state determines its foreign policy behaviour. For this purpose, the fundamental assumption of a specific actor disposition must be explicated. A state's foreign policy behaviour as postulated by neorealism depends on its power position in the international system, which is thus the independent variable. A state's power position is the function of its share in certain resources available in the international system and the number of poles in the system.

A fundamental goal of neorealism and classical realism has shared a common assumption that a foreign policy is usually directed at assuring the security of the state. As foreign policy concern, therefore, this is to protect the territorial integrity of the state against encroachment from other, potentially aggressive states mainly in terms of military term. One of the problem with this concept, however, is that cannot explain the source, domestic variables, of states' assumed motivation when one explains the state behaviour.

Neoliberalism, in contrast to neorealism, does not regard states as unitary actors with a 'national interest' that can be derived from the international condition of anarchy and the distribution of power between states. Neoliberalism believes that states are concerned first and foremost with 'absolute gains', rather than 'relative gains' to other states. Since their approach tends to emphasize the

²² Scott Burchill, Scott Burchill and Others, "Realism and Neorealism", *Theories of International Relations* (2nd Edition), New York: Palgrave, 1996, pp. 78-79.

²³ Colin Elman, "Neorealism and Foreign-Policy Theory – Why Not Neorealist Theories of foreign Policy?-", *Security Studies*, Vol. 6, No. 1, Autumn 1996; Rainer Bauman, Volker Rittberger, and Wolfgang Wagner, "Neorealist foreign policy theory", in Volker Rittberger(ed.), *German Foreign Policy since Unification*, (Manchester and New York: Manchester Univ. Press, 2001); Glenn Palmer and T. Clifton Morgan, *A Theory of Foreign Policy*, (New Jersey: Princeton Univ. Press 2006). On the contrary, Waltz's assertion of "Neorealism is not foreign policy" is, Kenneth N. Waltz, *Theory of International Politics*, pp. 121-122.

possibility of mutual wins or cooperation through international regimes (principles, norms, rules, and decision-making procedures around which actors' expectations converge in a given issue-area) and institutions, they are interested in institutionalism which can arrange jointly profitable cooperation and compromises. Thus they often employ a game theory to explain why states do or do not cooperate.²⁴

Neoliberalism is generally thought to be of limited utility in the security realm, because fear of cheating is considered a much greater obstacle to cooperation.²⁵ However, Tit-for-Tat (equivalent retaliation) strategy, which one of the game theories, is the strategy of starting with cooperation, and thereafter doing what the other player did on the previous action. This means that an actor using this strategy will initially cooperate, then respond in kind to an opponent's previous action and lead to overcome opponent's cheating. If the opponent previously was cooperative, the agent is cooperative. In brief, Axelrod describes this as, "The future can therefore cast a shadow back upon the present and thereby affect the current strategic situation."²⁶ A foreign policy of neoliberalism, therefore, is quite connected with terms - regime, cooperation, institutions and game theory -.

Another central thought of neoliberalism is that there are multiple channels that connect societies exceeding the conventional international relations system among sovereign states. This shows itself in many forms ranging from informal governmental ties to multinational enterprises and organizations.

²⁴ See, Robert O. Keohane, "Reciprocity in International Relations", *International Organization*, Vol. 40, Issue 1 (Winter 1986), pp.1-27., Andrew Moravcsik, "Taking Preferences Seriously: A Liberal Theory of International Politics", *International Organization*, Vol. 51, Issue 4 (Autumn 1997), pp.513-553.

According to Baldwin, the term of 'Liberalism' is often distinguished by scholars, for instance, 'commercial liberalism'(related to free trade)', 'republican liberalism (related to democracy with peace)', 'sociological liberalism (transnational interaction with international integration)', 'liberal institutionalism(neoliberalism)'. David A. Baldwin, "Neorealism, Neoliberalism and World politics", in David A. Baldwin (ed.) *Neorealism and Neoliberalism – The Contemporary Debate*-, New York; Columbia Univ. Press, p. 4.

