

## **Chapter 2**

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### **The Korean Peninsula: The Start of North Korea's "New Strategic Line" and South Korea's "Trust Diplomacy"**



North Korea (Democratic People's Republic of Korea, DPRK) embarked upon a "new strategic line on carrying out economic construction and building nuclear armed forces simultaneously" in 2013, launching a policy that was adopted at the plenary meeting of the Central Committee of the Workers' Party of Korea (WPK) at the end of March, on the heels of the country's third nuclear test in the preceding month. The delegates to that meeting declared that the DPRK would continue pursuing nuclear development, and reaffirmed the stance that North Korea's nuclear weapons would not be used as a bargaining chip for eliciting economic support from the United States. Moreover, in April, the Supreme People's Assembly passed the "Law on Consolidating Position of a Nuclear Weapons State for Self-Defense," which can be deemed a very rudimentary but substantive nuclear doctrine and represents another step by the regime to turn North Korea's position as a "nuclear weapons state" into a fait accompli. At the same time, the DPRK is steadily increasing its expertise in weapons of mass destruction, as underscored by its preparations to restart a graphite-moderated nuclear reactor in Yongbyon and by its ongoing development of ballistic missiles and other related technologies.

This "new strategic line" is not a novel change of direction per se, and instead signals that further efforts to strengthen the country's nuclear deterrent will also be accompanied by greater emphasis on attaining economic growth. While North Korea's economic growth rate and certain other indicators show that the economy is trending toward improvement, it is clear that the country still has a long way to go to achieve the goal of transforming itself into an economic giant.

On the diplomatic front, Pyongyang assumed a hard-line stance from March through May, but after encountering stronger albeit limited pressure from the Chinese government, the regime started to take action to improve relations with China and became more open to dialogue with other countries. However, direct talks with the United States over the nuclear issue have yet to materialize, and the only concrete achievement to emerge from North Korea's dialogue with other regional players is the reopening of Kaesong Industrial Zone, an industrial park in North Korea where South Korean companies operate production facilities staffed mainly with local workers. In addition, the members of the stalled Six-Party Talks continue to be divided in opinion on the how and when of resuming their meetings. Consequently, notwithstanding Pyongyang's efforts to engage in dialogue while continuing to pursue its nuclear ambitions, little if any progress is to be seen in the

reduction of tensions with the other regional players.

In South Korea (Republic of Korea, ROK), the Park Geun-hye administration, which took office in February 2013, has been pursuing a foreign relations and security policy that places unprecedented weight on partnering with China while remaining grounded in the US-ROK alliance. With respect to Japan, however, the administration has single-mindedly exerted pressure on the Japanese government over issues concerning the two nations' past, resulting in the stagnation of their relationship.

In its dealings with the DPRK, the Park Geun-hye administration is carrying on the approach of the Lee Myung-bak administration by taking a firm military stance to deter local armed provocations by the North. Furthermore, the South Korean government has newly pledged to cooperate with the United States in deterring and responding to North Korea's potential local provocations and weapons of mass destruction. In conjunction with this cooperation, both allies need to firmly establish a plan for how they will interoperate their militaries following the transfer of wartime operational control (OPCON) to South Korea in 2015.

## **1. North Korea's Dual Policy of Economic and Nuclear Development**

### **(1) Seeking to Become a De Facto Nuclear Weapons State**

Since 2012, the year when the Kim Jong Un regime formally assumed power, North Korea has stepped up its efforts to turn its position as a "nuclear weapons state" into a fait accompli. In the New Year's address delivered on January 1, 2013 by First Chairman of the National Defense Commission Kim Jong Un, the regime again hoisted its slogan for bringing about a turning point on the nation's path to becoming an economic giant. On March 31, the members of the plenary meeting of the WPK's Central Committee, held in the wake of North Korea's third nuclear test on February 12, adopted as a "new strategic line" the dual policy of simultaneously pursuing development of both the economy and nuclear weapons (hereinafter, the "dual policy"). This strategy was described at the meeting as the "most revolutionary and people oriented policy for the construction of a powerful socialist nation by consolidating defense capacity through development of defensive nuclear weapons and economic construction," and is being framed as an

extension of the policy that Kim Il Sung formulated in the 1960s for simultaneously developing the economy and national defense. In his report at the meeting, Kim Jong Un sought to legitimize the country's nuclear development by saying that the third nuclear test had to be conducted because it served as "part of practical countermeasures for defending the country's sovereignty and security." In addition, the "supremacy" of the dual policy was said to be "demonstrated by expanding capability in war deterrence and national defense without increasing [the] defense budget and enabl[ing] concentration on economic development and improvement of the lives of the people," indicating that the regime believes it can continue to engage in nuclear development without sacrificing economic growth.

The dual policy, as outlined at the meeting, also contains two messages directed at the United States. The first is that the nuclear weapons of a North Korea operating under the Songun (military first) principle are not "goods for getting US dollars, and they are neither a political bargaining chip nor a thing for economic dealings to be presented to the place of dialogue or be put on the table of negotiations aimed at forcing the DPRK to disarm itself." The second is, "The DPRK's nuclear armed forces represent the nation's life which can never be abandoned as long as the imperialists and nuclear threats exist on earth. They are a treasure of a reunified country which can never be traded with billions of dollars."

Since announcing its dual policy, North Korea has ramped up its drive to turn itself into a de facto nuclear weapons state. For example, the Supreme People's Assembly passed the "Law on Consolidating Position of a Nuclear Weapons State for Self-Defense" on April 1. Article 4 of the law makes a negative security assurance, and states that the country's nuclear arsenal could be employed only at the order of the supreme commander of the Korean People's Army (KPA), namely, First Chairman of the National Defense Commission Kim Jong Un. Also, the principle of non-first use of nuclear weapons is set forth in Article 5, while Articles 7 and 8 prescribe obligations for safe management of nuclear weapons and materials. Given the codification of provisions such as these, this law can be considered North Korea's first-ever publicly released expression of a nuclear doctrine in writing, though it is in a very rudimentary form—or, in the least, it can be seen as the groundwork for articulating such a doctrine. Nevertheless, it does not go beyond the policy level, and thus should not be construed as evidence that North Korea has succeeded in substantively weaponizing its nuclear technologies.

In terms of physical nuclear capabilities, North Korea's announcements that it

had “diversified” its nuclear deterrent following the third nuclear test prompted speculation among experts that enriched uranium had been used for that test. The Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization reported that it detected radioactive xenon in the atmosphere after the test, but was unable to verify whether enriched uranium was used. North Korea also asserted that a miniaturized, lightweight nuclear warhead was exploded in the test, which would suggest that its nuclear weapons technology has advanced significantly, but here again it remains difficult to confirm the degree to which progress has actually been made. It is likely that the DPRK will maintain its pursuit of full-fledged weaponization and will continue to use ambiguous language in statements concerning its nuclear capabilities.

North Korea’s progress in military technology, epitomized by its nuclear development, runs parallel with the evolution of its science and technology as a whole. In general, there is little difference between the technologies behind ballistic missiles and those used in space rockets, so advances in the latter contribute to the growth of the former. Consequently, the country’s purported development of satellite and space rocket technologies is essentially synonymous with the development of high-tech military capabilities. On April 1, the Supreme People’s Assembly passed the “Law on Developing Space,” and adopted a resolution for the establishment of the “State Space Development Bureau,” laying the legal and institutional foundation for legitimatizing technological development under the pretext of space development. The bureau is officially described as a central state agency tasked with uniformly guiding and managing the formulation and implementation of a space development program, as well as the supervision and control of space development projects. It should be noted here that the advancement of long-range ballistic missile technology can also bring improvements to the technology for short- and intermediate-range missiles. Following a missile launch in December 2012 that was purported to be a satellite launch, the DPRK reportedly relocated two intermediate-range missiles, believed to be the Musudan, to a site on the country’s Sea of Japan coast early in April 2013. Considering North Korea’s apparent progress in development and enhancement of intermediate-range ballistic missile capabilities, it goes without saying that the international community should vigilantly monitor possible further action by North Korea surrounding the suspected Musudan missiles.

With regard to nuclear development, the Presidium of the Supreme People’s

Assembly promulgated a decree on April 11 to create the “Ministry of Atomic Energy Industry” in order to place North Korea’s nuclear energy industry on “a solid foundation of [the] latest science and technology so as to increase the production of nuclear materials, improve their quality and further develop the independent nuclear energy industry.” Of course, nuclear development can take two basic forms—peaceful use and military application—but the DPRK’s intentions and past behavior suggest that its nuclear development is more strongly colored by the military aspect.

In addition to implementing legal and institutional measures such as these, Pyongyang declared on April 2 that it would reactivate its nuclear facilities (see p. 143 of *East Asian Strategic Review 2013* for the background on North Korean nuclear development). According to a spokesperson for the country’s General Bureau of Atomic Energy, the bureau decided to “adjust and alter the uses of the existing nuclear facilities, to begin with, in accordance with the [dual policy].” The spokesperson also said that this action would be commenced without delay and would include measures for readjusting and restarting all nuclear facilities at the Yongbyon complex, including the uranium enrichment plant and the 5-megawatt graphite-moderated reactor that was mothballed and disabled under an agreement reached at the Six-Party Talks in October 2007.

