

Chapter 3

The Korean Peninsula— Balancing Relations with the United States and China

In a joint statement following the fourth round of the Six-party Talks, the participants, while agreeing that the denuclearization of the Korean Peninsula was the end goal, said that they would take steps necessary for the normalization of North Korea's relations with Japan and the United States, which requires North Korea to solve non-nuclear issues as well. The United States says that the development of weapons of mass destruction (WMD), including biological and chemical weapons, and the provocative disposition of conventional arms by North Korea are pending issues to be solved. The Japan-DPRK Pyongyang Declaration, a foundation for normalizing relations between Japan and North Korea, touches on the necessity of resolving missile issues in addition to the nuclear problems. Addressing the wide-ranging issues of security in dialogues about North Korea's problems would drastically change North Korea's international relations and could lead to the creation of a more stable order in East Asia. The key lies in the normalization of its relations with Japan and the United States.

President Roh Moo-hyun of South Korea put forward a concept called "the Balancer of Northeast Asia Initiative" (the Balancer Initiative). The National Security Council (NSC) of South Korea issued a document explaining the concept that South Korea could play a role in persuading the United States to pursue an accommodating policy toward China meaning that South Korea would act as a mediator between the United States and China. A factor that prompted Roh to propose the concept was the mounting fear that South Korea might become entrapped in the US policy toward China. Meanwhile, the Roh administration has been discussing the future of the US-Republic of Korea (ROK) alliance. The discussion covered the possibility of assigning a regional role in East Asia to the alliance, which has primarily focused on dealing with the threat of North Korea in the Korean Peninsula. Should this happen, South Korea would have to cooperate with the United States in deterring China, making it difficult for Seoul to play the role of a mediator envisaged in the Balancer Initiative. This in turn would make it hard for South Korea to promote a re-definition of the US-ROK alliance without this being inconsistent with being a regional balancer.

1. North Korea's Development of WMD and East Asia

(1) North Korea's WMD: A Threat Not Confined to Nuclear Weapons

The joint statement following the fourth round of the Six-party Talks issued on September 19, 2005, reaffirmed that the goal of the Six-party Talks was the verifiable denuclearization of the Korean Peninsula in a peaceful manner, and it also touched on other issues besides North Korea's nuclear development program. Although

Delegates of the participating countries in the fourth round of the Six-party Talks (July 26, 2005) (Kyodo Photo)

in the statement Japan and the United States promised to take steps to normalize their relations with Pyongyang, they did not make normalization conditional upon the resolution of the nuclear problem alone. The United States defined the development of all types of WMD by North Korea as a problem to be solved before normalization. The Japan-DPRK Pyongyang Declaration of 2002, the basis for normalizing relations between Tokyo and Pyongyang, points out the necessity of solving not just the nuclear problem but also the ballistic missile problem. The inclusion of the normalization of North Korea's relations with the United States and Japan in the joint statement of the fourth round of the Six-party Talks is confirmation that North Korea's nuclear development programs are not the only issue to be solved in order for North Korea to be accepted into the international community.

The international community tried to restrict the development of nuclear weapons by North Korea under the Agreed Framework signed in 1994 between the United States and North Korea. However, the threat posed by North Korea is not confined to the development of nuclear weapons, and threats derived from other types of WMD and ballistic missiles have long been an international concern. Notwithstanding, almost no meaningful international action has been taken to resolve these non-nuclear threats.

According to South Korea's Ministry of National Defense, North Korea began producing toxic gas for making chemical weapons in the 1980s. *GlobalSecurity.org*,

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a website specializing in military affairs, points out that as early as the 1980s North Korea had the capacity to produce large quantities of chemical agents along with chemical munitions. North Korea is also said to have established a research institute in the early 1980s and since acquired the capability of producing biological weapons containing cholera, tuberculosis, and anthrax. At the same time, it has been trying to strengthen its capability to produce missiles as delivery vehicles. With the introduction of Scud B/C from the late 1980s to early 1990s, all of South Korea came within range of North Korean missiles. South Korea and the US-ROK Combined Forces have thus been exposed to the threat of North Korea's WMD.

As North Korea has developed missiles with a range long enough to reach targets beyond the Korean Peninsula, concerns over the development of WMD by North Korea have spread throughout East Asia. No Dong missiles that North Korea has reportedly been developing since 1988 have a range of about 1,300 kilometers, are capable of reaching targets in Japan, and have already been deployed in North Korea. The development of Taepo Dong-1, which consists of the first-stage booster of No Dong and the second-stage booster of Scud B/C and has a range of more than 1,500 kilometers, reportedly started in the early 1990s. The missile that passed through Japanese airspace in 1998 is believed to have been based on Taepo Dong-1. Taepo Dong-2, which is reputed to be under development, seems to have a range of 3,500–6,000 kilometers.

The 5MW nuclear reactor that was often referred to during the Six-party Talks enabled North Korea to produce plutonium that can be used in nuclear weapons. In May 1994, North Korea actually retrieved about 8,000 spent nuclear fuel rods from the reactor. If North Korea reprocesses them, it can extract 25–35 kilograms of plutonium, enough to produce four to six nuclear weapons. When the construction of 50MW and 200MW nuclear reactors, now suspended, is completed, North Korea would acquire the capacity to produce 200 kilograms of plutonium a year.

North Korea's nuclear development program, which became an issue for the first time in 1993, was put on hold under the Agreed Framework of 1994. Yet even under the Agreed Framework, the concern of the US-ROK Combined Forces over the whole range of North Korea's WMD has not lessened. In fact, the US defense secretary and ROK defense minister pointed out at the 29th session of the US-ROK Security Consultative Meeting (SCM), held in 1997, that North Korea's chemical weapons had become a threat to South Korea, and demanded that North Korea join the Chemical Weapons Convention (CWC). At subsequent meetings of

the SCM, the United States repeatedly expressed its concern over North Korea's WMD such as biological and chemical weapons.

In October 2002, the US Department of State announced that North Korea had told James A. Kelly, then assistant secretary of state for East Asian and Pacific affairs, that it considered the Agreed Framework nullified. In December the same year, North Korea announced that it had resumed operation and construction of the nuclear facilities that had been put on hold, and in January 2003 it issued a statement declaring that it had withdrawn from the Nuclear Non-proliferation Treaty (NPT). The nuclear problem of North Korea has thus reemerged and the six countries have since been talking about options for solving it.

Concerns over chemical weapons have yet to be addressed. At a hearing of the Senate Committee on Armed Services held on March 8, 2005, Gen. Leon LaPorte, commander of the US Forces Korea (USFK), testified that North Korea had accumulated bulk quantities of chemical agents and had the ability to weaponize them in a variety of forms including missiles, artillery bombs, and possibly by unconventional means. South Korea's defense ministry estimates that North Korea possesses 2,500 to 5,000 tons of chemical agents. In an interview with *American Forces Information Service*, General LaPorte expressed his concern by saying that current North Korean doctrine calls for every third round fired to be a chemical one.

The only set of data North Korea submitted in 1990 pursuant to the Biological Weapons Convention (BWC) Confidence Building Measures denied the existence of biological weapons in North Korea. However, according to a report on nonproliferation of WMD released by the US Department of State in August 2005, North Korea probably has the capability to produce a sufficient quantity of biological agents for military purposes within a few weeks, and may have the ability to weaponize them. Further, in an annual audit and inspection of the government conducted by the National Defense Committee of the National Assembly, South Korea's defense ministry revealed that North Korea could use anthrax and smallpox in case of an emergency, and that the ministry was taking steps to cope with such a situation.