These terms, however, have a characteristic common that term with "liberalism" explains states' foreign policy behaviour mainly on the basis of 'domestic factors'. For example, recent analysis that related to individualism and private actors, Corinna Freund and Volker Rittberger, "Utilitarian-liberal foreign policy theory", in Volker Rittberger (ed.), *German Foreign Policy since Unification*, (Manchester and New York: Manchester Univ. Press, 2001), pp. 68, that related to democratic peace theory, Steve Chan and William Safran, "Public Opinion as a Constraint against War: Democracies' Responses to Operation Iraq Freedom", *Foreign Policy Analysis*, Vol. 2, Issue 2, April 2006, pp.137-156, and that Jürgen Schuster and Herbert Maier, "The Rift: Explaining Europe's Divergent Iraq Policies in the Run-Up of the American-Led War on Iraq", *Foreign Policy Analysis*, vol.2, Issue 3, July 2006, p.223-244.

²⁵ John J. Mearsheimer, "The False Promise of International Institutions", *International Security*, Vol. 19, Issue 3, Winter 1994-1995, pp. 18-19.

²⁶ Robert Axelrod, *The Evolution of Cooperation*, Basic Books, 1984, p.VIII, pp.3-24.

Here they define that interstate relations are those channels assumed by realists, trans-governmental relations occur when one relaxes the realist assumption that states act coherently as units and transnational applies when one exclude the assumption that states act coherently. It is through these channels that political exchange occurs, not through the limited interstate channels by realists. This means that private sectors – e.g. enterprises, NGOs, an active interchange of people -, are gradually significant beyond conventional concepts as a foreign policy. Therefore, Keohane and Nye deny that there is a hierarchy among issues in international relations. This means that the military issues of foreign policy is not the most important tool by which to carry out a states agenda, but there are a multitude of different agendas that come to the fore. In other words, distinguishing the relations between domestic and foreign policy is meaningless, there is no clear agenda only for interstate relations. Moreover, the use of military force is not exercised when complex interdependence is prevailing. Because the common idea is developed that between states in which a complex interdependence is given, the role of the military in resolving the dispute is negate.²⁷

4. A foreign policy and geographic distance

In the perspective of (neo) realists, they believe that policies and decisions on action that each state arrives at are shaped by the presence of other states as well as by interactions with them. That is to say, states that are nearby pose a greater threat than those that are far away because the ability to project power decline with distance.²⁸ From the viewpoint of the power position it still makes a great important, although the geographic factor is certainly much less important today than it was in the past. Walt claims, mentioning the Middle East from 1955 to 1979, "... in the Middle East tend to balance against threat from other regional power. Thus geographic proximity is an important factor in determining which threats will prompt states to seek allies."²⁹ Buzan and Waever insist, "Since most threat travel more easily over short distances than over long ones, security interdependence is normally patterned into regionally based clusters."³⁰ Morgenthau claims also, "What (geography) was important long years ago is still important present, and all those concerned with the conduct of foreign

²⁷ Robert O. Keohane and Joseph S. Nye, *Power and Interdependence* (3rd Edition), Addison Wesley, 2001, pp.20-32.

²⁸ Kenneth W. Waltz, *Theory of International Politics*, p. 65.

²⁹ Stephen M. Walt, *The Origins of Alliances*, (Ithaca: Cornell Univ. Press, 1987), pp.23-24, 153. Walt claims from the foreign policy viewpoint for alliance, "As with aggregate power, proximate threats can lead to balancing or bandwagoning. When proximate threats trigger a balancing response, alliance networks that resemble checkerboards are the likely result.... Alternately, when a threat from a proximate power leads to bandwagoning, the familiar phenomenon of a sphere of influence is created."

³⁰ Barry Buzan and Ole Waever, *Regions and Powers – The structure of international Security-*, Cambridge: Cambridge Univ. Press, 2003. p. 4.

affairs have to take it into account.”³¹

For (neo)liberals, however, geographic distance is no more crucial point than in the past but also is no more restricted condition in international relations. Distance is a continuous variable ranging from proximity to opposite sides of the globes. Rather long distance is increasingly overshadowed by globalization which refers to the shrinkage of distance, but on a large scale. In this sense, ‘globalism’ is a very important concept to cut down the political, economic and cultural distance. Globalism as a state of affairs has been defined as “a state of the world involving networks of interdependence at multicontinental distance, linked through flows of capital and goods, information and idea, people and force, as well as environmentally and biologically relevant substances.” Therefore, if globalization implies that the shrinking of distance, those distance have shrunk at different rates for different sets of people and in different issue-area.³² Naturally, globalism alters state’s traditional foreign policy into being free from geographic variable and encourages states to devise new conceptualization of power in international relation. Thus, Joseph S. Nye claims that calling ‘soft power’ is important as a new power concept. He describes “Soft power rests on the ability to set the political agenda in a way that shapes the preferences of other and is not only the same as influence, though it is one source of influence. Usually, soft power works by convincing others to follow or getting them to agree to norms and institutions that produce the desired behaviour.” Therefore soft power relies on standards and institutions, and it depends largely on the persuasiveness of the free information that an actor seeks to transmit beyond geographic distance.³³