Signs that actual steps were being taken to restart the facilities were detected by researchers in the United States in August. On September 11, “38 North,” a website run by the US-Korea Institute at the Paul H. Nitze School of Advanced International Studies at Johns Hopkins University, reported that its analysis of satellites photos taken on August 31 found white steam rising from a building that houses the steam turbines and electric generators of Yongbyon’s graphite-moderated reactor, and that this suggested that the reactor was being brought back into operation. The report stated, “The white coloration and volume are consistent with steam being vented because the electrical generating system is about to come online, indicating that the reactor is in or nearing operation.” On October 2, 38 North also released new satellite images captured on September 19 that it said showed hot water discharging into a river from a drain pipe connected to a new cooling system built to replace the cooling tower destroyed in 2008 under a Six-Party Talks agreement. Since the discharge of waste cooling water is a process essential to nuclear reactor operation, this discovery is seen as a strong indication that the 5-megawatt reactor is back online. If this is the case, it is very likely that

the North Korea is using the restarted facility to resume production of plutonium.

All this goes to show that North Korea, under the new leadership of the Kim Jong Un regime and its dual policy, is still attempting to turn its status as a “nuclear weapons state” into a *fait accompli* and has no intention to shift from its established course of building up the technology necessary for nuclear deterrence against the United States.

Against this backdrop came the purge of Vice-Chairman of the National Defense Commission Jang Song Thaek, who was stripped of all his posts, titles, and WPK membership at an expanded meeting of the party’s Political Bureau convened on December 8. On the 13th, the Korean Central News Agency (KCNA) reported that Jang was sentenced to death the preceding day by a special military tribunal of the Ministry of State Security for crimes such as forming his own faction and running for his own benefit the government agencies responsible for security and bringing in foreign currency, and that he was executed later the same day. This was preceded weeks earlier by the public execution of two of his close associates who were deputy chairmen of the WPK’s Administrative Department, Ri Yong Hwa and Jang Su Gil, according to a report made to South Korea’s National Assembly on December 3 by the National Intelligence Service. These purges are seen as having strengthened the gravitation of power toward First Chairman Kim Jong Un, and thereby further advancing his establishment of one-man rule over the country.

Other reports have confirmed that the DPRK armed forces’ top brass have been frequently reshuffled, including the post of KPA chief of staff, which switched hands from Ri Yong Ho to Hyung Yong Choel in July 2012, and then to Kim Kyok Sik in May 2013 and Ri Yong Gil in August. Similarly, the office of minister of the People’s Armed Forces went through a quick succession of new appointments, changing from Kim Yong Chun to Kim Jong Gak in April 2012, and then to Kim Kyok Sik in the following October and to Jang Jong Nam in May 2013. Moreover, it appears that the job of director of the Operations Bureau of the KPA’s Office of the General Staff passed from Kim Myong Guk to Choe Bu Il in April 2012, to Ri Yong Gil in March 2013, and to Pyon In Son in August. The purges of Jang Song Thaek and his confidants signal that the transition of power to Kim Jong Un and his circle, both in the armed forces and the party, has gained further ground. In fact, many of the top figures who held key posts in the Kim Jong Il regime have apparently been swept away.

In the context of the dual policy, the execution of Jang Song Thaek—who oversaw North Korea’s program for economic cooperation with China and was considered a proponent of putting greater emphasis on the economy—has raised concern that more weight will be given to the military instead in the near future, but this turn of events should rather be seen, in some respects, as strengthening the established line of strategy. The purge of Jang Song Thaek may impart relatively greater influence to Vice Marshall Choe Ryong Hae, a full member of the WPK Politburo and the director of the KPA General Political Bureau, but even if this is the case, Choe—who oversees the “party within the army” in a system where First Chairman of the National Defense Commission Kim Jong Un is increasingly emphasizing the party over the military—will continue to hold the reins of the KPA under Kim’s leadership. Furthermore, given that Choe is an alumnus of the party bureaucracy and was likely appointed by Kim to keep the military in control, it is implausible to think that Choe could become a mouthpiece for the KPA.

## **(2) Efforts toward Becoming an “Economic Giant”**

The other pillar of North Korea’s dual policy, economic development, is aligned with the goal of turning the country into an “economic giant” under the longstanding vision for building a “strong and prosperous nation” (see section 2 in Chapter 4 of *East Asian Strategic Review 2013*) and hence it merits no surprise that pursuit of economic growth is being emphasized in the “new strategic line.” Alongside nuclear development, economic development remains a vital political challenge for the current regime, as was underscored by First Chairman of the National Defense Commission Kim Jong Un in his New Year’s address on January 1, 2013: “We should further consolidate the successes achieved so far in economic construction to raise the status of our country to that of an economic giant in the new century, thus realizing the wish of the great General [Kim Jong Il] who devoted all his life to making our people well off with nothing to envy in the world. In the same manner as we demonstrated the dignity and might of Songun Korea through the manufacture and launch of the Juche-based application satellite, the entire Party, the whole country and all the people should wage an all-out struggle this year to effect a turnaround in building an economic giant and improving the people’s standard of living.” Although the exact nature of the “turnaround” has not been spelled out publicly, it is clear that the regime defines the transformation of North Korea into an “economic giant” as a long-term priority.

The urgent task of “improving the people’s standard of living,” which had already been targeted by various economic measures prior to the adoption of the dual policy, was further outlined in the New Year’s speech. Kim Jong Un declared that in order to revitalize the economy as a whole, the nation needed to lay the foundation for evolving into an economic giant by preferentially strengthening four key sectors—coal mining, electric power generation, metallurgy, and rail transport—and to bolster agriculture, light industry, and other sectors with a direct bearing on the people’s livelihood, particularly in regard to food security. He also said that members of the KPA would be further used in projects for building up the agricultural infrastructure.

Kim Jong Un’s speech also briefly touched upon the need to “improve economic guidance and management,” but it is unclear whether the regime is actually implementing the so-called “June 28 measures” for enhancing management of the economy (see section 2 in Chapter 4 of *East Asian Strategic Review 2013*). However, it is believed that the leadership is formulating plans for making all factories financially independent and is holding seminars for the managers of factories in Pyongyang and surrounding areas in order to intensively educate on the new system. Referred to as the “Economic Management Improvement System,” the new scheme empowers managers of factories and other enterprise with nearly absolute discretion—not only in regard to production and sales planning, but also encompassing business strategy and hiring—while also enabling companies to export their products at the management’s decision. Reports indicate that some businesses began experimentally phasing in autonomous operation under the 6.28 Measures in August 2012.

Apart from these substantive economic reforms, North Korea is also actively constructing sports and entertainment facilities. In the aforementioned New Year’s address, Kim Jong Un stated, “We should develop Pyongyang into a more majestic and picturesque city as befits the capital of Juche Korea, the centre of Songun culture.... At the same time we should set up modern cultural and welfare facilities, parks and pleasure grounds in larger numbers....”

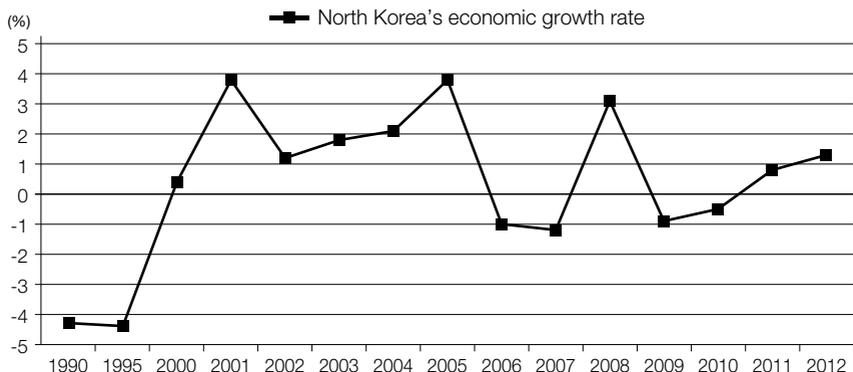
In terms of economic policy, the adoption of the dual policy does not necessarily signal the emergence of a new direction, but it can be seen as affirmation of the regime’s emphasis on economic policy and intent to continue implementing economic reforms like those described above.

Nevertheless, while North Korea’s economic growth rate and certain other

indicators show that the economy is trending toward improvement, it is clear that the country still has a long way to go to achieve the goal of transforming itself into an economic giant. For instance, “Gross Domestic Product Estimates for North Korea in 2012,” a news release issued by the Bank of Korea on July 12, 2013, reports that the DPRK’s gross national income (GNI) per capita stood at 1,371,000 South Korean won, representing only one-nineteenth of that of the ROK. While North Korea’s economy growth rate increased in both 2011 and 2012, and shows signs of rising further, even if the economy continues to expand in the coming years, it will not be at a rate that will put it on par with South Korea’s in the near future. Trends in the North Korean economic growth rate since 1990 are shown in Figure 2.1.