In the Japan-DPRK Pyongyang Declaration of September 17, 2002, North Korea declared its intent to maintain a moratorium on missile launching. However, in November 2003, John R. Bolton, then under secretary for arms control and international security affairs, indicated the possibility that North Korea was trying

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to circumvent the promise it had made in the Pyongyang Declaration by cooperating in testing and development with foreign missile programs. North Korea seems to have been developing missiles even after the Pyongyang Declaration. It is reportedly developing a missile that has a range of 2,500 kilometers or more and is based on the submarine-launched ballistic missile (SLBM) SS-N-6. The new missile is thought to consist of two types: a land-based, road-mobile medium range ballistic missile (MRBM); and a companion submarine or ship-mounted ballistic missile. A US Congressional Research Service (CRS) report dated July 28, 2005, points out the possibility that North Korea has acquired unarmed Russian Kh-55SM cruise missiles that were left in Ukraine. Kh-55SMs are air-launched cruise missiles first produced in the mid-1980s and have an estimated range of 3,000 kilometers. The CRS report indicates there are concerns that these Kh-55SMs could be modified into precision-guided Kh-555s.

General LaPorte, commander of the USFK, pointed out that North Korea has more than 800 missiles including over 500 Scud missiles. It is thought that North Korea has been improving the operational capability of these missiles. *Jane's Defence Weekly* of August 3, 2005, reports that “while the Korean People’s Army (KPA) had previously conducted annual ballistic missile field training exercises at the battery level during the 2001–02 training cycle, the KPA for the first time conducted battalion-level ballistic missile exercises.” According to this article, the establishment of a Missile Training Guidance Bureau was behind the upgrading of the level of missile field training exercises. It is alleged that this new bureau has control over all missile units in peacetime and supervises the development of missiles in cooperation with the Second Economic Committee, which is in charge of armaments production.

Information is mixed as to whether North Korea has nuclear warheads or not. South Korea’s Ministry of National Defense seems to take the view that North Korea does not yet possess any. According to the *Korea Defense Daily*, Minister of National Defense Yoon Kwang-ung said on February 17, 2005, that should North Korea uses nuclear bombs, it would have to load them on an Il-28 Beagle bomber; however, the nuclear bomb North Korea supposedly has at present weighs more than the bomber’s maximum payload of 3.5 tons. This means that North Korea has not yet sufficiently reduced the size of its nuclear bombs for use as a warhead. Meanwhile, at a hearing held by the US Senate Committee on Armed Services on April 28, Vice Adm. Lowell Jacoby, director of the Defense Intelligence Agency

(DIA), testified that North Korea has theoretical capability to possess missiles carrying nuclear warheads that can reach the continental United States. According to the US Department of Defense, such an assessment on North Korea's theoretical capabilities is nothing new. As to nuclear weapons, North Korea's foreign ministry issued a statement on February 10, 2005, admitting to possessing nuclear weapons. In response, the US State Department released in August 2005 a report acknowledging that North Korea possessed nuclear weapons, manufactured them, and has sought and received foreign assistance in producing them.

(2) The Roles of Japan and the United States

Were the five parties able to persuade North Korea to abandon its nuclear development program, it would be an important step toward stabilizing the security environment of East Asia. However, North Korea has steadily engaged in developing not only nuclear weapons but also other types of WMD, such as chemical and biological weapons, and ballistic missiles. Given this situation, it is difficult to absorb North Korea into the East Asian regional order. Prerequisite upon this happening is the normalization of its relations with Japan and the United States; however, the nuclear issue is not the only obstacle standing in the way.

In testimony given at a hearing of the Senate Committee on Foreign Relations on June 14, 2005, Christopher Hill, assistant secretary of state for East Asian and Pacific affairs, stated that North Korea must address issues of concern in addition to nuclear programs so as to achieve a wholly transformed relationship with the United States. He mentioned as specific pending issues the elimination of all of North Korea's WMD programs, the cessation of missile technology proliferation, and the adoption of a less provocative conventional force disposition. At a Senate hearing held on June 15, 2004, his predecessor James Kelly made an almost identical statement. Such is the consistent position the United States has taken on this issue.

From Japan's perspective, too, the solution of the nuclear problem alone does not mean that all other problems are cleared for normalizing diplomatic ties with North Korea. In a statement delivered at the outset of the fourth round of the Six-party Talks, Kenichiro Sasae, director-general for Asian and Oceanian affairs at Japan's Ministry of Foreign Affairs, raised not only North Korea's nuclear issue but also the missile problem.

A factor that had prompted North Korea to accelerate its WMD development

Joint statement of the fourth round of the Six-party Talks

Beijing, September 19, 2005

The fourth round of the Six-party Talks was held in Beijing, China, among the People's Republic of China, the Democratic People's Republic of Korea, Japan, the Republic of Korea, the Russian Federation, and the United States of America from July 26 to August 7, and from September 13 to 19, 2005.

Mr. Wu Dawei, Vice Minister of Foreign Affairs of the PRC, Mr. Kim Gye Gwan, Vice Minister of Foreign Affairs of the DPRK, Mr. Kenichiro Sasae, Director-General for Asian and Oceanian Affairs, Ministry of Foreign Affairs, Japan, Mr. Song Min-soon, Deputy Minister of Foreign Affairs and Trade of the ROK, Mr. Alekseyev, Deputy Minister of Foreign Affairs of the Russian Federation, and Mr. Christopher Hill, Assistant Secretary of State for East Asian and Pacific Affairs of the United States attended the talks as heads of their respective delegations.

Vice Foreign Minister Wu Dawei chaired the talks.

For the cause of peace and stability on the Korean Peninsula and in Northeast Asia at large, the Six parties held, in the spirit of mutual respect and equality, serious and practical talks concerning the denuclearization of the Korean Peninsula on the basis of the common understanding of the previous three rounds of talks, and agreed, in this context, to the following:

1. The Six parties unanimously reaffirmed that the goal of the Six-party Talks is the verifiable denuclearization of the Korean Peninsula in a peaceful manner.

The DPRK committed to abandoning all nuclear weapons and existing nuclear programs and returning, at an early date, to the Treaty on the Non-proliferation of Nuclear Weapons and to IAEA safeguards.

The United States affirmed that it has no nuclear weapons on the Korean Peninsula and has no intention to attack or invade the DPRK with nuclear or conventional weapons.

The ROK reaffirmed its commitment not to receive or deploy nuclear weapons in accordance with the 1992 Joint Declaration of the Denuclearization of the Korean Peninsula, while affirming that there exist no nuclear weapons within its territory. The 1992 Joint Declaration of the Denuclearization of the Korean Peninsula should be observed and implemented.

The DPRK stated that it has the right to peaceful uses of nuclear energy. The other parties expressed their respect and agreed to discuss, at an appropriate time, the subject of the provision of light-water reactor to the DPRK.

2. The Six parties undertook, in their relations, to abide by the purposes and principles of the Charter of the United Nations and recognized norms of international relations.

The DPRK and the United States undertook to respect each other's sovereignty, exist peacefully together, and take steps to normalize their relations subject to their respective bilateral policies.

The DPRK and Japan undertook to take steps to normalize their relations in accordance with the Pyongyang Declaration, on the basis of the settlement of unfortunate past and outstanding issues of concern.

3. The Six parties undertook to promote economic cooperation in the fields of energy, trade and investment, bilaterally and/or multilaterally.

China, Japan, ROK, Russia, and the US stated their willingness to provide energy assistance to the DPRK.

The ROK reaffirmed its proposal of July 12, 2005, concerning the provision of 2 million kilowatts of electric power to the DPRK.

4. The Six parties committed to joint efforts for lasting peace and stability in Northeast Asia.

The directly related parties will negotiate a permanent peace regime on the Korean Peninsula at an appropriate separate forum.

The Six parties agreed to explore ways and means for promoting security cooperation in Northeast Asia.

5. The Six parties agreed to take coordinated steps to implement the aforementioned consensus in a phased manner in line with the principle of "commitment for commitment, action for action."
6. The Six parties agreed to hold the fifth round of the Six-party Talks in Beijing in early November 2005 at a date to be determined through consultation.

Source: Website of the Ministry of Foreign Affairs of Japan.

was the deterioration of the military balance in favor of the US-ROK Combined Forces since the 1980s. It is highly unlikely that this balance will change in the coming years, at least where conventional arms are concerned. Therefore, the inducements for North Korea to press ahead with its WMD programs will remain strong. Were Pyongyang to abandon the programs notwithstanding the current situation, the change in its policy thinking would be triggered by the urge to improve its foreign relations. What North Korea needs to do to maintain its present regime is not merely complement the military balance with WMD. It is possible that Pyongyang might take a more accommodating stance on the WMD issues if it is convinced that this would improve its foreign relations and win economic cooperation from Japan and the United States.