5. EU’s foreign policy towards the Korean Peninsula

EU’s Power Development

In order to the development of the EU’s power position for the past 50 years, we must examine those power resorces which neorealism regard as decesive, complaring them with those othetr world power – US, Russia, China, Japan-. However, attention should be devoted not to the absolute magintude but the EU’s increasing rate in international system.

³¹ Hans J. Morgenthau and Kenneth W. Thompson, *Politics Among Nations – The Struggle for Power and Peace* – (6th Edition), (New York: Alfred A Knopf, 1985), p. 128.

³² Robert O. Keohane and Joseph S. Nye, *Power and Interdependence* (3rd Edition), Addison Wesley, 2001, pp.247-248, Robert O. Keohane, "The Globalization of Informal Violence, Theories of World Politics, and the ‘Liberalism Fear’ ", *International Organization*, Spring 2002, p.31., Robert O. Keohane and Joseph S. Nye, *Power and Interdependence* (Third Edition), p. 229.

³³ Robert O. Keohane and Joseph S. Nye, *Power and Interdependence* (Third Edition), p. 220., Joseph S. Nye, *The Paradox of American Power*, Oxford: Oxford Univ. Press, 2002. p. 8-12.

Now, the EU is the largest trading block in the world. With 7% of the global population, the EU accounts for 19.4% of global trade in goods, and 24.7% of global trade in services. The EU's received one fifth of global foreign direct investment inflows. 45.2% of global FDI outflows originated in the EU (data for 2002/2003). The latest EU enlargement has created a vast market of 455 million consumers standing for one quarter of global GDP. One single set of trade rules, a single tariff, a single set of administrative procedures apply across the enlarged Union of 25 Member States.

Concerning especially, population and territorial size of the EU have greatly developed through its enlargement process. GDP development of the EU has arrived at 16 times comparing with the US - 8.4, Russia – 0.8, China 6.5 but Japan has 24 times from the period of 1950-2005. However, military expenditure of the EU, like US has been just a little increased comparing with Russia's sharply falling from 1988-2004 because of the end of Cold War, but China's rising steeply.

More important factor is foreign aids indicator. Humanitarian and foreign aids of the EU are 2.1 times those of US in 1973, the trend of the former figures have been steadily continued in 2004 although the rate is a little diminished 1.6 times of the latter.

During the 50 years, therefore the EU's power position has been relatively improved through as power resources when comparing with other power states although the capabilities of EU's can not yet surpass those of US.

Table 1 Population trend by states

	1958	1973	1981	1986	1995	2004
EU/EC	188,437,060	273,420,973	288,192,371	338,661,004	372,677,482	456,239,935
China	646,703,076	883,019,765	997,000,718	1,074,522,563	1,215,787,464	1,298,847,624
US	174,882,000	211,909,000	229,966,237	240,650,755	266,557,091	293,027,571
Russia	116,259,155	132,556,176	139,899,972	144,966,550	148,495,015	143,974,059
Japan	92,388,772	108,706,797	117,648,092	121,491,913	125,341,354	127,333,002

* EU Member States Enlargement: 1958 (6), 1973(9), 1981(10), 1986(12), 1995 (15), 2004 (25)

Source: U.S. Census Bureau, International Data Base

Table 2 States Area (km²)

* German reunification in 1990 led to the inclusion of the territory of the former German Democratic Republic. This enlargement is not explicitly mentioned. Data for Germany in all tables is from current statistics.

* 1995 figure of USSR is before collapse.

Source: "World in Figures" (2005 edition) by *The Economist*.