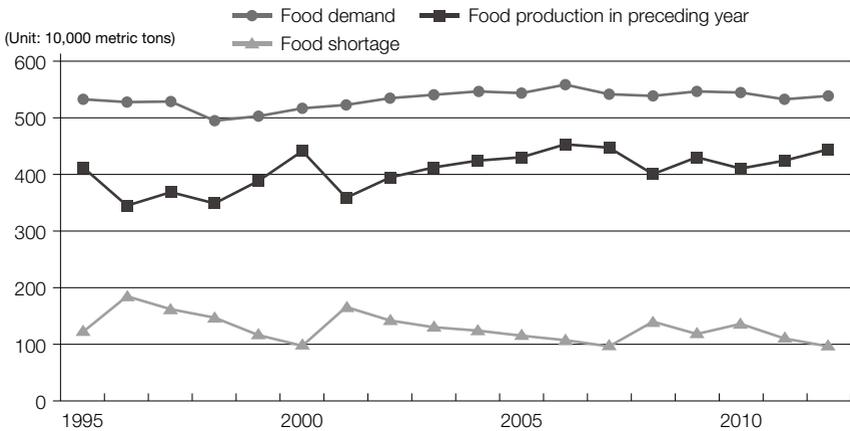
Also, as shown in Figure 2.2, the DPRK’s food shortage shrank from 1.35 million tons in 2010 to 1.09 million tons in 2011 and 0.95 million tons in 2012, but given the difficulty in closing the gap between food supply and demand, the country will most likely continue experiencing chronic food shortages in the foreseeable future.

**Figure 2.1. North Korea’s economic growth rate**



Source: Bank of Korea, “Gross Domestic Product Estimates for North Korea in 2012,” July 2013.

**Figure 2.2. Food supply and demand in North Korea**

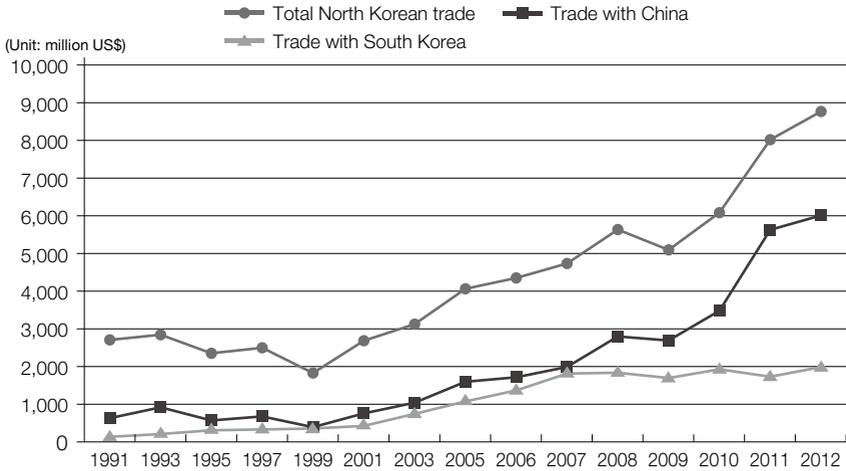


Sources: ROK Rural Development Administration (1995–2012) and UN World Food Programme/Food and Agriculture Organization of the UN (2011–2012).

As for trade, North Korea has been running a deficit with its biggest partner, China, and although figures for 2011 show that North Korea’s exports to its second largest partner, South Korea, outweighed imports, this cannot be interpreted as a true surplus since it essentially represents profits earned by South Korean companies operating in Kaesong Industrial Zone. Accordingly, the DPRK’s balance of trade as a whole is believed to be in the red. As such, North Korea’s trade relations may serve the purpose of providing the country with access to oil and other important supplies, but they can hardly be said to contribute significantly to the national income. Unless Pyongyang abandons its nuclear ambitions in favor of substantively opening the domestic market to the outside—including action to attract foreign investment and technology transfer—the prospects for stable, sustained growth of the North Korean economy will remain dim.

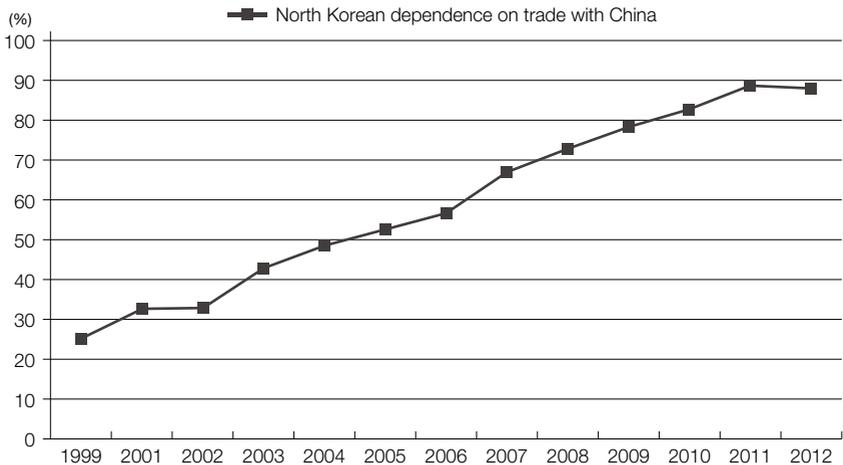
North Korea’s ability to continue engaging in arms trade as a channel for acquiring foreign currency is starting to erode from the international community’s implementation of tougher sanctions and monitoring against this activity. One case in point was the July 15, 2013, seizure of the DPRK-flagged cargo ship *Chong Chon Gang*, which was reportedly carrying MiG-21 fighter jets and surface-to-air missile systems, among other undeclared weapons. The freighter is believed to have loaded this cargo in Cuba and was apparently preparing to transit the Panama Canal at the time of capture. On the 16th, the Cuban government

**Figure 2.3. North Korea's trade volume (including trade with ROK)**



Sources: Institute for Unification Education, ROK Ministry of Unification, *Understanding North Korea 2013*, p. 163, and Korea Trade-Investment Promotion Agency, "Trends in North Korean Trade in FY 2012."

**Figure 2.4. North Korean dependence on trade with China**



Note: Inter-Korean trade is not included.

Sources: Institute for Unification Education, ROK Ministry of Unification, *Understanding North Korea 2013*, p. 164, and Korea Trade-Investment Promotion Agency, "Trends in North Korean Trade in FY 2012."

issued a statement saying it had shipped the arms for repair in North Korea, and on the following day a DPRK Ministry of Foreign Affairs spokesperson announced that the ministry had filed a request with the Panamanian authorities to have the ship released. In addition to rejecting suspicions of drug smuggling as a fabrication, the spokesperson said that the arms were aging weapons being sent to North Korea for repair under a legitimate contract with Cuba, and demanded that the captain and crew be released immediately. However, the Panamanian government declared on September 28 that the arms shipment violated the arms embargo placed on North Korea by a United Nations Security Council (UNSC) resolution, citing the initial report of a UN panel of experts investigating the incident. In the future, North Korea is likely to continue attempting to sell arms to other countries under the radar of international scrutiny as long as that trade remains a viable source of foreign currency. However, as the *Chong Chon Gang* incident illustrates, the international community's closer monitoring of such activity is starting to make it more difficult for the DPRK to gain foreign currency through this avenue.

Returning to the topic of the Kim Jong Un regime's "new strategic line," the dual policy cannot be considered a truly "new" direction in strategic thinking. Accepting the South Korean government's opinion that the North has for some time pursued a two-pronged strategy of maintaining the regime's hold on power while advancing economic recovery, if we see nuclear development as the core activity for sustaining the regime's rule, then the current dual policy can be understood as simply an extension of the two-pronged strategy. This is to say that North Korea will continue to strive toward the vision of becoming a "strong and prosperous nation." Since that vision has not, on the whole, clearly assigned higher priority to either the goal of strengthening military power or that of becoming an "economic giant," it is not unreasonable to assume that both objectives had been pursued simultaneously before the emergence of the dual policy. Furthermore, while it is possible to see the adoption of the dual policy as being grounded in the logic that possession of a nuclear arsenal would, as North Korea asserts, lower overall defense spending and thus free up resources for developing the economy, we can say that such reasoning merely frames and legitimizes the two pre-existing goals of a "strong and prosperous nation" as related matters. That is, the dual policy is, in this context, no more than a reaffirmation of North Korea's established national strategy as the Kim Jong Un

regime's official policy line.

Nevertheless, even if we assume that North Korea is endeavoring to revive its economy under the dual policy while continuing its attempt to become a de facto nuclear weapons state, the likelihood for significant improvement of the economy in the near future is, as was explained earlier, very slim. Of course, it would not be impossible for North Korea to attain the goal of becoming an economic powerhouse if it were to forego its nuclear development program and more extensively implement measures for reforming and opening up its economy, but it is clear that much ground still needs to be covered before that day will come.

## **2. North Korea's Combined Use of Provocation and Dialogue**

### **(1) Taking an Assertive Stance after the Third Nuclear Test**

After conducting its third nuclear test on February 12, 2013, North Korea continued engaging in provocative statements and behavior up to around May. On March 6, a spokesman for the Supreme Command of the KPA declared that the DPRK would nullify the Korean Armistice Agreement, and two days later the Committee for the Peaceful Reunification of the Fatherland issued a statement saying that North Korea would cancel all nonaggression pacts with the South and would abrogate the two countries' joint declaration on denuclearization of the peninsula. Following the UNSC's adoption of a resolution on March 7 to impose further sanctions on North Korea for performing the third nuclear test, a DPRK Ministry of Foreign Affairs spokesperson issued a condemnation of the resolution on the 9th, and on the 14th gave a statement that blamed the United States and the UNSC for rendering the armistice agreement void. The spokesperson also declared on the 16th that Pyongyang would not engage in dialogue with Washington unless the United States abandoned its "hostile" policies. Through these and other statements, North Korea expressed a hard-line stance far removed from any willingness to pursue dialogue.