More important, while the Japan-DPRK Pyongyang Declaration states that Japan will extend economic cooperation to North Korea after relations between the two countries are normalized, at the same time it points out the necessity for North Korea to solve security problems including the nuclear and missile issues by promoting dialogue with the countries concerned. Therefore, Japan will not provide North Korea with economic cooperation in earnest before security problems have been resolved. The Pyongyang Declaration requires North Korea to demonstrate a sincere attitude on the ballistic missile and other issues, and not just on the nuclear problem. If the normalization of relations between the two countries is realized through dialogues on these problems, and Japan extends assistance to North Korea,

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such assistance would likely lead to North Korea's economic development, which is essential for Pyongyang to maintaining its existing regime.

In order to rehabilitate its economy, North Korea needs not only to win post-normalization economic assistance from Japan but also to participate in the world economy with the cooperation of the United States. According to newspaper reports, Kim Kwang Rin, chairman of North Korea's State Planning Commission, told an European Union (EU) delegation which visited Pyongyang in July 2005 that North Korea had commenced negotiations with the secretariat of the World Trade Organization (WTO) for joining the WTO as an observer. To do so, it needs the support of the United States, which takes a tough stance on North Korea's overseas economic activities. Even after signing the Agreed Framework in 1994, the United States has imposed various restrictions on trade with North Korea. On October 21, 2005, the US Department of Treasury imposed sanctions on eight North Korean entities, prohibiting all commercial transactions with them and freezing their assets because of their involvement in the proliferation of WMD and missiles.

The solutions sought by the United States to all WMD-related problems in the process of normalizing relations with North Korea will create strong pressure on the latter. For its part, North Korea will aim to make abandonment of its nuclear ambitions the sole condition for normalizing its relations with the United States, and seek to exclude the non-nuclear WMD issues from the discussions to avoid being driven to the wall. In fact, North Korea's foreign ministry declared its position on September 20, 2005, a day after the fourth round of the Six-party Talks, stating that if its relations with the United States are normalized, it would feel no need to keep even a single nuclear weapon. Such overtures indicate that North Korea believes the nuclear problem is the only hurdle standing in the way of diplomatic normalization with the United States.

However, finding a solution to all the security problems involving North Korea is essential to normalizing its relations with Japan and the United States. Addressing the wide-ranging security issues in dialogues with North Korea would greatly improve the security environment in East Asia. Although the Agreed Framework helped defuse a crisis surrounding North Korea's nuclear development program, it failed to bring about an overall improvement in its foreign relations and has left other WMD-related problems unresolved. Aware of this, the Six-party Talks focus on the nuclear problem and seek to create a more stable international

order in East Asia by urging North Korea to solve wide-ranging non-nuclear problems as well. The key to all of this lies in the normalization of Pyongyang's relations with Japan and the United States.

(3) The Roles of China and South Korea

The participants in the Six-party Talks looked to China as a mediator. In testimony given at a hearing of the US House Committee on International Relations held on October 6, 2005, Assistant Secretary of State Christopher Hill underscored the management role played by the Chinese delegation and the contribution it has made to running the talks. Hill also touched on the joint statement produced through the efforts of China and commented that while no party was completely satisfied with the joint statement, it allowed the six parties to reach the implementation phase as quickly as possible and to move closer to the goal of denuclearization. When North Korea refused to meet bilaterally with Japanese delegates during the Six-party talks, Chinese foreign ministry spokesman Liu Jianchao urged the North Korean delegation to contact its Japanese counterpart, stating, "We hope the two sides can hold bilateral discussions on the relevant issue in order to resolve it." After the Six-party Talks, Japan's foreign ministry also expressed its appreciation of the Chinese role as a mediator, saying that thanks in part to Chinese approaches, both the United States and North Korea attached importance to the agreement and compromised with each other at the final stage of the talks. With China in the chair, the participants thus managed to work their way through the discussions.

Meanwhile, South Korea's perception of the fourth round of the Six-party Talks is aptly summed up by a remark made by President Roh Moo-hyun. At a cabinet meeting held on September 20, 2005, he praised the contribution South Korea had made by saying that "the (South) Korean government has played an active role in leading the Six-party Talks to success." He also praised the United States and North Korea by stating that in response to a call from South Korea for a strategic decision, the two countries had made some prudent decisions that had taken them beyond their opening positions at the talks. From his standpoint as a mediator, President Roh favorably assessed the achievement of the Six-party Talks.

The "important proposal" unveiled by Minister of Unification Chung Dong-yong on July 12, 2005, was also a public relations tactic designed to give the impression that South Korea was playing the role of mediator between the United

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States and North Korea. In the proposal, South Korea offered to transmit 2 million kilowatts of electricity (the same volume of power that would be supplied by the Korean Peninsula Energy Development Organization [KEDO] to North Korea) in exchange for suspending the delivery of light-water reactors (LWR) from the KEDO. Through this offer, South Korea has shifted its position on the KEDO program. Previously it favored continuing KEDO's LWR construction project with Japan; now it has moved closer to the US position. On the other hand, South Korea promised to supply North Korea with an alternative source of electric power.

Immediately after the proposal was announced, US Secretary of State Condoleezza Rice welcomed it as a creative approach beneficial to resolving the North Korean nuclear issue. After the Six-party Talks, President Roh acknowledged that a meeting which Minister of Unification Chung had with Chairman Kim Jong Il of the DPRK National Defense Commission had been instrumental in pushing the talks forward. The June 2005 meeting between the two offered Unification Minister Chung an opportunity to explain the "important proposal" to Chairman Kim.

In reality, however, under the "important proposal" South Korea would merely supply North Korea with electricity that Pyongyang would have received had the proposed LWRs to been constructed, hence the proposal did not offer Pyongyang any new benefits. When the construction of the LWRs by the KEDO was suspended, the possibility of supplying North Korea with an alternative source of electric power already existed. The "important proposal" will be carried out by South Korea alone, not by the countries affiliated with the KEDO. When viewed from North Korea's perspective, acceptance of its substance would heighten North Korea's dependence on one country, South Korea. Reflecting such a view, perhaps, the reaction of North Korea to the proposal shown at the Six-party Talks was anything but positive. Aside from the promise of assistance made by other parties, the joint statement following the fourth round of the talks noted that South Korea reaffirmed its proposal of July 12, 2005, concerning the provision of 2 million kilowatts of electric power to the DPRK. However, North Korea neither expressed gratitude for the offer nor commented on the merit of the "important proposal."

On the contrary, after the talks, North Korea challenged the assumption underlying the "important proposal"—the assumption being that the KEDO project will be shelved and that the LWRs will not be provided immediately. In a foreign ministry statement, North Korea said on September 20 that "as clarified in the joint statement, we will return to the NPT and sign the Safeguards Agreement

with the International Atomic Energy Agency (IAEA) and comply with it immediately upon the US provision of LWRs, a basis of confidence building, to us.” This suggests that North Korea’s return to the NPT is conditional upon the United States providing it with LWRs. This position is clearly in conflict with the letter of the joint statement, which merely says that “The other parties expressed their respect and agreed to discuss, at an appropriate time, the subject of the provision of light-water reactors to the DPRK.” As can be clearly understood from the wording, the terms of exchange for North Korea to abandon the nuclear development program are not the provision of LWRs but a discussion about the provision of LWRs “at an appropriate time.” US Secretary of State Rice said on September 19, 2005, that “there is a clarity about the need for North Korea to dismantle nuclear programs, get back into the NPT, get IAEA safeguards, and then discuss a light-water reactor.” The provision of LWRs to North Korea before its return to the NPT is out of the question.

Thus it is not clear what impact, if any, the “important proposal” had in persuading North Korea, skeptical of the proposal as it was, to return to the Six-party Talks. However, by making the “important proposal,” South Korea stressed the conciliatory stance it has taken toward North Korea.