Table 3 States by past GDP (PPP) (Million USD)

	1950	1973	1998	2005
EC/EU	758,635(1)	3,251,713(2)	8,889,350(3)	12,427,413(4)
U.S.	1,455,916	3,536,622	8,720,200	12,277,583
USSR/Russia	510,243	1,513,070	270,953	433,491(5)
Japan	160,966	1,242,932	3,946,205	3,910,728
China	239, 903	740, 048	1,158,126(6)	1,575,213 (7)

(1) Total of Germany, France, Italy, Netherlands, Belgium

(2) Total of Germany, France, Italy, Netherlands, Belgium, UK, Denmark (excluding Luxembourg, Ireland)

(3) EU-15 States

(4) EU-25 States

(5) 2003 year

(6) 1993 year

	1958	1973	1981	1986	1995 *	2004
EC/EU	1,407,869	1,766,056 (+25.44%)	1,898,001 (+7.47%)	2,495,174 (+31.46%)	3,367,154 (+34.95%)	4,104,844 (+21.91%)
U.S.	-	-	-	-	-	9,372,610
USSR /Russia	-	-	-	-	22, 402, 200	17,075,400
Japan	-	-	-	-	-	377,727
China	-	-	-	-	-	9,560,900

(7) 2003 year

Source: 1998 World Development Indicators database, World Bank, September 2004; IMF World Economic Outlook Database, April 2006; World and EU: Data as of 2005

Table 4 Military Expenditure (Mil US\$ in 2003 constant)

	1988	1995	2000	2004
Austria		2,002	2,083	1,992
Belgium	5,829	4,216	4,136	3,947
Cyprus				202
Czech Republic				1,741
Denmark	3,372	3,181	3,142	3,225
Estonia				181
Finland		1,850	1,954	2,075
France	49,654	46,089	43,796	47,177
Germany	48,697	37,852	36,021	33,980
Greece	5,751	5,450	7,410	7,712
Hungary				1,297
Ireland	572	786	941	1,010
Italy	26,235	22,432	29,690	30,341
Latvia				204
Lithuania				336
Luxembourg	126	135	168	245
Malta				36
Netherlands	9,923	8,102	8,037	8,676
Poland				4,391
Portugal	2,509	2,887	3,015	3,371
Slovakia				580
Slovenia				465
Spain	10,398	9,160	9,434	10,004
Sweden		5,514	5,875	4,993
UK	53,418	43,101	40,533	51,088
EU (Total)	216,484	192,757	196,235	229,269
US	455,956	336,635	322,309	452, 599
Russia	161,100	16,000	14,100	19,300
China	11,500*	14,000	22,200	37,700
Japan	35,397	38,532	41,755	42,395

* China = estimate 1989

Source: SIPRI

Table 5 Foreign Aids Trend by Countries 1973 – 2004, Amount (2004 Prices) in millions of USD

	1973	1981	1986	1995	2004
Austria	-	498.2259418	128.0986057	162.3176571	384.9314
Belgium	167.2785186	240.6384041	114.098984	456.7561754	1296.81696
Denmark	164.6017485	431.9421339	858.7389138	996.2332785	1666.67407
Finland	-	104.8552832	37.6221326	213.3398973	428.59141
France	2418.0507351	2357.5488533	2721.6137766	2614.1164866	6288.58465
Germany	2643.4520298	5113.4824041	3357.5096469	3844.5937778	5644.97518
Greece	-	-	-	-	305.0245
Ireland	-	-	-	-	409.71299
Italy	688.7040605	707.2800009	1892.0991881	1222.6919067	882.19124
Luxembourg	-	-	-	-	156.54222
Netherlands	679.3463131	1203.154918	1672.710082	2415.2367472	2808.48679
Portugal	-	-	-	112.364494	1029.89742
Spain	-	-	-	407.713045	1525.70328
Sweden	687.8390543	1091.2795064	1221.3080378	1234.4989639	2055.99274
United Kingdom	2560.1322342	873.5534518	1476.2626596	1859.1737813	5173.38671
EC	1983.412506	3842.4559459	474.7950048	4032.9507738	9098.77011
EC+MemberStates	11304.9781456 (1)	14770.0561120 (2)	12567.8282668 (3)	19571.9869846 (4)	39156.28167 (5)
United States	5257.3566655	7904.7927568	11191.540436	6353.8648303	23517.511
Japan	4527.8069503	7050.3697424	5409.7527225	11250.7570205	12262.22604

(1) – (3) EC, Belgium, Denmark, France, Germany, Italy, Netherlands, UK

(4) EC, Austria, Belgium, Denmark, Finland, France, Germany, Italy, Netherlands, Portugal, Spain, Sweden, UK

(5) EC, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, UK

Source: OECD Aid statistics.

