

Chapter 2

**The Korean Peninsula: A Consolidated
Kim Jong Un Dictatorship and South
Korea's Delicate Diplomatic Wobbling
between the United States and China**

From the end of February 2014, North Korea (Democratic People's Republic of Korea, DPRK) fired ballistic missiles and rocket launchers—initially daily, and then intermittently—in reaction to joint military exercises by the United States and South Korea (Republic of Korea, ROK). It maintained its hard stance against the United States and South Korea, declaring its intention to carry out a fourth nuclear test. The missiles fired may have included two Rodong missiles, which are capable of reaching almost every part of Japan. Later North Korea came under suspicion for a cyber attack against a US film and media company aimed at blocking the showing of a movie featuring North Korea, thereby incurring additional US sanctions. However, Pyongyang's approach was not all hard-line, as illustrated by its softer stance in relations with Japan, efforts to strengthen relations with Russia, especially in the economic sphere, and the dispatch of a delegation of high-ranking officials on a surprise visit to South Korea to coincide with the closing ceremony of the Asian Games on October 4, 2014, which was also the seventh anniversary of the 2007 South-North Joint Declaration.

Internally, North Korea has continued the process of consolidating the de facto dictatorship of Kim Jong Un, first chairman of the National Defense Commission, under the Workers' Party of Korea (WPK) one-ideology system, especially since the December 2013 purge of Vice-chairman of the National Defense Commission Jang Song Thaek. As part of that process, Choe Ryong Hae was replaced by Hwang Pyong So as vice-chairman of the National Defense Commission at the second session of the Thirteenth Supreme People's Assembly in September, despite having just been appointed to that position at the first session in April. Choe Ryong Hae was subsequently transferred from his position as director of the General Political Bureau of the Korea Peoples' Army (KPA) to become WPK secretary, with Hwang Pyong So, first vice director of the Organization and Guidance Department of the WPK, taking over his role as director of the General Political Bureau. These changes highlight moves to consolidate the power of First Chairman Kim Jong Un. Under the 2014 slogan of a "new leap forward in building a strong and prosperous nation," the country signaled its intention to focus on strengthening its agriculture, construction, science and technology in order to build up the economy.

In South Korea, the Park Geun-hye administration entered its third year, but there was no significant change in its basic foreign policy as it focused on further developing its relations with China while strengthening the US-ROK alliance. In July 2014, President Xi Jinping of China held summit meetings in South Korea,

where the two sides agreed on a wide range of issues covering security, economics and culture. Despite the honeymoon atmosphere, however, the visit also drew attention to differences in the two countries' thinking regarding the North Korean nuclear problem. Also discernable, if not overtly, was China's aim of encircling Japan and undermining trilateral cooperation between Japan, the United States and South Korea. Japan-ROK relations were marked by a lack of top-level talks between the two countries, an unusual situation that has persisted since the inauguration of the Park Geun-hye administration. While Japan-ROK relations remained stalled, there were efforts to bolster cooperation between Japan, the United States, and the ROK, starting with three-way talks in March between the three countries' leaders through the mediation of the United States. May saw talks between the Japanese and South Korean defense ministers and the US secretary of defense, followed by talks among chiefs of general staff of the three countries in July and later sea search and rescue exercises. In December, the three countries' defense officials signed an agreement regarding the sharing of information among them.

Under the notion of proactive deterrence, South Korea has indicated that it would be willing to launch a preemptive strike if North Korea shows signs of using nuclear weapons or missiles and that it has been working on building new systems and equipment to back up its stance. In October 2014, it agreed with the United States to maintain the current combined defense posture for the time being in order to sustain and strengthen deterrence against North Korea by giving teeth to the policy of joint action against nuclear and missile threats from the North.