2. The US-ROK Alliance and the Balancer Initiative

(1) Seoul’s Hesitation in Redefining the US-ROK Alliance

In an address on the affairs of state delivered on February 25, 2005, marking the second anniversary of his inauguration, President Roh Moo-hyun unveiled the “Balancer of Northeast Asia Initiative” (the Balancer Initiative). “Five or ten years down the road, ROK-US relations will have developed in a much more balanced way than now,” he stated. “The Korean Armed Forces are independent forces that will be in control of their own operations, constituting a balancing factor in Northeast Asia, and they will continue to safeguard peace steadfastly in the region.” Meanwhile, the Roh administration has been discussing the future role of the alliance with the United States, which could conflict with his Balancer Initiative. These discussions may end up redefining the alliance—an arrangement that has long dealt with the threat posed by North Korea—by adding a role for it outside the Korean Peninsula. In this way, South Korea is contemplating a regional policy of its own while carrying on discussions about redefining the role of the

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US-ROK alliance—a role at odds with South Korea’s Balancer Initiative.

In April 2003, soon after its inauguration, the Roh administration started a series of meetings of the Future of the ROK-US Alliance Policy Initiative (FOTA). Although South Korea and the United States finally agreed on relocating Yongsan Garrison of the USFK and repositioning the 2nd Infantry Division, the FOTA meetings failed to produce any policy measures worthy of the name. However, the objective indicated in the joint statement following the first FOTA meeting was to “adapt the alliance to reflect changing regional and security circumstances.” Basically, as its name implied, the meeting was supposed to discuss issues related to the future of the alliance.

In fact, the first real discussion on the future of the alliance was held at a joint session of the Korean Institute for Defense Analyses (KIDA) and the RAND Corporation of the United States pursuant to an agreement reached at the 24th session of the SCM in October 1992. The results and recommendations were presented to South Korea’s defense minister and the US defense secretary at the 26th meeting of the SCM in 1994. The joint study group came up with a recommendation that the United States and South Korea should seek to maintain and invigorate their security relationship in the future, even when North Korea no longer poses a major threat to peace and stability on the Korean Peninsula, and assign roles and responsibilities to the alliance beyond the Korean Peninsula. This implies that the US-ROK alliance (the primary mission of which is to carry out combined operations against North Korea) be redefined in such a way as to obligate South Korea to support the US policy toward regional countries including China. The FOTA meeting was held in line with this new thinking. Although the two countries wound up the FOTA meeting in September 2004 after mostly sorting out problems relating to US military bases, they launched the Security Policy Initiative (SPI) in February 2005 as a forum for dealing with the broader, long-term issues the alliance faced.

However, as the end of the FOTA drew closer, the Roh administration began to unveil its policy concept about China, which was at variance with the redefined role of the US-ROK alliance. In June 2004, President Roh launched a Presidential Committee on Northeast Asian Cooperation Initiative, which made public the *Northeast Asian Cooperation Initiative* in August 2004. This report defined the role of South Korea as a mediator between maritime powers and land powers of the region. As tasks South Korea is to tackle to realize a peaceful and prosperous

Northeast Asia, it mentions involvement in easing tensions between the United States and China and between Japan and China. In other words, South Korea will act as a mediator to improve China's relations with Japan and the United States.

The Balancer Initiative is in line with the regional policies of the Roh administration. According to the explanatory material released by South Korea's NSC in April 2005, South Korea envisages mediating relations between Japan and China, not between the United States and China, hence its role as a balancer is consistent with the US-ROK alliance. On the other hand, the NSC maintains that South Korea supports US policy aimed at building a cooperative relationship with China, and that South Korea will promote such a relationship. This means that South Korea will urge the United States to take a conciliatory rather than a hard-line policy toward China. However, it would be difficult for South Korea to make its role as a mediator consistent with a redefined US-ROK alliance.

The geopolitical perception underlying the Balancer Initiative is that relations between the Korean Peninsula, Japan, and China cannot be viewed separately. Put another way, the term "relations between Japan and China" used in the Balancer Initiative refers only to those involving the Korean Peninsula and not unrelated ones, such as the Taiwan problem, that may crop up between Japan and China. The explanatory material referred to above stated that the Balancer Initiative will defuse mounting tension in Northeast Asia centering on the Korean Peninsula. However, Japan and China are not seriously at loggerheads over the peninsula. Hence, while the Balancer Initiative claims that South Korea will mediate relations between Japan and China, it will not address pending issues between the two countries.

This suggests that the Balancer Initiative was not put forward on the basis of an assessment of the actual relations between Japan and China. While the NSC stressed, in the explanatory material, the role South Korea could play as a mediator between the two countries, what actually prompted President Roh to propose the Balancer Initiative seems to have been the controversy that arose in South Korea about the future of the US-ROK alliance.

Prior to the announcement of the Balancer Initiative in February 2005, concern over the risk of becoming entrapped in US policy toward China under a redefined US-ROK alliance has mounted in South Korea. In November 2004, Assemblyman Roh Hoe-chan of the Democratic Labor Party attracted widespread attention by

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opposing the proposed introduction of PAC-3 as the next-generation surface-to-air missiles (SAM-X). He argued that while it was intended for use against North Korea in the short run, in the long run it implied South Korea's participation in the US missile defense system against China. On the question of the realignment of the USFK, Roh also was against the proposed redefinition of the US-ROK alliance on the grounds that the realignment was designed to target not only North Korea but also China, and that the United States was asking South Korea to play a regional role beyond the Korean Peninsula.

Such criticism of South Korea's involvement in US policy toward China undermines the strategic flexibility of the USFK, which the defense authorities of the two countries had begun to discuss. Strategic flexibility means allowing US forces based in South Korea to carry out missions beyond the Korean Peninsula. In response to Assemblyman Roh's criticisms, South Korea's defense ministry revealed that it had told its US counterpart that though strategic flexibility was important, it was necessary to make a further study of its potential impact in South Korea and abroad, and said that no agreement had been reached between the two countries. That the defense ministry had to go out of its way and explain the situation is a reflection of how the assemblyman's criticism of strategic flexibility has garnered a degree of support and interest in South Korea's politics.

In an address delivered at the 53rd Commencement and Commissioning Ceremony of the Korea Air Force Academy on March 8, 2005, President Roh stressed the importance of the role played by South Korea's military as a balancing factor in Northeast Asia and touched on the strategic flexibility of the USFK. In this address, he stated that "There have been some voices worrying about possible expansion of the role of the US Forces in Korea. This has to do with what is called strategic flexibility." He went on to clarify that "we will not be embroiled in any conflict in Northeast Asia against our will" and took a firm stand against the idea of strategic flexibility by stressing that "This is an absolutely firm principle we cannot yield under any circumstances."

The Balancer Initiative was proposed against this backdrop and reflects the Roh administration's intention to distance itself from US policy toward China. It demonstrates his administration's hesitation about using the US-ROK alliance in dealing with the problems in the region beyond the Korean Peninsula. According to a statement issued by the President's Office after the air force academy address,

the intent of his remark was that while acknowledging the importance of the strategic flexibility of the USFK in the context of the US global military strategy, he wanted to sound a cautious note on its application in Northeast Asia. At a strategic dialogue the two countries held in January 2006, South Korea respected the necessity of strategic flexibility for the USFK as US global strategy undergoes transformation, and at the same time took the position that it should not become involved in a regional conflict in Northeast Asia against its will. The United States said it respected South Korea's position.

The Roh administration by no means repudiates the existing US-ROK alliance. Even in the Balancer Initiative, President Roh reiterated that the alliance constitutes the backbone of South Korea's national defense. However, on issues that would redefine the alliance, such as the strategic flexibility of the USFK in Northeast Asia, he took an unequivocally cautious stand. Such cautiousness may reflect the stance of the Roh administration, as evidenced in the Balancer Initiative.

(2) South Korea's Relations with China

South Korea's armed forces have strengthened their navy and air force while maintaining close relations with the USFK. As an ally of the United States, South Korea's strengthening of its navy and air force expands its areas of cooperation with US forces, which could have an impact on its relations with China.