The North Korean media echoed this sentiment, such as by quoting an assertive statement made by a KPA general. Also, the *Rodong Sinmun* published on March 7 an editorial warning that the country could launch its missiles with the push of a button and, if provoked, would unleash a "precision nuclear strike in our own style" that would create a "sea of fire" and turn both Washington and Seoul into the "final resting places of the aggressors." The *Rodong Sinmun* also printed on

the 10th another editorial saying that the forward-deployed forces and all other units of KPA's ground, air, and naval forces, as well as the Strategic Rocket Forces, the Worker-Peasant Red Guards, and the Red Youth Guard were in the midst of an all-out decisive battle based on a strategic plan signed by Supreme Commander Kim Jong Un. This was followed on the 17th by another editorial declaring that in the event that North Korea exercised its right to use preemptive nuclear strikes to "destroy the strongholds of aggressors," none of Japan would be spared from retaliatory strikes; the article also pointed out that Tokyo, Osaka, Yokohama, Nagoya, and Kyoto were home to more than one-third of the total population and many production facilities of core industries. As these examples show, the North Korean media repeatedly used forceful language suggesting that military action would be taken, including the possibility of preemptive nuclear strikes.

Beginning on February 21, there was a conspicuous rise in North Korean media statements that inflamed the international community's sense of crisis, with rhetoric such as "war mobilization preparations" and "quasi state of war" used in reports concerning military inspections by First Chairman Kim Jong Un. In March, North Korea reacted sharply to the participation of US B-52 and B-2 strategic bombers and a US Navy nuclear submarine in joint US-ROK military exercises that began in that month—for instance, the domestic radio network Korean Central Broadcasting Station issued an air raid warning on March 21, the KPA Supreme Command placed field artillery units on the highest level of combat alert on the 26th, and a missile strike plan was ratified on the 29th at a council of war convened by Kim Jong Un regarding Strategic Rocket Forces operations. In early April, North Korea was reported to have moved intermediate range ballistic missiles (possibly Musudan missiles) to its Sea of Japan coast. In May, the ROK Ministry of National Defense reported that North Korea fired three short-range missiles toward the Sea of Japan on the 18th, followed by a fourth launch on the next day.

Throughout the months of March through May, North Korea frequently used assertive rhetoric and showed signs of preparing for military action, heightening international tensions as it continued efforts to turn its status as a "nuclear weapons state" into a *fait accompli*. However, this hard-line posture started to soften visibly after KPA Vice Marshal Choe Ryong Hae, member of the WPA Politburo Presidium and director of the KPA General Political Bureau, visited China in late May as a special envoy for First Chairman Kim Jong Un.

## (2) Stronger but Limited Pressure from China

China, responding to North Korea's launch of a purported "satellite" in December 2012 and the nuclear test in the following February, shifted from its theretofore conciliatory posture and supported the passage of UNSC Resolutions 2087 and 2094 for tightening sanctions against the DPRK. This was marked by a change in the attitudes expressed by senior Chinese officials, including then-first vice premier of the State Council Li Keqiang, who cautioned Pyongyang that its provocative and troublesome behavior could lead to the regime getting its just deserts, and Wang Jiarui, director of the International Department of the Central Committee of the Communist Party of China (CPC), who stated that both countries merely had "normal relations between states" and not a "special relationship," implying that in Beijing's view the two neighbors no longer shared the blood ties that they had held since the Korean War. Following the adoption of the aforementioned UNSC resolutions, the Chinese government issued directives in February and April that called on the relevant domestic agencies to thoroughly enforce bans on the export to North Korea of items prohibited by the resolutions. In addition, China's four largest state-run banks indicated that they would suspend money transfers to North Korea, with the Bank of China announcing on May 7 that it had ceased making transactions with the Foreign Trade Bank of the DPRK, which handles North Korea's trade accounts, followed by the China Construction Bank's announcement that it had closed the accounts of two North Korean institutions, Korea Kwangson Banking Corp. and the Golden Triangle Bank.

In addition to the application stronger political measures, China's stance toward North Korea also shifted to the use of greater psychological pressure. For example, the *Financial Times* published in February an opinion piece entitled "China should abandon North Korea" by the deputy editor of the *Study Times*, the journal of the CPC's Central Party School. The author suggested two options for the future course of Beijing's strategy for the Korean Peninsula: (1) end the alliance with North Korea and collaborate with South Korea in unifying the peninsula, or (2) foster a pro-China government in North Korea in order to establish a security environment on the peninsula that would be more stable from China's perspective.

Amidst the heavier pressure from China, Director of the KPA General Political Bureau Choe Ryong Hae made his aforesaid visit to Beijing as special envoy to First Chairman Kim Jong Un from May 22–24, meeting with Wang Jiarui, director of the CPC Central Committee's International Department, Liu Yunshan, member

of the CPC Politburo's Standing Committee, Fan Changlong, vice-chairman of the Central Military Commission of China, and President Xi Jinping. The DPRK delegation also included Col. Gen. Ri Yong Gil, Deputy Director of the WPK Central Committee Kim Song Nam, Vice Minister of Foreign Affairs Kim Hyong Jun, and Lt. Gen. Kim Su Gil. According to Chinese media reports, Choe told Liu Yunshan in their meeting on May 23 that the DPRK would like to follow China's suggestion to engage in dialogue with the relevant parties. On the following day, Choe stated in his meeting with Fan Changlong that North Korea wished to work with all sides in seeking out a resolution through dialogue, and, in his subsequent meeting with President Xi, declared that North Korea was interested in preserving the peace and stability of the Korean Peninsula by appropriately resolving the relevant questions through the Six-Party Talks and other forms of dialogue and consultations with the concerned parties.

These statements, however, were made public through Chinese sources; the North Korean leadership and media have not reported that Choe informed China of the DPRK's willingness to engage in dialogue. Moreover, following Choe's visit, Pyongyang repeatedly declared its intention to continue bolstering the country's deterrent and firmly maintain the dual policy. This strongly suggests that although the Kim Jong Un regime has consented to more actively engage in dialogue through the Six-Party Talks and other formats in deference to China's position, it has not agreed to make a substantive change of course. Also, the Chinese government's use of the phrase "denuclearization of the Korean Peninsula" rather than "denuclearization of North Korea" as preferred by Japan, the United States, and South Korea implies that the shift in China's stance toward the DPRK remains limited.

The mixed tone of this stance can also be seen in Chinese rhetoric. For example, over the years China has spoken of its relationship with North Korea in terms such as "inheriting tradition," "future-oriented," "neighborly friendship," and "strengthening cooperation," but the expression "neighborly friendship" was conspicuously absent from May 25 North Korean media accounts of the statements made by Xi Jinping during his aforementioned meeting with Choe Ryong Hae; the KCNA quoted Xi as saying, "[T]he Chinese party and government deem it very important to develop the Sino-DPRK friendly relations on a strategic level and from a long-term viewpoint and that it is the consistent policy of the Chinese party and government to inherit the tradition, face up to the future and strengthen

cooperation.” In addition, quotes by the *Rodong Sinmun* and the *Minju Choson* in the following month also spoke of tradition-based, future-oriented, and cooperative ties while leaving out the expression “neighborly friendship.” If we assume this to be a sign that Sino-North Korean ties have weakened, then we could say that Choe Ryong Hae’s visit to Beijing failed to accomplish what was ostensibly its biggest goal, namely, improvement of relations between the two countries. On June 19, however, Xi Jinping was quoted by the Korean Central Broadcasting Station as speaking about “inheriting tradition, facing up to the future, building good neighborly friendship and strengthening cooperation” in a statement he issued to thank Kim Jong Un for sending him a congratulatory telegram for his birthday on the preceding day. This suggests that Beijing still strongly desires to avoid upsetting or inflaming Pyongyang more than necessary.

The restraint that China has shown in its stance toward North Korea was further underscored by events that transpired after Choe Ryong Hae’s visit. One such occasion was a bilateral strategic dialogue held in Beijing on June 19 between North Korea’s First Deputy Minister of Foreign Affairs Kim Kye Gwan and China’s Vice-Minister of Foreign Affairs Zhang Yesui. The formatting of the meeting as a dialogue between the two foreign ministries contrasted with the bilateral strategic talks convened in June 2011 and April 2012, which were held between the WPK and the CPC instead. On one hand, this change could be seen as a painful blow to a North Korea seeking to emphasize the improvement of relations with China, since diplomacy within the communist/socialist world has traditionally valued inter-party talks over inter-ministerial approaches, and the abandonment of this custom would imply that Beijing had downgraded its relationship with the DPRK. On the other hand, however, the fact that the strategic talks were held at all can be considered a conciliatory move that served North Korea’s interests. As such, China appears to be taking a cautious, restrained approach designed to avoid exerting pressure too softly or too strongly.

In September, the Chinese government began showing signs of taking action to implement UNSC-imposed sanctions against the DPRK, including by publishing a list of goods and technologies prohibited from export to North Korea on the grounds that they could be used to build nuclear weapons or other weapons of mass destruction. This show of pressure carried strong political significance, as it represented the first time for China to formulate and apply a list of items banned from export to a specific country. Nevertheless, the Chinese government has not

altered its course to a radical approach like the one suggested in the op-ed article “China should abandon North Korea” mentioned earlier. Moreover, Beijing reacted to the purge of Jang Song Thaek on December 8 only by saying that it did not want to interfere in North Korea’s internal affairs, so a significant change of course should not be expected to come in the foreseeable future.

China will likely continue to modulate the intensity of its pressure in response to North Korea’s attitude, taking what action is needed to prevent tensions on the Korean Peninsula from rising to an unacceptable level. China’s limited response to North Korea can be seen as a factor contributing to the latter’s recent combination of provocative behavior and a willingness to engage in dialogue with concerned parties as it seeks to become a de facto nuclear weapons state.