CFSP (Common foreign and security policy)

The idea that a strong Europe should act as one on the world stage has encouraged member countries to work together to achieve a coherent approach to foreign policy. The first step was an unsuccessful attempt in the early 1950s to create a EDP(European Defence Community) among the six founding members of the European Union. Then came a process called 'European political cooperation', launched in 1970, which sought to coordinate the positions of member states on foreign policy issues of the day. EU countries produced joint statements whenever they could. But on particularly sensitive issues, it was not always possible to reach the required unanimous decision.

In the last 15 years, the EU has intensified efforts to play an international political and security role more in line with its economic status. The conflicts that erupted in Europe after the fall of the Berlin Wall in 1989 convinced EU leaders of the need for effective joint action. More recently, the fight against international terrorism has strengthened this conviction.

Since 1993, under the Maastricht Treaty, it has been developing a common foreign and security policy (CSFP) to enable it to take joint action when the interests of the Union as a whole are at stake. Defence is becoming an important aspect of the CFSP as the EU seeks to promote and maintain stability around the world. As it deals with terror, international crime, drug trafficking, illegal immigration and global issues like the environment, the Union also works closely with other countries and international organisations.

Moreover, the EU published 'A Secure Europe in a Better World' and pointed out "Europe faces new threats which are more diverse, less visible and less predictable", and enumerated "terrorism, proliferation of weapons of mass destruction, regional conflicts, state failure and organized crime."³⁴

Particularly as for the Korean Peninsula's crisis, the EU declared that EU-US would their joint effort in preventive diplomacy, attacking the root cause of crisis and conflict, and would facilitate the movement from relief to long-term development. And then, they announced that they would work together to reduce the risk of regional conflict over the Korean peninsula, Taiwan and the South China Sea

³⁴ Report on European Security Strategy, *A Secure Europe in a Better World*, Brussels, 12 December 2003.

including other crucial issues.³⁵ Therefore, recently the EU needs to make new strategy for crucial regions including the preventive diplomacy.

6. EU's Foreign Policy towards the Korean Peninsula

After 1990s

The EU (EC), as far as influence and interests on the Korean Peninsula are concerned, is not considered to be a major player and hardly gets mentioned. For a long time, therefore, the EU has been following an approach of 'quiet diplomacy' seeking to concentrate on the Korean Peninsula policies in particular North Korea.³⁶

As the EU's power position in the international system, however, is gradually increasing, the EU's role is also developing beyond the regional external policy. The EU's power as "Long distant power" – that is to say, no strategic interests - in the past, extends now to the East-Asia including the Korean Peninsula. Especially, under the Maastricht Treaty, the EU can have the ability for exploiting its capabilities that have accumulated for a long time.

The EU's institutional approach to North Korea is achieved through threefold – frequent contacts, KEDO contribution, and humanitarian aids-. This approach is based on the concept of 'soft power' beyond 'hard power' approach of US.

Frequent Contacts

With South Korea(Economic Trade)

In 2004, the volume of bilateral trade between the EU and South-Korea was 45 billion euro. South-Korea is the EU's fourth largest trade partner while in 2005 the EU was South-Korea's second largest exports destination. The EU is the largest foreign investor to South-Korea in terms of cumulative total since 1962.

'Framework Agreement on Trade and Co-operation' was made between them in 1996 is the most important achievement. Since the entering into force of the Framework Agreement bilateral trade and investment relations have flourished. Total trade increased to 46 bn € in 2004, nearly doubling in the

³⁵ *The EU's relations with the United States of America(Joint EU-US Action Plan)*

³⁶ Axel Berkofsky, "EU's Policy Towards the DPRK-Engagement or Standstill ?", *Briefing Paper of The European Institute for Asian Studies(EISA)*, Brussels, 2003. pp.3-4.

course of half a decade. Moreover, the EU for the first time became the second most important export market for Korea, after China exceeding the US. With a registered investment stock of 24,5bn€(March 2005) the EU remains the largest investor in South Korea representing 31% of foreign capital.

With North Korea(Frequent contacts)

North Korea is often known as the 'hermit kingdom' or 'isolated country' over the world. Thus it is important that the outside-world try to contact with him through various approaches in order to bring him to the international system. In this sense, the EU's role has been noted recently.