In particular, where US missile defenses—an issue that troubles China—are concerned, South Korea has been introducing related equipment while its government formally denies any involvement in missile defense. For instance, South Korea has adopted the Aegis system on the 7,000-ton class destroyer (KDX-III) now under construction. South Korea decided to introduce the Aegis system in 2002. While the South Korean government was in the process of selecting an air-defense system, it was reported that an SM-2Block IV A capable of intercepting short-range ballistic missiles would be mounted on the KDX-III, and this touched off comments linking the purchase of the Aegis system to South Korea's participation in US missile defense.

In a statement issued in May 2002 in response to such speculation, the Republic of Korea Navy indicated that the KDX program it had been carrying out since 1980s had nothing to do with the US missile defense system begun in 1993. In the end, the plan to mount SM-2Block IV A aboard the KDX-III was scrapped and the government opted for a version of SM-2Block IV with a more limited missile-

The future of the US Forces Korea— The transformation of the US Army and the issue of strategic flexibility

The transformation of the US Army is designed to increase the modularity of units so that personnel and equipment can be flexibly combined and incorporated into a joint force in accordance with each mission. Under this plan, brigades will be standardized as brigade combat teams (BCT) and be restructured into a more self-sufficient combat unit while retaining the lineage of the division-based structure. The 2nd Infantry Division stationed in South Korea also completed restructuring in accordance with this plan on June 16, 2005. To be placed under the command of the 2nd Infantry Division are a Heavy BCT (based in Camp Casey in Dongducheon City) composed of seven battalions (including a tank battalion, an armored reconnaissance battalion, an infantry battalion, and an artillery battalion), a Multi-Functional Aviation Brigade (MFAB) (based in Camp Humphreys in Pyeongtaek City) that operates air assets (AH-64, UH-60, C-12, and CH-47), and a Fires Brigade (based in Camp Stanley in Uijeongbu City) that comprises two MLRS battalions and may also control up to seven South Korean artillery battalions.

However, the status of the US Forces Korea (USFK) in the overall transformation of the US Army has not been defined clearly. Furthermore, the US-ROK Combined Forces Command (CFC), which incorporates the USFK under the control of the US-ROK Military Committee, is under the command of the chairmen of the Joint Chiefs of Staff of the US and the ROK. Therefore, the US-ROK Combined Forces cannot be said to be under the command of the commander of the US Army Pacific. A factor that could change the status of the USFK is a restructuring of the system of the US-ROK CFC. The Roh administration has persistently taken up the issue of returning to the South Korean military the wartime operational control that the commander of the US-ROK CFC currently has. (The commander of US-ROK CFC is a four-star general of the US Army and serves concurrently as commander of the USFK.) In response, at the 37th meeting of the Security Consultative Meeting (SCM) held on October 21, 2005, the defense ministers of both countries agreed to accelerate discussions on command relations and wartime operational control. If the system of the US-ROK CFC, which is under the dual control of the chairmen of the Joint Chiefs of Staff of the United States and South Korea, is changed, there no longer are reasons for maintaining the special status of the USFK in the US Army.

If such restructuring is carried out, the existing *raison d'être* of the USFK—to deal with the threat of North Korea—will become less relevant. Hence if US forces are to be stationed continuously in South Korea, they need a new reason for it, that is strategic flexibility; in other words, the extension of their role and function to areas beyond the Korean Peninsula. In fact, a joint statement issued after the 37th meeting of the SCM reaffirmed, in the same paragraph that dealt with wartime operational control, the continuing importance of the strategic flexibility of the USFK. While indicating his understanding of the importance of strategic flexibility, President Roh himself takes a dim view of extending it to areas immediately adjacent to South Korea. This remains an issue still to be addressed.

Meanwhile, the joint statement of the fourth round of the Six-party Talks says that “the directly related parties will negotiate a permanent peace regime on the

Korean Peninsula at an appropriate separate forum.” The “permanent peace regime” means to transform the truce of the Korean War that has existed since 1953 to a peace agreement. The origin of the wartime operational control issue is that the South Korean government yielded it to the commander of the United Nations Command during the Korean War. This is why the commander of the US-ROK Combined Forces serves concurrently as commander of the UN Command. Whether it can be realized is not clear, but the establishment of a peace regime may offer an opportunity to revise the command relationship between the United States and South Korea.

intercepting capability. Nonetheless, the introduction of the Aegis system and SM-2Block IV leaves open the possibility that South Korea may participate in the missile defense system in future.

Defense Reform 2020, made public in September 2005 by South Korea’s defense ministry, also contains passages that should be construed in the context of South Korea’s relations with China. This report advocates the necessity of balanced development of three services by increasing the weight of the navy and the air force relative to the army. In considering factors threatening the security of the region, *Defense Reform 2020* mentions the “arms race” between Japan and China, and the expansion of the two countries’ spheres of military influence, while predicting that the threat of North Korea will gradually fade away. Meanwhile, *Defense Reform 2020* professes that South Korea will remain steadfast to the US-ROK alliance. As long as the alliance is maintained, fears over an arms race between Japan and China are not focused on an arms buildup by Japan, an ally of the United States, but on China. Hence if South Korea were to push ahead with an arms buildup to cope with a threat posed by a country other than North Korea, and if South Korea’s armed forces were to shift the focus of their response to a threat arising in East Asia beyond the Korean Peninsula, there is a possibility that the US-ROK alliance would be redefined as an alliance with a regional role and function. In such a case, it would be difficult for South Korea to maintain the neutrality envisaged in the Balancer Initiative in a dispute over security issues between the United States and China.

Meanwhile, South Korea takes a positive stance on the military-to-military exchanges with China. In March 2005, South Korea’s Minister of National Defense Yoon Kwang-ung proposed to his Chinese counterpart General Cao Gangchuan that the two countries conduct a joint search-and-rescue exercise in

the Yellow Sea, and General Cao promised to give the proposal due consideration. In fact, then Minister of National Defense Cho Sung-tae had made the same proposal during his stay in China in 1999, marking the first-ever visit of the South Korean defense minister to China, to then Minister of National Defense General Chi Haotian, but China's response had been anything but enthusiastic. Subsequently, South Korea repeated the proposal on a number of occasions, including in December 2001, when then Minister of National Defense Kim Dong-shin requested General Fu Quanyou, chief of the General Staff of the People's Liberation Army (PLA), that their two navies carry out a joint search-and-rescue exercise. China has finally accepted South Korea's request, opening up the prospect of active military-to-military exchanges between the two countries.

It appears that the maritime disputes that occurred in the Yellow Sea between the two countries were behind South Korea's wish to improve its military relations with China. Ever since President Park Chung-hee staked out a claim to mining areas for the development of the continental shelf in 1970, South Korea has continued making efforts to secure marine resources in the Yellow Sea, and this has since become a source of contention between the two countries. In March 1973, an armed fishing boat supposedly dispatched by China maintained surveillance over the exploration and drilling activities by a US-South Korean joint venture. In May 1991, a year prior to the normalization of relations between the two countries, a Chinese intelligence-gathering vessel appeared near a drilling ship of the Korea National Oil Corporation (KNOC). In September the same year, a Chinese Ministry of Foreign Affairs spokesman said the activities of the KNOC in the Yellow Sea had violated the sovereignty of China, and the PLA dispatched a 2,500-ton class navy vessel to circle around the KNOC's drilling ship.

At present, a Korea-China Fisheries Agreement, signed in 2000, is in force in the exclusive economic zone (EEZ). The conclusion of this agreement marked a great improvement in the relations between the two countries. However, a large body of water in the central part of the Yellow Sea, being a provisional regulatory zone at present, has yet to be demarcated, nor has a boundary line dividing the continental shelf between the two countries been established. South Korea seems to be taking a positive stance on military-to-military exchanges with China aiming at preventing disputes in the Yellow Sea. When he visited China in December 2001, South Korea's then Minister of National Defense Kim Dong-shin proposed the establishment of an emergency contact channel between the navy and the air

force of the two countries.