### **(3) Resumption of Inter-Korean Dialogue**

Following its third nuclear test in February, North Korea took a confrontational stance toward South Korea, mirroring its hard-line posture toward the United States. On April 8, Pyongyang announced its unilateral decision to pull all North Korean workers from the Kaesong Industrial Zone, effectively shutting down operations at the complex. Following Choe Ryong Hae’s visit to China in late May, however, North Korea began showing a softer stance, and on June 6 proposed having inter-Korean talks toward the resumption of operations at Kaesong and tourism in the Mt. Kumgang region. On August 14, the delegates to the seventh round of North-South working-level talks adopted a five-point agreement on normalization of Kaesong Industrial Zone that included a clause stating, “The two Koreas will not make Kaesong suffer again from the stoppage of the complex by such things as restrictions on passage and the withdrawal of the workforce. They will guarantee the normal operation of the complex, including the stable passage of South Korean personnel, North Korean workers’ normal reporting to work and the protection of corporate assets, with the complex not to be affected by inter-Korean situations under any circumstances.” After a nearly five-month hiatus, the industrial park was reopened on September 16. Further working-level talks are expected to be held regarding Kaesong, including with regard to the installation of a radio frequency identification system to facilitate the passage of South Koreans to and from the site.

Meanwhile, North Korea appeared to become willing to also pursue negotiations with the South regarding the resumption of reunions between family members

separated by the partitioning of the Korean Peninsula, and in fact both sides reached an agreement to reinstate the program on September 25. However, the Kim Jong Un regime unilaterally postponed the starting date, citing differences of opinion between both sides concerning resumption of South Korean tours to the Mt. Kumgang region, and the arrest of South Korean lawmaker Lee Seok-ki on charges of collaborating with North Korea and plotting an armed revolt. Moreover, efforts to restart the Mt. Kumgang tourism project have also followed a tortuous path. In other words, while North Korea has become more open to dialogue with the South, the extent of this willingness has remained limited. The DPRK's shift to a somewhat more conciliatory posture has been ascribed by some to South Korea's strong overtures to North Korea to refrain from unilaterally closing Kaesong Industrial Zone, but it appears that Pyongyang is exploring opportunities to advance North-South exchange in a way that maintains its longstanding preference for direct dialogue with Washington over inter-Korean talks and allows the regime to deal with pressure from Beijing.

Under the present circumstances, it is very difficult to foretell whether this shift in attitude will lead to the resumption of the Six-Party Talks. On September 10, Cho Tae-yong, special representative for Korean Peninsula peace and security affairs for the ROK Ministry of Foreign Affairs, met with visiting US Special Representative for North Korea Policy Glyn Davies. At the joint press conference that followed, Cho stated that it would be possible to resume the Six-Party Talks if the members shared the consensus that real progress was being made toward the denuclearization of North Korea, while Davies said that the United States did not see North Korea as having a positive attitude toward fulfilling its obligations under the UNSC resolutions placed against it. The US government's assessment of North Korea did not change following this meeting.

As for North Korea's view of the Six-Party Talks, First Deputy Minister of Foreign Affairs Kim Kye Gwan, speaking at an international seminar hosted on September 18 in Beijing by the China Institute of International Studies, said that the setting of preconditions for North Korea to fulfill before the resumption of the talks was an unreasonable demand contrary to the spirit of the 9/19 Joint Statement, and declared that while the DPRK wanted to resume the talks and was working toward that goal, it would not resort to begging. Also, North Korea has taken advantage of certain opportunities to shake up the process toward resumption of talks, such as its last-minute cancellation of a visit planned for August 30 by

the US special envoy for North Korean human rights issues, a move that was motivated by Pyongyang's ire over the participation of B-52 strategic bombers in US-ROK joint military exercises. Such behavior has served only to make Washington more guarded in its dealings with North Korea.

On November 23, Japan's *Yomiuri Shimbun* reported that on the preceding day Wu Dawei, Chinese special representative for Korean Peninsula affairs, had presented Japan, the United States, South Korea, and Russia with the following seven-point proposal for getting the Six-Party Talks restarted: (1) have all parties fulfill the obligations set forth in the September 2005 joint statement for the resumption of talks; (2) denuclearize the Korean Peninsula (i.e., disallowing North Korea's development, manufacture, proliferation, and stockpiling of nuclear weapons, the possession of nuclear weapons by South Korea, and the redeployment of nuclear arms on the peninsula by any country); (3) resolve matters of interest to North Korea during the denuclearization process; (4) take action toward normalizing North Korea's bilateral relations with Japan, the United States, and South Korea, with the United States renouncing any intentions of overthrowing the North Korean regime and declaring its willingness to enter into a nonaggression pact; (5) pursue talks toward elevating the Korean Armistice Agreement into a peace treaty; (6) firmly maintain the principle of "action for action" and reactivate the five working groups; and (7) hold the Six-Party Talks on a regular basis.

However, following Special Representative Glyn Davies' meeting with Chinese Minister of Foreign Affairs Wang Yi on November 21, the United States has remained firm in its position that North Korea needs to end all forms of nuclear development before further talks can materialize. This, coupled with the large gaps in perspective that divide North Korea and China from each other and from Japan, the United States, and South Korea, suggests that the prospects for resumption of the Six-Party Talks will remain murky for some time.

In the wake of its third nuclear test, North Korea is steadily advancing its nuclear development program under the dual policy while also making sporadic attempts to fulfill the second pillar of that policy, economic development, but the likelihood for it to attain its goal of becoming an "economic giant" in the near future will be very slim as long as the present course is maintained. At the same time, North Korea is seeing little success in its attempts to reduce tensions with regional players by tempering its provocative behavior with expressions of

willingness to engage in dialogue—the lack of progress in realizing direct talks with the United States and the dim prospects for resumption of the Six-Party Talks are perhaps best characterized as a deadlock.

### **3. South Korea: Strengthening Deterrence against North Korea while Emphasizing Relations with the United States and China**

#### **(1) G2 and Asia's Paradox: President Park's Foreign Policy**

Since assuming office on February 25, 2013, South Korean President Park Geun-hye has positioned the US-ROK alliance as the mainstay of her foreign and security policy, while also making partnership with China another important pillar. With respect to Japan and North Korea, however, her administration has strongly demanded that both countries take steps to earn South Korea's trust, out of the view that lack of trust among states in Northeast Asia is a destabilizing factor for the regional security environment.

At the heart of this policy is the Park Geun-hye administration's conviction in the G2 notion and "Asia's paradox." The G2 notion is the perception that China stands as a new superpower alongside the United States, forming a "Group of Two," as it were. This view is nearly accepted as fact in South Korea for various reasons, such as the geographical proximity of China, growing dependence on the Chinese market, and the immense influence that the Chinese government wields in North Korea-related issues both as a permanent member of the UNSC and as a North Korean ally whose treaty obligations include rendering military assistance. Although the Park administration does not officially use the term "G2," it appears to posit the existence of a G2-like order across Northeast Asia. Given this perspective, it would be logical for South Korea to conclude that close ties should be fostered with China as well, rather than continuing to depend solely on the United States. President Park's statements and actions suggest that she believes striking a balance between the US-ROK alliance and partnership with China will contribute significantly to South Korea's security and the future reunification of the Korean Peninsula.

The term "Asia's paradox," as used by the Park administration, refers to the perception that despite the increasing economic interdependence of Asian countries, the growth of their political and security cooperation is being held back

by rising historical and territorial tensions. As a solution for this paradox, the administration is proposing the implementation of what it calls the “Northeast Asian Peace and Cooperation Initiative,” a scheme for creating a security framework for Northeast Asia by cultivating trust among the regional players, starting with areas where it is relatively easy for them to cooperate, such as environmental concerns, disaster response, nuclear security, and counterterrorism. With regard to North Korea, the administration is advocating a process of trust-building on the Korean Peninsula that is firmly based on security and aims to gradually establish peace on the peninsula through efforts to foster inter-Korean trust, thus creating the foundation needed for reunification. This process includes denuclearization of North Korea, but as a prelude to that objective the South is seeking to nurture mutual trust by providing humanitarian assistance to the North and by pursuing economic cooperation through projects like the aforementioned Kaesong Industrial Zone. In sum, the ROK government is making “trust” the catchword for both its foreign policy and its relations with North Korea.

President Park Geun-hye met with US President Barack Obama in Washington in May 2013, making her first official trip abroad since assuming office. During their summit, the two leaders deepened their personal trust with one another and reaffirmed both countries’ longstanding commitment to further grow their alliance and maintain a unified political front vis-à-vis North Korea.

Following the summit, both sides issued a joint declaration commemorating the sixtieth anniversary of the US-ROK alliance, in which they lauded the alliance for contributing to stability, security, and prosperity on the Korean Peninsula and in the Asia-Pacific, and pledged to use it as a global partnership to address global challenges. In addition, the declaration said that the United States remained committed to defending South Korea “through extended deterrence and the full range of U.S. military capabilities, both conventional and nuclear,” and that both countries—essentially, South Korea—would strengthen capabilities in areas such as intelligence, surveillance, and reconnaissance. These pronouncements echoed those made by President Obama and then-President Lee Myung-bak in the joint vision for the US-ROK alliance they adopted in June 2009.