1. North Korea's Nuclear/Missile Intimidation and Softer Line in Foreign Policy

(1) Reaction to US-ROK Joint Military Exercises: Nuclear Tests and Missile Launches

One of the biggest security concerns involving North Korea in 2014 was a series of ballistic missile and rocket launches, which occurred intermittently from February through September. The North reportedly started out by regularly firing short/medium-range ballistic missiles and rocket artillery from the end of February in reaction to US-ROK joint military exercises. On January 29, the *38 North* website, operated by the US-Korea Institute at the School of Advanced International Studies, Johns Hopkins University, published an analysis stating

that North Korea was making improvements to the Tongchagri missile launching site in the north-west, from which it launched the Unha-3 rocket, a long-range ballistic missile. North Korea has been striving to sharpen its ability to intimidate the United States and South Korea and to improve its ballistic missile capabilities by firing short- and medium-range ballistic missiles while pursuing plans for a long-range ballistic missile, which appears to be part of the Taepodong series. Two Rodong medium-range ballistic missiles (hereafter Rodong missiles), which are capable of reaching Japanese territory, were apparently among the several missiles that North Korea is understood to have launched in March. The North also launched several ballistic missiles in June–July. These launches took place in the early morning or late at night from previously unused sites, suggesting that North Korea may be upgrading its capability to deploy ballistic missiles, especially its ability to carry out surprise attacks.

On November 2, South Korea reported that North Korea was building a new type of submarine capable of carrying submarine-launched ballistic missiles (SLBMs). The report said it was highly likely the North would complete tests of an SLBM vertical launch system within the next one to two years.¹⁾

The rockets launched by North Korea appear to include Rodong missiles, which are capable of reaching almost every part of Japan, suggesting that the North is trying to upgrade its Rodong missile technology. At the same time, as it continues its dialogue with Japan over the abduction issue, Pyongyang seems to be trying to avoid upsetting Tokyo in a way that might provoke a strong reaction by interspersing these launches with the firing of multiple short-range missiles. The sequential firing of a variety of different types of missiles resembles the series of missile tests on July 5, 2006, and July 4, 2009, and this pattern may be repeated in the future.

It is possible that North Korea is trying to improve its strike capabilities by developing new types of missiles and rocket artillery in addition to its existing ballistic missiles. The new KN-09 300-millimeter self-propelled multiple rocket launchers that North Korea reportedly fired on February 21 and March 4 from the Wonsan region of Kangwon Province on the east coast are thought to have flown approximately 150–155 kilometers and landed in the Sea of Japan. The five missiles allegedly fired on August 14, the one allegedly fired on September 1 and the three allegedly fired on September 6 each flew more than 200 kilometers and are believed to have landed in the Sea of Japan. These missiles are assumed to be improvements capable of reaching the central part of South Korea and of targeting

ROK forces and US Forces Korea.

In *Military and Security Developments Involving the Democratic People's Republic of Korea*, published by the United States in February 2014 as a follow-up to the 2013 edition, there is a description of the Kim Jong Un regime's hard line and the level of North Korea's military power.²⁾ This claims that the North has up to fifty Rodong missile launch pads. Assuming that these launch pads are mobile and that each is capable of being reloaded with five to six missiles, it would likely be possible to launch the 250–300 Rodong missiles that North Korea is reported to possess from various locations almost continuously in the worst-case scenario. Moreover, if small nuclear warheads can be mounted on the aforementioned SLBMs, the threat posed by North Korea to Japan would increase significantly.

North Korea has stated its intention to continue developing missiles and conducting practice launches, so in all probability it will maintain its development program, but it is also likely to refrain from firing long-range missiles for the time being in order to avoid further sanctions imposed by the United States and others. Nevertheless, *38 North* points out that the main work on upgrading the launch pads at the West Sea Satellite Launch Site may already have been completed, so the possibility that North Korea will again launch a long-range ballistic missile under the guise of a space satellite launch rocket cannot be ruled out.³⁾ At the same time, North Korea has detained US citizens who were visiting the country and has again resorted to the ploy of using them as a diplomatic card against the United States. On October 21, North Korea released the American Jeffrey Fowle from captivity, following this up with the release of two other captive Americans—Kenneth Bae and Matthew Miller—on November 8. It is entirely conceivable that Pyongyang will resort to such tactics again. US Director of National Intelligence James Clapper visited North Korea to bring home the two men released on November 8, but based on similar incidents in the past, it is possible that Pyongyang had hoped the Americans would send a cabinet-level official to enhance the standing of First Chairman Kim Jong Un or to set the stage for a US-DPRK dialogue. In any event, North Korea is likely to keep working on bolstering its nuclear deterrence and upgrading its missile capabilities, including Rodong missiles, while keeping alive its intention to conduct a fourth nuclear test as it uses these types of diplomatic cards to irk the United States and at the same time discourage it from military action.