With such issues pending, South Korea has been treating its security issues with China separately from the US-ROK alliance and refrained from taking a clear position to deter China. As noted earlier, the East Asia policy embraced by the Roh administration is an example of this attitude. On the other hand, South Korea has been seeking to build up its arms to strengthen its capability to deal with threats coming not only from North Korea but also from East Asia. As long as South Korea maintains the US-ROK alliance, such an arms buildup would lead its military to cooperate with the United States in restraining China. Whether or not South Korea can maintain the consistency of these two competing policies hinges on the sort of China policy that the United States pursues in coming years.

(3) South Korea's Relations with Japan

As both Japan and South Korea are allies of the United States, they are hardly likely to become adversaries. The military-to-military exchanges between the two countries in 2005—a joint maritime search-and-rescue exercise conducted in August, for one—have continued smoothly. Meanwhile, there is a tendency among South Korean politicians to play up Japan as a threat to its security. Criticisms of Japan from the Roh administration are linked with its security policy. According to a document posted on the official website of South Korea's President's Office dated May 31, 2005, the Balancer Initiative was prompted by a sense of vigilance against Japan. It explains that despite a warning given by President Roh against the “absurd remarks” made by Japanese politicians on historical issues, Japan expressed no remorse, and this, the document said, was one of the factors that had prompted the president to conceive the idea of the Balancer Initiative.

When he initially advocated the Balancer Initiative, however, there was no linkage between his concern over the issue of history and the Japan policy he actually pursued. In the address advocating the Balancer Initiative that he delivered toward the end of February 2005 marking the second anniversary of his administration, President Roh did say that “In dealing with the past, the different attitudes of Germany and Japan teach us a lot. As the attitudes of the two countries are different, the degree of trust each has won from its neighbors is different.” However, he touched on the issue with a view to reining in the “pro-imperial Japan individuals” in South Korea who opposed the review of history, saying he aimed to investigate the activities of Koreans who had taken part in Japan's

colonial rule. In other words, domestic concern over the issue of history became linked with his policy toward Japan during the period that preceded the explanation of the Balancer Initiative by the President's Office in May.

The Roh administration took up the issue of history not as an integral part of its Japan policy but for domestic consumption. It first latched onto this following the founding of the ruling Uri Party in 2003. In November 2003, when the Uri Party was formed, a special committee on clearing up the past was established in the National Assembly. In an address on August 15, 2004, marking the 59th anniversary of National Liberation, President Roh expressed his resolve to revise history by saying that “The remnants of pro-imperial Japan sentiments have not been cleared up even now ahead of the 60th anniversary of liberation.” He also stated that “What is more shameful is that the independence fighters who followed the right path of history and their descendants have been plagued by poverty and alienation and have been persecuted by those who curried favor with imperialist Japan and subsequently became social leaders.” As is obvious from his address, the Roh administration's review of history strongly suggests the importance it attaches to the lineage of the present generation—whether a person is a descendant of a pro-Japanese individual or an independence fighter. As former President Park Chung-hee (1963–79), the father of Park Geun-hye who is a representative of the largest opposition party Grand National Party (GNP), was a graduate of the Imperial Japanese Military Academy, the Roh administration's review of history was a tactic aimed at restraining the GNP.

Two months after President Roh's Liberation Day speech, in which he demanded a thorough investigation into pro-imperial Japan sentiment, the Uri Party adopted its own version of the Framework Act on Clearing Up Past Incidents for Truth and Reconciliation (the Framework Act on the Past). The Framework Act on the Past is designed to inquire into not only pro-Japanese acts committed by Korean individuals during the colonial period but also into inhumane acts committed by the Ministry of National Defense and the National Intelligence Services (NIS) during the years under the administrations of Presidents Park Chung-hee, Chun Doo-hwan, and Roh Tae-woo. After some modifications by the GNP, the Framework Act on the Past was adopted by the National Assembly. At that time, suspicions fell on Vice Defense Minister Yoo Hyo-il that he had had a hand in quelling a civil uprising in Gwangju in 1980 during which the army killed many democratic activists, and he had to resign. The Roh administration's push to revise

history is believed to have had something to do with this. Immediately prior to the Liberation Day address, President Roh indicated the necessity for the military to set its past record straight, saying that the misrepresentation of the era of the military regime had yet to be rectified.

While the Roh administration was in the midst of revising history, the assembly of Shimane Prefecture in Japan passed an ordinance on March 16 designating February 22 as “Takeshima Day.” (Takeshima is an island off the coast of Shimane Prefecture.) Coming as it did at such a critical juncture, the passage of the ordinance created a link between the Roh administration’s determination to review history and its Japan policy. Ordinances of a local government (Shimane Prefecture) do not always toe the central government line. In fact, the Japanese government has long claimed Takeshima Island and did not change this position at the time the ordinance was passed. However, President Roh took the ordinance as a sign of profound change in the position of the Japanese government. On March 23, 2005, President Roh said: “That (the passage of the ordinance) is an act justifying its (Japan’s) invasion and denying Korea’s independence. . . . We cannot help but regard these acts as those of the Japanese nation because they are not simply committed by a local government or a group of thoughtless ultra-nationalists; they are being done with abet from the country’s ruling group and the central government.” This was his strongest criticism yet of Japan.

Indeed, the two countries were divided over Takeshima Island when they established diplomatic relations in 1965. Hence Japan’s claims on Takeshima Island are not intended to deny the fact that South Korea was liberated from Japan’s colonial rule and has become a sovereign nation. Dominion over Takeshima Island and the colonial rule of the past are thus two different matters.

The foundations on which relations between the two countries have been built is the Japan-ROK Joint Declaration: A New Japan-ROK Partnership toward the 21st Century (Japan-ROK Partnership Declaration), which was announced by President Kim Dae-jung of South Korea and Prime Minister Keizo Obuchi of Japan in October 1998, shortly after the two countries had agreed on a new fisheries pact. The joint declaration was issued despite the fact that they failed to come to terms over the issue of Takeshima Island. The declaration noted: “The two leaders sincerely welcomed the fact that negotiations on the new Japan-Republic of Korea fisheries agreement, which had been a major outstanding issue between the two countries, had reached basic agreement . . .” One major factor

that had complicated the fisheries negotiations was the Takeshima issue, and the fisheries agreement was achieved despite the Takeshima issue being left unresolved. The fact that the Japan-ROK Partnership Declaration welcomed the fisheries agreement shows that the declaration transcended divisions over Takeshima. The declaration presupposes the conclusion of the fisheries agreement, and this serves to show that the existence of the Takeshima issue does not—and will not—thwart the development of relations between the two countries.

The declaration is designed to promote cooperation between Tokyo and Seoul in wide-ranging areas of international politics. On the question of reform of the United Nations, in particular, South Korea clarified its position in the partnership declaration by saying that bearing in mind the necessity to strengthen the functions of the Security Council, President Kim Dae-jung expressed appreciation for Japan's contributions to and role in the international community, including the United Nations, and expressed the hope that they would increase in the future. However, the Roh administration has not taken an affirmative stance on Japan's quest for a permanent seat at the Security Council. When he met with UN Secretary-General Kofi Annan on May 9, 2005, President Roh pointed out that a financial contribution was not the only qualification for becoming a permanent member of the Security Council. This was a remark made with Japan in mind, given how highly the United Nations appreciates Japan in this regard. Prior to that, Kim Sam-hoon, South Korean ambassador to the United Nations, said on April 2, 2005, that South Korea did not oppose the election of any specific country as a permanent member, but this could be taken to mean that when matters came to a head, South Korea would oppose the election of Japan as a permanent member of the Security Council.

Although Japan and South Korea differ over various issues, the two countries cooperate in many areas, such as East Asia policy, and have many common interests as allies of the United States. In the Japan-ROK Partnership Declaration, then Prime Minister Obuchi expressed his deep remorse and heartfelt apology for the fact that Japan caused tremendous damage and suffering to the people of the Republic of Korea through its colonial rule. In response, President Kim Dae-jung highly appreciated the role that Japan had played for the peace and prosperity of the international community after the World War II. It is desirable that the two countries build on such mutual understanding and carry on cooperation for the security of East Asia in the years ahead.