In terms of their unified political front toward North Korea, Presidents Park Geun-hye and Obama agreed that while that no tolerance or concessions would be given regarding the North’s nuclear testing and provocations, the door to dialogue would be kept open for the North Korean leadership. Obama

expressed his support for Park's trust-building process, while Park showed a flexible stance toward Pyongyang by stating that South Korea was willing to lead the international community in providing assistance to North Korea if it were to take steps toward denuclearization and becoming a responsible member of the international community.

South Korea and the United States have also reached other agreements regarding the DPRK, adopting in March the US-ROK Counter-Provocation Plan for responding to local provocations by North Korea, and approving in October a "tailored deterrence strategy" against that country's nuclear weapons and other weapons of mass destruction. Both of these agreements were founded on discussions that began between the Lee Myung-bak and Obama administrations in response to developments such as the March 2010 sinking of the corvette ROKS *Cheonan* and the May 2009 nuclear test by North Korea, and, as will be examined later, contributed significantly to the strengthening of South Korea's defense.

Meanwhile, there have been some areas where the US and ROK governments have been unable to reach agreement or have diverged in their opinions, including issues such as the participation of South Korea in the Missile Defense (MD) system and further postponement of the transfer of wartime OPCON, as well as revision of the US-ROK Nuclear Cooperation Agreement and the role of Japan in the regional security environment. In negotiations over the Nuclear Cooperation Agreement, South Korea has stated that it wishes to change the agreement to allow it to reprocess spent nuclear fuel from nuclear power plants because of its shortage of facilities for storing that fuel, and has asserted that it has no intention of using the plutonium that would result from reprocessing for military purposes. Washington, however, has shown a lukewarm response to this request due to its desire to promote nonproliferation. As another gap in thinking, the United States is looking to Japan to play its part in supporting the peace and stability of the Asia-Pacific region, while President Park is not eager to recognize such a role because of misgivings about historical issues. Park's stance contrasts with that of the Lee Myung-bak administration, which, notwithstanding some friction with Tokyo toward the end of its tenure, advocated trilateral cooperation involving Japan in the context of the US-ROK alliance.

President Park Geun-hye selected China as the destination for her second official trip abroad, breaking with her predecessors' traditional pattern of calling on Japan after the prerequisite first visit to the United States. As such, she

underscored to domestic and foreign audiences her administration's perception of Sino-South Korea relations as being nearly as important as ties with the United States. China welcomed its guest with great fanfare and a honeymoon-like atmosphere, but did not fully meet South Korea's expectations regarding military exchange, policy toward North Korea, and other matters of concern.

President Park's summit with President Xi Jinping, which took place in Beijing on June 27, resulted in their release of the "ROK-China Joint Statement for Future Vision" for expanding the two countries' strategic cooperative partnership. Following the normalization of diplomatic ties with China in 1992, a succession of ROK presidents took action to "upgrade" the Sino-South Korea relationship, as was seen in Roh Moo-hyun's spearheading of a bilateral agreement on comprehensive cooperative partnership in 2003, and Lee Myung-bak's negotiating of a strategic cooperative partnership agreement in 2008. With the ROK-China Joint Statement for Future Vision, however, both sides appear to be emphasizing substantive enhancement of the content of their relationship rather than just a nominal upgrade of its status.

In the joint statement, both countries pledged to communicate at various levels, including through frequent state visits to each other, regular foreign ministerial meetings, and strategic talks between their national policy think tanks. One of the actions mentioned was the establishment of a mechanism for dialogue between two senior officials, the ROK director of national security for the Blue House (the presidential office) and the Chinese state councilor for foreign affairs, and the first such meeting was held in Seoul in November 2013 between South Korea's Kim Jang-soo and China's Yang Jiechi. This gathering, however, was more of an opportunity for the officials to become acquainted with each other rather than to engage in working-level communication, and some civilian experts in South Korea questioned the appropriateness of the decision to have a state councilor for foreign affairs serve as the Chinese counterpart to the ROK director of national security, an official directly linked to the

president. Another pledge by Presidents Park and Xi, outlined in the joint statement's annex, was to cooperate in resolving sensitive issues such as maritime borders not yet demarcated and "illegal operations," which refers particularly to illegal Chinese fishing in South Korean waters, a source of contention between the two countries.

Turning to developments in ROK-China military exchange, Chairman of the ROK Joint Chiefs of Staff Gen. Jung Seung-jo met with Gen. Fang Fenghui, chief of general staff of the Chinese People's Liberation Army (PLA), on June 4, 2013, ahead of the aforementioned Park-Xi summit. During the meeting—the first military exchange to be held at that level in the seven years since 2006—both sides agreed to set up a hotline between their respective defense ministries,

### **Sino-South Korea Ties in the Humanities**

The ROK-China Joint Statement for Future Vision adopted by Presidents Park Geun-hye and Xi Jinping at their June 2013 summit in Beijing contained a diverse array of pledges, including goals such as building up the two countries' strategic communication, expanding their social and economic cooperation, and, interestingly, strengthening their "ties in the humanities." A new catchphrase taken up by the Park administration, "ties in the humanities" refers to the cultural foundation shared by South Korea and China, such as Confucianism and the use of Chinese characters. President Park holds that this common heritage enabled both countries' relationship to rapidly evolve following the normalization of their diplomatic relations in 1992, and that it will continue to contribute to their mutual understanding in the future.

This emphasis on cultural ties is a manifestation of the Park administration's desire to make South Korean bonds with China as strong as those held with the United States. For years, South Korea and the United States have seen themselves as allies whose relationship is firmly founded upon the shared values of liberty, democracy, and a market economy. With regard to China, however, the Park administration is accentuating ties in the humanities as a different but equally firm foundation for the growth of relations between these two neighbors.

It appears that this idea was inspired in a large part by President Park's personal background and experience; in addition to being fluent in Chinese, she is well-versed in classical literature, philosophy, and other aspects of China's culture. The frequent visits that she made to China in the years before assuming office may have taught her the effectiveness of "ties in the humanities" as a diplomatic weapon for capturing the hearts of the people of China—an effectiveness demonstrated by the thunderous applause Park received when she, as part of her June 2013 visit to Beijing, for a speech she delivered to Chinese university students partly in Chinese and with quotes from classical Chinese philosophy.

according to South Korean sources. However, considering that the same pledge was made by the two ministries at the vice-ministerial defense strategic dialogue held in Beijing in July 2012, the reiteration of this agreement suggests that no practical headway had been made during that nearly one-year gap. Prior to this announcement, both countries were already sharing naval and air force hotlines for preventing accidents and coordinating rescue operations (the agreement to establish these lines was made in November 2008 but it is not clear when actual service began), so it appears that South Korea's motive for creating a high-level hotline for the senior defense officials and chiefs of staff of both sides is to facilitate strategic communication in crises, trouble involving North Korea, and other such situations. Nevertheless, the ROK-China Joint Statement for Future Vision does not mention military exchange, and no significant progress has been made toward the signing of two bilateral memoranda of understanding that the Lee Myung-bak administration had proposed regarding sharing of military intelligence and mutual support during disasters. The slow pace of progress in this regard can be taken as a sign that China is reluctant to rapidly expand military exchange with South Korea out of consideration for North Korea's reaction.

With regard to issues surrounding North Korea and Northeast Asia, President Xi Jinping welcomed President Park's proposals for launching a process of trust-building on the Korean Peninsula and the Northeast Asian Peace and Cooperation Initiative during their summit. However, in response to the Park administration's opposition to North Korea's nuclear testing and possession of nuclear weapons, Xi agreed only to support "denuclearization of the Korean Peninsula," avoiding any specific references to North Korea that might overly inflame the Kim Jong Un regime. Both Seoul and Beijing are also divided over the choice of path toward denuclearization, with China advocating immediate resumption of the Six-Party Talks while South Korea, coordinating its moves with the United States, is calling for North Korea to show progress toward denuclearization as a prerequisite to continuation of those talks.

In another development, China announced on November 23 its designation of an "East China Sea Air Defense Identification Zone" that partially overlapped South Korea's pre-existing Air Defense Identification Zone (ADIZ). The Park administration immediately voiced its rejection of the zone defined by China and subsequently expanded the South Korean ADIZ on December 8 to the extent that it overlapped with portions of the Japanese ADIZ and the zone declared by China.

Since the Chinese government had acted unilaterally, some South Korean observers urged caution regarding China's intentions, but President Park declared that the ADIZ issue had been successfully resolved, in comments she made at her New Year's press conference in January 2014. At the same time, Park said that South Korean relations with China were the closest they had ever been—an assessment that may be shaped in part by South Korea's tension with Japan over historical issues (discussed later).

In addition to setting great store in bilateral ties with the United States and China, the Park administration is also emphasizing trilateral cooperation with those two partners, guided by the desire to resolve the North Korean issue through that cooperation, and by the understanding that military conflict between the United States and China would threaten South Korea's security. The Park administration invited the US and Chinese governments to join in trilateral strategic dialogue, but neither has appeared enthusiastic about accepting this offer, perhaps due to little sense of the need to enlist South Korea as a go-between.