In December, the United States applied additional sanctions on North Korea

on suspicion that it was behind a cyber attack against the US motion picture and media distributor Sony Pictures Entertainment (SPE) aimed at blocking the showing of a movie featuring North Korea. Since the inauguration of the Kim Jong Un regime, South Korea has been the main target of North Korean cyber attacks, but if the attack on SPE really did originate from North Korea, it would be one of the most brazen perpetrated by that country on the US private sector. Under Kim Jong Un, North Korea is said to be upgrading its cyber-attack capabilities along with its nuclear-weapon and missile capabilities, including the establishment of a cyber command center. This underscores the need for collaboration between the private and public sectors in Japan to boost Japan's preparedness against such attacks.

(2) Softer Stance towards Japan

In contrast to its hard-line behavior in the nuclear-weapon and missile sphere, North Korea started to show a softer stance towards Japan, resuming talks with Tokyo aimed at resolving the abduction issue. Pyongyang had insisted that the abduction issue was already resolved, but at government-level talks between the two sides held May 26–28, 2014, it reversed course and agreed to carry out a comprehensive and full investigation regarding all Japanese, including the abductees. In July, North Korea established a Special Investigation Committee headed by So Tae Ha, councilor for security at the National Defense Commission and deputy head of the State Security Department, agreeing to start another investigation of Japanese abductees and to issue its first report “between the end of summer and the start of autumn.” Unsurprisingly, the resumed dialogue between Japan and North Korea has not been free of hitches. On September 18, North Korea informed the Japanese side through its embassy in Beijing that the investigation was still in the early stages and that it could not report anything at this stage. On September 29, at talks in Shenyang, China between the foreign ministry bureau chiefs of Japan and North Korea regarding the latter's reinvestigation of the Japanese abductees, Song Il Ho, the North's ambassador for negotiating with Japan, said he hoped the talks would provide a forum to report on the issues being addressed by the two sides and to confirm each side's stance. He also said that if Japan sent a delegation to Pyongyang, the head of the Special Investigation Committee would be prepared to update the members directly regarding the current status of the investigation. On October 28, a Japanese

government delegation was briefed on the status of the investigation by the North Korean side at talks between the two parties in Pyongyang, but North Korea merely indicated its intention to continue the investigation. Some observers think the North Korean side is using delaying tactics while the investigation is under way, but the fact that Pyongyang even agreed to a dialogue with Japan regarding the abduction issue can be viewed as one of the major changes in 2014.

Diplomatic pressure by China and steps to strengthen China-ROK relations (see section 3 below) is thought to be a significant factor underlying these moves by North Korea. North Korea probably also has an incentive to loosen its economic dependence on China by building economic ties with more countries, including Japan.

Regarding the first factor, there were many indications in 2014 that China has been applying diplomatic pressure on North Korea amidst a cooling in relations between the two countries. First, there were almost no visits by key officials from either country to the other. The only events of any significance in 2014 were the February visit to North Korea by Chinese Vice Foreign Minister Liu Zhenmin and a visit in March by Wu Dawei, special representative for Korean Peninsula Affairs (China's representative to the Six-Party Talks) to discuss problems related to the Korean Peninsula and the denuclearization issue. There were none of the usual visits by important dignitaries aimed at fostering friendly relations between the two countries or bolstering cooperation. North Korea normally imports around 500,000 tons of crude oil annually from China, but according to statistics compiled by China's General Administration of Customs, North Korea's imports of crude oil from China were nil in 2014, another major change. Usually China's president visits North Korea before visiting South Korea, but in July 2014, President Xi Jinping made a state visit to South Korea without going to North Korea. The visit ended with a joint communique that included references to cooperation not only in the economic and cultural fields, but also in political and security matters, intended to highlight the honeymoon relationship between the two countries. Since North Korea remains of considerable value to Beijing as a buffer zone between China and the United States/South Korea, it seems unlikely that China would apply so much pressure as to undermine the North Korean regime. It is conceivable that China continues to support North Korea by, for example, supplying crude oil via pipelines in such a way that it does not show up in the trade statistics. Nevertheless, China does appear, at least, to be using diplomatic means to show its displeasure towards