3. The Trend of the Conventional Forces of the Two Koreas

(1) South Korea: Balanced Development of the Three Services

In *Defense Reform 2020* published on September 12, 2005, South Korea's Ministry of National Defense revealed that overall troop numbers will be reduced from the present 681,000 to 500,000 by 2020, and that the traditional force structure that gave weight to the army will be changed to promote balanced development of the three services. Under the reduction plan, the troop strength of the army will be reduced from 10 corps (548,000 troops) to 6 corps (371,000 troops), and that of the navy from 68,000 (three fleets, one submarine flotilla, one aviation flotilla, and two marine corps divisions) to 64,000 (but the number of units will be increased to three fleets, one submarine command, one aviation command, one mobile flotilla, and two marine corps divisions), while the air force will be left unchanged at 65,000 (the number of combat commands will be increased from one to two).

According to *Defense Reform 2020*, South Korea has to maintain a large-scale army to cope with North Korea's massive conventional forces (1.17 million troops). The presence of North Korea has long been a restraining factor for the balanced development of South Korea's military. There was much debate about the necessity for balanced development of the three services during the early years of the Kim Young-sam administration (1993–98); however, a large reduction in army troops was rejected on grounds of the threat posed by the Korean People's Army. In April 1993, South Korea's then Minister of National Defense Kwon Yung-hae took the position that unless North Korea abandoned its strategy of communizing South Korea by force, it was premature to reduce the number of South Korean troops.

By contrast, *Defense Reform 2020*, having predicted that the military threat posed by North Korea would gradually recede, proposed a plan for troop strength reduction that was more specific and detailed than ever before. The prediction on which this plan is based is not the first of its kind, though. As early as 2001, *Defense Budget for the Future 2001* published by the defense ministry took the view that the threat of North Korea would recede in the long run and that unrelated threats would increase. Thus, in addition to the reassessment of the threats South Korea faces, there are other considerations for promoting the balanced development of the military.

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Recruitment difficulties have become a factor pressing the South Korean government to reduce the army's troop strength. Due to a decrease in the population of young people, the number of conscripts reporting for examination fell from 398,000 in 2001 to 323,000 in 2004. In addition, the length of service was cut from 26 months to 24 months for the army, from 28 months to 26 months for the navy, and from 30 months to 28 months for the air force in accordance with the presidential campaign pledge of Roh Moo-hyun in October 2003. As the length of conscription has been cut at a time when the population of young people has been decreasing, it has become difficult for the South Korean military to maintain the current troop levels.

South Korea is actively seeking to reinforce its military equipment even as it foresees the weakening of the threat from North Korea, which suggests it attaches greater importance to threats coming from other countries. Indeed, *Defense Reform 2020* predicts that the military buildup by its neighbors will continue. More specifically, *Defense Reform 2020* points out that the arms race between Japan and China and their expanding military presence represent a military challenge that replaces North Korea. When South Korea renewed its call for self-reliant defense in 2003, it stressed that there was an immediate problem—the need to strengthen deterrence vis-à-vis North Korea. *Defense Reform 2020*, on the other hand, emphasizes longer-term problems. South Korea indicates that *Defense Reform 2020*, technically, is part of the self-reliant defense policy, but its emphasis on what constitutes a security threat differs.

On this basis, South Korea's navy plans to establish anew a submarine command, an aviation command, and a mobile flotilla so as to extend its limited surveillance and strike capability to the entire Korean Peninsula, and to elevate the landing operation capabilities of the marines from current battalion-level to brigade level. The air force, too, is supposed to expand its strike capability—limited at present to an area south of Pyongyang and Wonsan in North Korea—to the entire Korean Peninsula plus part of northeastern China by establishing a North Combat Command and by introducing F-15Ks.

Another feature of *Defense Reform 2020* is the importance it attaches to research and development (R&D). It points out that while South Korea's armed forces are among the world's top military organizations in terms of troop strength due to the emphasis on maintaining a quantity-centric force structure, they are at a low level in terms of quality and capabilities. *Defense Reform 2020* has also

made it clear that South Korea will boost its military R&D spending as a percentage of defense spending from the present 4.5 percent to 10 percent.

South Korea's defense ministry has been vigorously enhancing arms buildup, particularly of the navy and air force. More specifically, the navy has been pressing ahead since 1986 with the KDX programs to produce helicopter destroyers. Up to now, the navy has pursued three major development programs: a 3,000-ton class KDX-I equipped with RIM-7P Seasparrow; a 4,000-ton class KDX-II equipped with SM-2 Block IIIA, assuming roles of command and air-defense of the fleet; and a 7,000-ton class Aegis destroyer KDX-III that has the capability of conducting anti-ship, anti-air, and anti-submarine warfare. In May 2005, the fourth KDX-II (4,200 tons) named *Wang Geon* was launched. The work of building the first KDX-III began in November 2004 for completion in December 2008. By 2012 a total of three KDX-IIIs will be introduced.

In July 2005, the first 14,000-ton Landing Platform Experimental (LPX) (with a full-load displacement of 18,800 tons) was launched. It is capable of carrying seven helicopters, six tanks, seven amphibious assault vehicles, ten trucks, three units of artillery, two air-cushioned landing craft (LCAC), and a battalion (720 troops) and has a maximum speed of 23 knots. The LPX will serve as a flagship in a landing operation and supposedly has the capability of performing a command and control function in an anti-ship, anti-air, and anti-submarine operation. The first LPX is scheduled to be delivered to the navy in June 2007.

The air force has started taking delivery of F-15Ks. After test flights in the United States in September 2005, the first two F-15Ks were delivered in October. South Korea plans to introduce 40 F-15Ks by 2009. In the 2006–2010 medium-term defense program unveiled in May 2005, the Ministry of National Defense indicated that it would push ahead with projects for developing and strengthening its own surveillance and reconnaissance capability for which it has been heavily dependent on the USFK. Initially, the ministry's choice of airborne warning and control system (AWACS) for its medium-term defense program almost came down to Boeing's B-737AEW&C, based on quality reasons. However, it then had second thoughts and in October 2005 decided to evaluate both the Boeing aircraft and the G-550 AEW&C made by Israel's ELTA. Then, in December, the ministry postponed a decision because neither Boeing nor ELTA had submitted technological data on the equipment, which needs an export license from the US government. In response, Boeing pointed out that it had already obtained all necessary export

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licenses by November, and submitted additional data to the South Korea's air force on December 10, thus raising doubts about the fairness of the AWACS selection process.

In an effort to develop its defense industry, which has been operating at below 50 percent capacity, South Korea is actively promoting arms exports. Korea Aerospace Industries (KAI) has developed the T-50 supersonic trainer jointly with Lockheed Martin and has set a goal of exporting 800 T-50s (worth about \$30 billion dollars) and of capturing 25 percent of the world's trainer market by 2030. KAI held a ceremony to wheel the first T-50 out of the hanger in the presence of President Roh on August 30, 2005. At the ceremony, President Roh emphasized the economic impact of the project by stating that the production of T-50s marked a turning point for South Korea's aviation industry and would create more than 10,000 jobs by 2011. The company is looking to export T-50s to Southeast Asia, the Middle East, and South America. In February 2005, when the commander of the United Arab Emirates (UAE) Air Force visited South Korea, he discussed with his South Korean counterpart the possibility of South Korea providing pilot training and maintenance support should the UAE purchased T-50s. In its May 13, 2005, edition, the *Korea Defense Daily* reported that Brazil had expressed interest in purchasing T-50s equipped with air-to-air missiles.

The T-50 is an advanced jet trainer based on the F-16 and can be used to train pilots of the F-22 and Joint Strike Fighter (JSF). It has an F404-GE-102 engine jointly developed by General Electric (GE) and KAI, an improved version of the F414-GE-400 developed by GE and used in the F/A-18E/F. One of characteristics of the T-50 is that a lot of technologies acquired through cooperation with the United States are incorporated into it. The T-50 has an attack version, the A-50 equipped with Lockheed Martin APG-67 (V4) radar. The A-50, which first flew in September 2003, is capable of carrying Sidewinder air-to-air missiles (AIM-9L) and Maverick air-to-ground missiles (AGM-65G).