As for South Korea's relations with Japan, no summit-level exchanges were made in 2013. President Park Geun-hye repeatedly stated to politicians and reporters of other countries that trust had not been established between Japan and South Korea because of the Japanese leadership's "regressive remarks," and indicated that she was not willing to engage Tokyo in summit meetings unless it took action to make amends. Park continued to maintain this stance even after Prime Minister Shinzo Abe suggested the scheduling of a summit and publicly announced in May 2013 that his administration continued to support the Murayama Statement of 1995, in which then-Prime Minister Tomiichi Murayama expressed Japan's apologies and remorse for its past aggression and colonial rule over other countries. When Abe visited Yasukuni Shrine in December 2013 to pay his respects to the war dead and pledge for Japan never to wage war again, the South Korean government reacted harshly, saying that it could not repress its condemnation and rage over the visit, and demanded that Japan start working to earn the trust of South Korea and other affected nations by issuing an apology to them. In this vein, relations between Seoul and Tokyo remained frosty at the political level throughout the remainder of the year—not only the result of tension over historical issues, but also likely the product of South Korea's perception that the importance of China has grown while that of Japan has comparatively declined.

The Japan Self-Defense Forces (SDF), during their deployment to the United

Nations Stabilization Mission in Haiti (MINUSTAH) from February 2010 to February 2013, performed a number of operations together with ROK military personnel, such as the removal of rubble. In June 2013, Japanese Minister of Defense Itsunori Onodera, South Korean Minister of National Defense Kim Kwan-jin, and US Secretary of Defense Chuck Hagel met in Singapore, where they agreed to continue cooperating toward the resolution of challenges such as the North Korean nuclear issue and piracy off the coast of Somalia. The Japan Maritime SDF and the ROK Navy conducted joint search and rescue (SAR) exercises in May, October, and December, as well as an antipiracy drill in the Gulf of Aden in December (the US Navy also participated in all these except for the SAR exercise in December). As these examples indicate, Japan and South Korea maintained working-level cooperation—particularly that involving their mutual ally, the United States—during the year, but because of the absence of summit-level exchange and the need to find a foothold for improving their relationship at the political level, they are not in a position to easily expand that cooperation, such as by signing the bilateral agreement on protection of classified information that has been on hold since South Korea's last-minute postponement of the planned signing in June 2012.

The slow progress in mending Japan-South Korea relations at the political level could have a negative impact on working-level defense cooperation. In December, ROK peacekeepers attached to the UN Mission in the Republic of South Sudan (UNMISS) and tasked with protecting refugees from escalating violence there were supplied with ammunition by the SDF via the UNMISS headquarters, at the request of the ROK peacekeeping unit, the UNMISS headquarters, and the South Korean embassy in Tokyo. However, when Japan announced that this support had been given, the South Korean media criticized the ROK government for providing Japan with a precedent for legitimatizing its right to collective self-defense. The ROK defense ministry responded that it had made the request for ammunition to the UN, not Japan, and that it returned the ammunition to the UN as soon as it was delivered. Granted that this particular incident was not a case of bilateral cooperation between the Japanese and South Korean defense authorities, it nevertheless highlights the fact that public opinion in South Korea is taking a more pointed view of relations with Japan, a development that could negatively affect Japan-South Korea defense cooperation on the road ahead.

Given that both Japan and South Korea wield sizeable economic strength and

share a common set of values as democracies, cooperation between them promises not only to benefit their own interests but also to contribute significantly to peace and economic growth in East Asia and the world at large. It seems that the time is ripe for the leadership of both sides to firmly decide the future course of their relations.

President Park Geun-hye, amid the rising tensions caused by North Korea's provocations, particularly the third nuclear test conducted nearly two weeks before her inauguration, has taken a no-nonsense stance toward Pyongyang, demanding that the regime fulfill its promises to South Korea and the international community—in other words, take the action needed to build trust. This stance has paid off in one way with the aforementioned resumption of business operations in Kaesong Industrial Zone on September 16, 2013. Trouble over the industrial park began on March 30 when North Korea, angered by US-ROK joint military exercises taking place then, started threatening to close it down. On April 9, North Korea pulled all its workers from the complex, effectively shutting down operations, and on May 3 the South Korean government recalled the remainder of its citizens working there, saying that it could no longer ensure their safety. In the bilateral negotiations that followed, the Park administration demanded the North to guarantee that it would not unilaterally shut down the complex again, and indicated that South Korea would walk away from further talks if this condition were not met. North Korea eventually acquiesced to some, but not all, demands made by the South, enabling both sides to reach an agreement on August 14 to reopen Kaesong. Subsequently, however, Pyongyang broke some of the promises it made, such as by refusing to allow inter-Korean family reunions, so the tug-of-war between both sides shows no signs of ending. In response to North Korea's rejection of South Korean demands for denuclearization, the Park administration, coordinating its moves with the Obama administration, is continuing to push the North to take steps toward denuclearization as a prerequisite to the advancement of their relations. It is clear, however, that the DPRK is still firmly moving forward with its nuclear development program.

## **(2) The “Kill Chain” and KAMD**

The Park Geun-hye administration's defense policy follows a dual course of strengthening the ROK armed forces' own capabilities in all-out and limited warfare while also co-building a mechanism with the United States for dealing

with military action and threats by North Korea, including local provocations and use of nuclear weapons. As such, this policy represents an extension of the defense reform plan formulated in 2011 by the Lee Myung-bak administration in the wake of incidents such as the March 2010 ROKS *Cheonan* sinking and North Korea's nuclear tests.

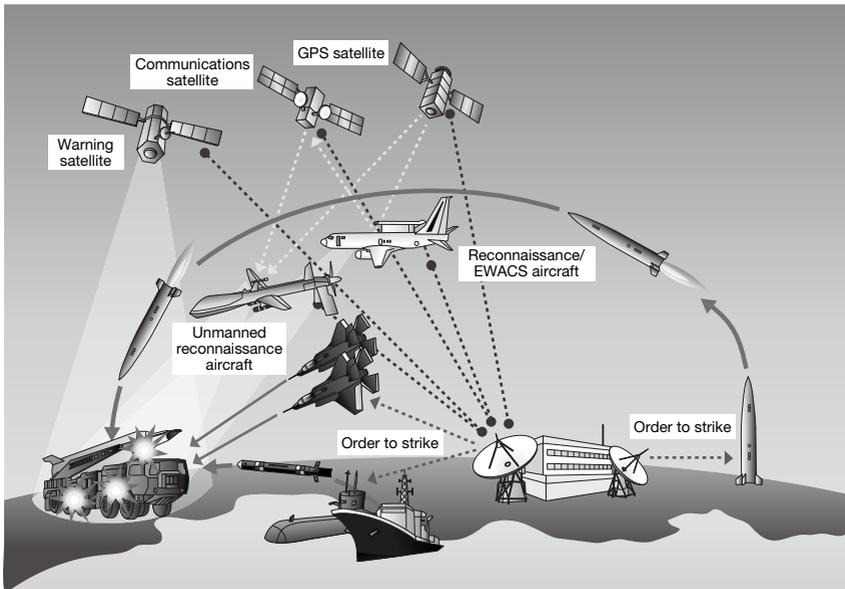
In order to be prepared for local attacks similar to the *Cheonan* sinking and the November 2010 Yeongpyeong Island shelling, South Korea has been fortifying Yeongpyeong and other northwest islands in the Yellow Sea, which are in very close proximity to North Korea, including by deploying Spike surface-to-surface missiles that have a range of 20 kilometers and can strike the origin of provocation—namely, artillery batteries and other targets in North Korea. The ROK defense ministry is also carrying out a project to station an unmanned airship over the islands to provide aerial surveillance of North Korean activity. By the end of 2013, the ROK Navy had commissioned its twelfth vessel in the *Yoon Youngha*-class of 450-ton missile patrol ships, which are armed with weapons such as the Haeseong antiship missile and a 76-millimeter gun, and were conceived to take over the role of fast patrol boats (armed mainly with a naval gun) in defending coastal waters, including around the northwest islands. The navy also commissioned the lead ship of the *Incheon*-class of 3,200-ton frigates, which are being built to replace the *Pohang*-class of 1,200-ton corvettes (the *Cheonan*'s class) and the *Ulsan*-class of 2,300-ton frigates, and also launched two sister ships as well. These vessels carry a Lynx antisubmarine helicopter and are armed with Haeseong missiles, Cheonryong cruise missiles, and a 127-millimeter gun, among other weaponry. Concerned by the possibility of invasion in the northwest island region by North Korean air-cushioned landing craft (see p. 78 of *East Asian Strategic Review 2012*), South Korea studied different types of attack helicopters for procurement as an effective means of countering such landing craft, and in April 2013 selected the AH-64E Apache Guardian over the AH-1Z Viper and the T-129. Thirty-six of these helicopters, which can also be used against North Korean armor, are scheduled to be delivered from 2016 through 2018.

As mentioned earlier, South Korea and the United States adopted the Counter-Provocation Plan to enable joint response by their armed forces to local provocations by North Korea. This move was guided by examination of various factors, including the inability of South Korea to deter such provocations with its military alone, its failure to effectively counterattack in past incidents, and the

undeniable possibility that counterattacks by South Korea alone could lead to unintended escalation of the situation. The content of the plan has not been publicly released, but South Korean newspapers have reported that it envisages the ROK armed forces' use of fighter jets and other equipment to strike "the origin of the enemy's provocation and supporting and command forces" with the backing of US military intelligence. As another means of enhancing South Korean capabilities to respond to local provocations, the Lee Myung-bak administration, recognizing South Korea's failure to effectively mount a joint response by its armed forces to the *Cheonan* and Yeongpyeong Island incidents, announced in August 2012 a plan to bolster the authority of the chairman of the Joint Chiefs of Staff (see p. 163 of *East Asian Strategic Review 2013*). However, due to a lack of consensus among the three service branches, the plan was not executed during Lee's tenure and has been essentially abandoned by the Park Geun-hye administration.