The EU is primarily among the largest donors assisting to both alleviate the humanitarian consequences of the economic crisis in the DPRK. After serious floods that focused the world's attention on this problem, the EU first intervened in 1995, and since then has provided total aid worth around €450 million.

After that, the contact of the EU-North Korea has continually developed. In May 2001, EU high level troika visit to Pyongyang and Seoul and establishment of diplomatic relations between the European community and the DPRK. The visit (2-4 May 2001) to Pyongyang and Seoul of Prime Minister Göran Persson, Commissioner Chris Patten and High Representative Javier Solana for talks with both Korean leaders should be seen in this context. The EU would like to encourage the search for a solution bringing lasting peace between the Republic of Korea and the DPRK. This mission was intended to support the momentum created by the Pyongyang Summit. During the visit to Pyongyang the EU received i.a.a firm commitment from Kim Jung Il to the inter-Korean Joint Declaration signed in Pyongyang at the June 2000 summit and assurances that a return visit to Seoul will be held. On economic and social development, Kim Jung Il declared that he wished to introduce new economic policies and stressed the importance to the economy of education and research and development. In March 2002, North Korea sent a group of senior officials to Europe to learn about EU economic policy models. Little has been achieved to date because of the decrease in cooperation due to the nuclear standoff.

In 2002, European Commission adopts Country Strategy Paper for the DPRK (until 2004), European Commission adopts the National Indicative Programme 2002-2004, EU/DPRK Troika Meeting in December 2003, in 2004 EU/DPRK Economic Workshop in Pyongyang in September and DPRK Vice Foreign Minister participates in seminar on Korea in Italy in October 2005.

Approach through international institutions

With South Korea (Regular meeting through international institutions)

Beyond geographical constraint of the past, the EU and South Korea have been joining efforts at

multinational level. The EU and South Korea co-operate closely in a number of multilateral frameworks apart from cooperation in the framework of the WTO, both parties also have a close relationship within the Asian Europe meeting (ASEM). The "Trans-Eurasia Information Network" launched in 2001 is one of the joint EU-Korea initiatives.

In particular, it is noted to close their relationship through ASEM including 1996 in Bangkok, 1998 in London, 2000 in Seoul and 2002 in Copenhagen summit. Moreover, political dialogue framework between the EU and South Korea is based on the Joint Political Declaration of 1997. The Declaration states that the objectives of political dialogue include underlining respect for human rights and democracy, enhancing consultations on international security matters and discussion of issues of particular interest in the European and Asia-Pacific region. The Declaration also set up a framework for dialogue that includes meetings between heads of government, an annual foreign ministers' meeting, briefings by senior officials and exchanges of delegations between the European Parliament and the Korean National Assembly. Recently, 'Hanoi summit' was held between the EU and South Korea in 2004, and '2005 EU-Korea Foreign Ministers' Meeting on sidelines of ARF Meeting was held in Laos.

With North Korea (Contribution to KEDO³⁷ and humanitarian aids)

The EU joined KEDO, as a member of the Executive Board alongside the three founding members, in 1997, recognising the global importance of maintaining regional security in north-east Asia and also of upholding the international nuclear non-proliferation regime. According to the terms of its Accession Agreement, the EU has provided a total of €118 million in funding for the organisation since 1996 – not counting the additional bilateral contributions of a number of EU Member States. On April 2001, the European Commission set out, in its "Communication on Conflict prevention", a new strategy for its effort in the field of conflict prevention. And then, one year on, the commission pointed out that EU has partnerships with regional organizations involved in peace-building are also developed with, for example, KEDO including OAU, AU and COMESA as a conflict prevention policy.³⁸

However, in 18 October 2002, the North Korean nuclear programme is a serious breach of the DPRK's international non-proliferation commitments. During the KEDO Executive Board Meeting of 14 November 2002, it was decided to suspend heavy fuel oil deliveries as from December 2002. The reactor project was suspended in November 2003 and is due to be terminated when conditions are agreed.³⁹

³⁷ The Korean Peninsula Energy Development Organisation (KEDO) was founded by the US, Japan and the South Korea in 1995.

³⁸ European Commission's Conflict Prevention & Civilian Crisis Management, *One year On: the Commission's Conflict Prevention Policy*. March 2002.