South Korea's Ministry of National Defense, in conjunction with the Ministry of Commerce, Industry and Energy, is also pressing ahead with a project to develop domestic production of helicopters, suggesting its keen interest in fostering the aerospace industry. Originally, the project was launched in September 2003 to develop a Korean Multi-role Helicopter (KMH), and was aimed at developing transport helicopters by 2010 and attack helicopters by 2012. In launching the project, the defense ministry entertained a vision that the KMH



An A-50 test-firing an AGM-65G air-to-ground missile (ROK Air Force)

project will enhance the country's capacity to develop helicopters for civilian use, helping South Korea become one of the seven countries with the most advanced helicopter technology. However, following the announcement in January 2005 of the findings of the NSC study, the scope of this project was reduced to cover the Korean Helicopter Program (KHP), which develops

only transport helicopters, and the implementation of the project to develop attack helicopters was put on hold pending the result of the KHP.

Nevertheless, the KHP has great significance as an industrial policy. KIDA foresees demand for transport helicopters developed by KHP rising to 661 units for military use and 841 units for commercial use by 2013. By tying up with foreign firms, KHP seeks to introduce new technologies. Initially, KHP sounded out Bell Helicopter of the United States and other foreign firms on the possibility of their participating in a joint development project, but in the end selected Eurocopter as its partner. Eurocopter will have a 30 percent stake in the development phase and a 20 percent stake in the production phase of the KHP. The two companies have agreed to set up a 50-50 subsidiary to market the export version of the helicopters.

At a meeting of science and technology ministers held on September 21, 2005, it was decided that the Ministry of Information and Communication and the Ministry of National Defense will jointly develop remotely-controlled military robots called "dog/horse." During the development period (2006–11), the South Korean government will invest 33.4 billion won in the project. The robot will be used for the purpose of surveillance, reconnaissance, detection of dangerous objects, and transportation. According to South Korea's Government Information Agency, the robots may be used in combat, depending on how they proceed in development. At the meeting, the science and technology ministers also decided that the ministries of Information and Communication and of National Defense will invest 31 billion won to jointly develop a surveillance sensor network by 2010. This is a system of transmitting real-time information concerning the

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existence of infiltrators and the use of nuclear, biological, and chemical weapons detected by miniature sensors planted in certain areas.

The interministerial meeting was established by the Roh administration for the purpose of promoting research and development (R&D) that could lead to economic growth in coming decades. This suggests that his administration is actively involved in promoting defense-related R&D. On June 30, 2005, President Roh visited the Agency for Defense Development (ADD), the first visit by a president in eight years, and was highly impressed by the work being done, such as the development of K-9 self-propelled artillery and the T-50 trainer, and has promised to increase the ratio of R&D expenditure to defense spending to 10 percent. The weight given to R&D in *Defense Reform 2020* was thus backed up by the administration's positive attitude. The Ministry of National Defense is demanding a large increase in the defense budget on a continuing basis to 2015 and released an estimate of increases required in coming years—an annual average increase of 9.9 percent in 2006–10 and 7.8 percent in 2011–15 (and 1.0 percent in 2016–20).

(2) North Korea: A Credible Threat to the Peninsula

Defense Reform 2020 states expressly that the military threat of North Korea will gradually recede even though the receding threat is a long-term tendency. It also adds that the realignment of South Korea's force structure will be carried out while maintaining deterrence to North Korea. North Korea has been diverting large amounts of its resources to its defense in spite of the country's economic difficulties. According to a study conducted by the KIDA, the ratio of defense spending by North Korea to its gross national income (GNI), which stood at between 20 percent and 26 percent in the 1980s, increased further in the 1990s. In 1998, at the nadir of its economic crisis, North Korea was spending up to 37.9 percent of GNI on defense and the figure is currently around 30 percent. In terms of absolute amounts, North Korea's defense spending has decreased to \$4 billion–\$6 billion a year since 1998, two thirds of the peak of \$6.4 billion recorded in 1989. The increases in the ratio of defense spending to GNI in recent years in the face of acute economic difficulties indicate the regime is obsessed by building up arms.

According to figures made public by North Korea, the share of defense spending in its fiscal 2005 budget is 15.9 percent. However, South Korea's *Defense White Paper 2004* points out that figures published by North Korea cannot be trusted

because the People's Army of North Korea has financial resources in addition to the official defense budget. It is alleged that North Korean agencies involved in munitions production were consolidated into the Second Economic Committee early in the 1970s. Since 1972, published figures show that the ratio of the official defense budget to total government spending has sharply decreased by nearly one half. Based on this sudden change, KIDA presumes that the budgets of the munitions industry belonging to the Second Economic Committee are not included in the officially published defense budget. In addition, South Korea's defense ministry believes that foreign currency earnings from weapons exports and the activities of military units are not included in North Korea's official defense expenditure.

South Korea's defense ministry further believes that North Korea has lately been seeking to strengthen its special warfare units. *Defense White Paper 2000* put the number of troops in North Korea's special warfare units at 100,000, but *Defense White Paper 2004* revised the number upward to 120,000. In addition, the North Korean navy has nearly 100 submarines, including the *Sang-o*-class submarine that infiltrated South Korean territorial waters in the Japan Sea in order to land armed agents on South Korea in September 1996. North Korea reportedly produced four to six *Sang-o*-class submarines a year from 1991 through 1996, and the number built thereafter is not available. A *Sang-o*-class submarine can carry 19 personnel in addition to six crew members. Coastal areas of South Korea facing the Japan Sea are less rugged and less affected by the tides than those on the Yellow Sea side, and there are many places where infiltrators can land easily. A report published by KIDA in 2004 pointed out that submarines are more difficult to detect and repel in the deeper waters of the Japan Sea. It added that North Korea is operating a number of submarines there, and that they are capable of projecting power as far as the southern tip of the Korean Peninsula.

In a statement advocating the need to introduce SAM-X released in November 2004, South Korea's defense ministry said that in the event of North Korea mounting an all-out attack with its 1,500 military aircraft (fighters, helicopters, and An-2 used for infiltrating special warfare units into South Korea), the US-ROK Combined Forces with their current troops and equipment would not be able to overcome them completely. Obsolete though they may be, North Korean fighters deployed along the front line can reach South Korea's major cities within 10 minutes, allowing little time for the US-ROK Combined Forces to respond.

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Most menacing to the US-ROK Combined Forces are North Korea's long-range artillery units deployed on the front line. The Seoul metropolitan area of South Korea is within the range of 170-millimeter self-propelled artillery and 240-millimeter multiple-launch rocket systems (MLRS). South Korea's defense ministry believes that North Korea has 13,500 units of artillery including those mentioned above and has formed more than 30 artillery brigades. In 2003, the United States and South Korea agreed to transfer the 10 missions so far carried out by the USFK—including policing the Joint Security Area (JSA) and checking for seaborne infiltration by North Korean special warfare units—to the military of South Korea. Although many South Korean people had misgivings about South Korea's ability to deal with long-range artillery units, that mission was also transferred to South Korea's armed forces on October 1, 2005. Prior to this, the defense ministry formed a counterfire headquarters within the 3rd Field Army Command, and it has long been strengthening the MLRS used in counterfire operations. The construction of a plant producing rockets for MLRS was completed in South Korea in June 2003.

On August 26, 2005, Gen. Leon LaPorte, commander of the USFK, said that during the period preceding the fourth round of the Six-party Talks, there had been less provocations from the North Koreans than before and that the Combined Forces Command (CFC) had not observed any large-scale ground maneuvers other than battalion and regimental training events. This is in distinct contrast to the provocative moves North Korea made during the period leading to its acceptance of multiparty talks about its nuclear problems, when a MiG-19 flew across the Northern Limited Line (NLL) in February 2003 and a MiG-29 approached a US RC-135 in March the same year. Since the start of 2005, it appears that North Korea has refrained from taking military actions aimed at having an impact on its foreign relations. However, confidence-building over the question of conventional arms remains a problem yet to be addressed. North Korea is urged to take action to win the trust of its neighbors in order to build permanent peace on the Korean Peninsula.