South Korea is also taking steps to counter the threat of North Korean nuclear weapons and missiles. President Park, in a speech marking Armed Forces Day on October 1, 2013, included a message urging North Korea to exercise restraint, declaring that South Korea would develop a kill chain system and the Korean Air and Missile Defense (KAMD) system to "make sure that the North Korean regime recognizes that the nuclear arms and missiles to which it clings are no longer useful." The kill chain is envisioned as a system that combines surveillance, reconnaissance, and strike capabilities with other features to enable detection, identification, decision-making, and striking in the event that North Korea prepares to use its nuclear weapons or missiles. The ROK armed forces already possess diverse strike capabilities and are seeking to expand them. Land-based systems include the 300-kilometer-range ballistic missile Hyeonmu 2, the 1,500-kilometer-range cruise missile Hyeonmu 3C, and the Army Tactical Missile System (ATACMS; fires 300-kilometer-range surface-to-surface missiles). In October 2012, South Korea entered into an agreement with the United States to extend its ballistic missile range up to 800 kilometers (see pp. 164–165 of *East Asian Strategic Review 2013*), and reports indicate that the country is now developing an 800-kilometer-range ballistic missile and a 100-kilometer-range ballistic missile capable of destroying underground bunkers. The naval arsenal includes the 400-kilometer-range Cheonryong cruise missile, which is currently deployed aboard vessels such as Aegis destroyers and *Son Won-il*-class submarines.

**Figure 2.5. South Korea's kill chain concept**



Source: Compiled from information released by the ROK Ministry of National Defense.

The ROK Navy had commissioned three Aegis destroyers as of August 2012, and the Joint Chiefs of Staff decided in December 2013 to build another three by the mid-2020s. Airborne strike systems include the 500-kilometer-range air-to-surface missile Taurus (not yet deployed), a domestically produced GPS-guided glide bomb, bombs outfitted with the Joint Direct Attack Munition (JDAM) precision guidance kit, and other weapons deliverable by F-15K and KF-16 fighters. As another aerial platform, the South Korean defense ministry decided in November 2013 to import forty F-35A fighters over a four-year period starting in 2018. The F-15SE and the Eurofighter Typhoon were also considered, but the F-35A won out for its superior stealth capabilities. Because of the high cost, however, the original procurement target of sixty fighters had to be cut back to forty, and the defense ministry will consider various options for making up the difference, amid concerns that a gap will open in the future air defense system.

While expanding strike capabilities, the ROK armed forces are also seeking to enhance their surveillance and reconnaissance capabilities, which have been dependent on US military support. The South Korean military currently owns

ground-based radar systems and four E-737 Peace Eye airborne early warning and control aircraft, and is looking to acquire high-altitude unmanned reconnaissance aircraft, possibly the MQ-4 Global Hawk, as well as reconnaissance satellites. In addition, a medium-altitude unmanned reconnaissance aircraft is now under development, with operational deployment slated for 2018.

The KAMD, a system for low-altitude interception of hostile missiles, is currently composed of Israeli-made Green Pine land-based radar systems, Aegis ship-based radar systems, and land-based PAC-2 missile batteries, among other components. South Korea has repeatedly declined to join in the US-led MD system, citing its geographical proximity to North Korea and its limited budget, though it also appears that this decision was also shaped by the strong desire to avoid aggravating China. For years, the United States had urged South Korea to participate in the MD system, but Secretary of Defense Chuck Hagel, speaking at the press conference that followed the Forty-fifth US-ROK Security Consultative Meeting (SCM) on October 2, 2013, mentioned the importance of ensuring interoperability between the US and South Korean missile defense systems, suggesting that the Pentagon no longer predicated the MD system on South Korea's direct involvement. Meanwhile, some senior officers in the ROK armed forces have voiced the opinion that South Korea needs to acquire high-altitude interception capabilities as well. Specifically, it appears that the consideration is being given to the acquisition of SM-3 or SM-6 missiles for Aegis destroyers or a Terminal High Altitude Area Defense (THAAD) land-based missile system; at least one source says that the ROK defense ministry is also contemplating domestic development of intermediate- and long-range surface-to-air missiles. If this is the case, the KAMD, regardless of the difference in name, is shaping up to become an almost mirror image of the MD system.

The threat posed by North Korean nuclear weapons and missiles is also being dealt with through the aforementioned tailored deterrence strategy, which was approved by Minister of National Defense Kim Kwan-jin and Secretary of Defense Chuck Hagel at the Forty-fifth SCM. The details of this strategy have not been publicly announced, but South Korean newspapers report that it lays out a more refined strategy for each stage of defense, compared with previous plans. Earlier, in March and April 2013, the US and ROK armed forces conducted the Foal Eagle field training exercise, and it was announced that the United States had dispatched B-2 and B-52 strategic bombers, F-22 stealth fighters, and the nuclear-

## South Korea's Arms Exports

For some time, the South Korean government has actively promoted the export of arms as a means of creating jobs and boosting the national economy as a whole. This policy stems from the understanding that domestic demand alone is not enough to maintain and expand the South Korean defense industry's base. The government's efforts to expand exports have been founded on an interagency approach that encompasses organizations such as the Defense Acquisition Program Administration (responsible for ordnance acquisition, promotion of export, etc.), the Ministry of Trade, Industry and Energy, the Ministry of National Defense, the Korea Trade Insurance Corporation, the Export-Import Bank of Korea, and the Korea Trade-Investment Promotion Agency. A wide variety of activities are being carried out, including marketing and publicity—such as support for the biennial Seoul International Aerospace and Defense Exhibition (ADEX), subsidies to help South Korean companies participate in foreign exhibitions, and dispatch of the Black Eagles aerobatic team (T-50 supersonic trainers flown) to air shows abroad—as well as provision of public financing and trade insurance, quality certification, and proxy contracting with foreign governments. These activities have helped to rapidly expand the value of South Korean defense exports, which skyrocketed from US\$250 million in 2006 to US\$2.4 billion in 2012 and on to US\$3.4 billion in 2013. Exports include not only ammunition and parts, but also large-scale items such as armored vehicles, surface vessels, and submarines. At the same time, the number of buyers has also increased, rising from 42 countries in 2005 to 84 in 2011.

One of the big successes for 2013 was Korea Aerospace Industries' (KAI) FA-50 light attack aircraft, with the Philippines contracting to purchase twelve of these jets (estimated total price: US\$450 million) and Iraq contracting for twenty-four (US\$1.1 billion; model designation is T-50IQ). Moreover, in 2011, Indonesia ordered sixteen T-50s (US\$400 million), on which the FA-50 is based, and took delivery of the first two in September 2013. Botswana and Thailand have reportedly expressed interest in buying both the FA-50 and the T-50, and Poland is considering the T-50. KAI and the interagency consortium plan to also market the T-50 to countries such as the United States and the United Arab Emirates.

powered attack submarine USS *Cheyenne* to take part. It is very likely that these assets were committed to the exercise not only to test out the tailored deterrence strategy, but also to make Pyongyang aware of the new strategy, and in so doing deter the regime from using or even considering the use of its nuclear arms. Also, another probable aim was to restore confidence in US expanded deterrence, which had sagged among some South Koreans as a result of the North's three nuclear tests, and to stave off demands for redeployment of US tactical nuclear weapons to South Korea or for South Korea's acquisition of nuclear weapons.

Following the launch of the Park Geun-hye administration, Seoul and Washington reopened discussion of the timing of the transfer of wartime OPCON to the ROK military. The current understanding of both sides is that OPCON of South Korean combat units would be exercised by the commander of the ROK-US Combined Forces Command (a US Army four-star general) in the event of an all-out invasion or other full-scale aggression by North Korea. Back in February 2007, it was agreed, at the Roh Moo-hyun administration's insistence on independent defense, that wartime OPCON would be transferred to South Korea in April 2012. However, some South Korean leaders, particularly retired generals, expressed opposition to the plan because they felt it would give North Korea the false impression that ROK defense capabilities had weakened and because they felt that the ROK military's capabilities in command, control, communications, computers, intelligence, surveillance, and reconnaissance (C4ISR) were still at an insufficient level. In June 6, 2010, amid concern over the *Cheonan* sinking and other developments, Presidents Lee Myung-bak and Obama agreed to postpone the transfer until December 1, 2015. At the press conference following the US-ROK summit in May 2013, Obama mentioned that the transfer would be carried out in 2015 as scheduled, but soon thereafter, Minister of National Defense Kim Kwan-jin, in his June 1 meeting with Secretary of Defense Chuck Hagel in Singapore, proposed further postponement of the transfer. At the Forty-fifth SCM in October, both sides agreed to continue discussing the transition timing and reach a conclusion sometime in the first half of 2014. Officially, the United States asserts that it is preferable for the transfer to occur as planned in December 2015, while South Korea says that further postponement is needed due to advances in North Korea's nuclear and missile capabilities. As such, this issue will not likely be resolved overnight, so there is sufficient probability that date of transition will be pushed back again. Regardless of the timing, there is another issue that needs

to be tackled—the question of whether to maintain the current Combined Forces Command structure (headed by a US Army four-star general, with an ROK Army four-star general serving as deputy commander), replace it with separate ROK and US command structures linked by a mechanism for coordination, or establish a new combined command. According to South Korean newspaper reports, if the third option is chosen, the commander will be an ROK Army four-star general and the deputy commander will be a US Army four-star general.