³⁹ July 2002, European Parliament announced "Report on the Commission Communication on Europe and Asia:

Regarding to humanitarian aids, the European Commission has adopted a €10.715 million humanitarian aid plan to support the health sector in North Korea. The aid is being provided through ECHO program, the Commission's humanitarian aid department, which comes under the responsibility of Commissioner Louis Michel. It will provide much-needed equipment and medicines, and help rehabilitate health centers, hospitals and special services. Since 1996, ECHO has contributed more than €92 million to support humanitarian work in the region.

Medical supplies will be provided for more than 8 million people in the South Hamgyong, North Pyongan, South Pyongan, Chagang, and Kaesong regions. A project to improve the health of elderly people will continue to be financed. Ante-natal care will be boosted with the rehabilitation of delivery facilities. UNICEF's national vaccination programme targeting 235,000 children under one year of age will also benefit.

North Korea does not produce sufficient pharmaceutical products to meet demand, and those that it does produce are of low quality. Despite international support, estimates suggest that not even half of the basic needs for essential medicines are covered. This decision will therefore help provide basic medical drugs for primary health care. Vulnerable groups such as elderly people and the handicapped will benefit from rehabilitation works in this sector.

A major component of this decision will be on child health, as children are one of the most vulnerable groups in North Korea. A recent nutritional survey carried out by the UN Children's Fund (UNICEF) and the World Food Programme, showed that a fifth of children under two had suffered from diarrhoea. The UNICEF/WFP assessment confirmed again that the health of children is strongly linked to the health of their mothers. The decision will therefore address the needs of pregnant women and lactating mothers.

The Commission, via the Food Aid and Food Security Programmes, has been providing significant food aid and rehabilitation assistance to vulnerable people in the DPRK since 1997. It has increasingly moved from regular food aid to structural food assistance and, in particular, the provision of inputs and technical assistance to enhance agricultural production. I

ECHO assistance to North Korea started in 1995, when serious flooding which affected 5.7 million people led the DPRK to appeal for the first time for international aid. The main objective of these humanitarian interventions has been to improve the beneficiaries' access to safe water and sanitation

A Strategic Framework for Enhanced Partnerships". In the text, the EU stressed that it has continued to contribute to peace and security issued in the region and support for the inter-Korean dialogue and in its contribution to KEDO, *Report on the Commission Communication on Europe and Asia: A Strategic Framework for Enhanced Partnerships*(COM(2001)469-C5-0255/2002-2002/2120(COS)), Committee on Foreign Affairs, Human Right, Common Security and Defence Policy, Rapporteur: Jules Maaten, 16 July 2002, Final A5-0270/2002, PE 309.700

and their personal hygiene, as well as to provide drugs and medicines to health institutions. The main direct beneficiaries have been children, adults with key needs, and health institutions. This assistance is also implemented through European NGOs.

6. Summary

After the EU has launched in 1958, its power position has been increasingly improved. In particular, economic, military capabilities as well as size of population and territorial size have been made a remarkable growth. Of course, the EU's external policy beyond constraint of geographic long distance in the past has been gradually extended.

Now, the EU is the largest trading block in the world. With 7% of the global population, the EU accounts for 19.4% of global trade in goods, and 24.7% of global trade in services. The EU's received one fifth of global foreign direct investment inflows. 45.2% of global FDI outflows originated in the EU(2002-2003). The latest EU enlargement has created a vast market of 455 million consumers standing for one quarter of global GDP. One single set of trade rules, a single tariff, a single set of administrative procedures apply across the enlarged Union of 25 Member States.

Therefore, the EU is trying to new external strategy through its increased power in perspective of neorealism. This is including the efforts toward the Korean Peninsula beyond regional limit. Since the Maastricht Treaty in 1993, it has been accelerating in the area of a common foreign and security policy to enable it to take joint action when the interests of the EU as a whole are at stake.

However, the exploitation type of the EU's capabilities approaching as external policy is distinguished from tools of other power states, such as US' carrot and stick or military tool. The EU is extending its influence to the Korean Peninsula including North Korea through economic partnership, humanitarian aids and political exchanges, so we called "soft power" and institutionalized cooperation rather than such as military coercion or individual suppressing.

A type of soft power need patient and long time because it depend mostly on the appeal of one's idea or culture or the ability to set the agenda. Moreover these are made through standards and institutions the form the preferences of others. Thus it needs to look at whether the EU's new policy is successful at the Korea Peninsula having enough time.