North Korea and to discourage provocative actions by cutting down on exchanges of key officials between the two countries, playing up the China-ROK honeymoon and ingratiating itself with Seoul. The chill in China-DPRK relations is likely a significant factor behind Pyongyang's efforts to diversify its foreign relations, including improving its relations with Japan.

The frosty relations between China and North Korea appear to have encouraged Pyongyang to strengthen economic ties with Russia (discussed later) and to take advantage of Tokyo's relaxation of sanctions to restore relations with Japan in a bid to reduce its economic dependence on China. When North Korea initiated its investigation, Japan agreed to lift the special restrictions imposed on the North relating to the movement of people and reporting requirements on the amount of remittances and on currency taken out of the country as well as the prohibition on the entry to Japanese harbors of DPRK-registered vessels for humanitarian purposes. Although the total ban on imports and exports was not lifted, it would be fair to say that North Korea has taken the first step toward realizing its goals.

On October 4, North Korea sent a delegation of several high-ranking government officials on a surprise visit to South Korea to attend the 2014 Asian Games closing ceremony, which was also the seventh anniversary of the 2007 South-North Joint Declaration. The delegation included Hwang Pyong So, director of the General Political Bureau of the KPA and vice-chairman of the National Defense Commission, and Choe Ryong Hae, secretary of the WPK's central committee and chairman of the State Physical Culture and Sports Guidance Commission. Before this surprise visit, Ri Su Yong, North Korea's foreign minister, and Kang Sok Ju, secretary of the WPK, had visited countries in Europe and Southeast Asia, but failed to obtain promises of assistance, leading to speculation that North Korea has started to look to South Korea for assistance,⁴⁾ but there are no indications at this stage that this is having any noteworthy impact on Japan-DPRK relations per se. As discussed later, there has been considerable activity aimed at improving relations between North Korea and Russia as the North's relationship with China falters. Furthermore, following the approval of a draft resolution on human rights by the Third Committee (Social, Humanitarian and Cultural) at the sixty-ninth session of the United National General Assembly on November 18, 2014, North Korea specifically criticized Japan as well as the United States and the European Union in statements by a Foreign Ministry spokesman (on November 20) and the National Defense Commission (on November 23), indicating its

displeasure with Japan regarding this resolution.

Although North Korea's diplomatic posture towards Japan has softened to a certain extent, it would be premature to assume that all of the important issues affecting relations between the two countries will be resolved smoothly. Pyongyang has stated that it will not forego its nuclear development program or more missile launches, so even if there is progress in discussions regarding the abduction issue, it is doubtful that this will lead to an end to North Korea's efforts to build nuclear forces, a key element in its new strategic line on carrying out economic construction and building nuclear armed forces simultaneously. This is something that Japan should not forget.

2. The Party's One-ideology System and Resumption of Efforts to Build a Strong and Prosperous Nation

(1) Establishing the Kim Jong Un Dictatorship and Reshuffling the Military Leadership

North Korea is reported to have revised the "Ten Principles for the Establishment of the Monolithic Ideology System" in June-July, 2013,⁵⁾ the first revision in thirty-nine years, referring to them now as the "Ten Principles for the Establishment of the Party's Monolithic Leadership System." At a central report meeting on December 29 of the same year, Choe Ryong Hae, then director of the General Political Bureau of the KPA, gave a speech on the occasion of the second anniversary of the appointment of First Chairman Kim Jong Un as supreme commander of the KPA, in which he stated that the biggest challenge is to establish more thoroughly the party's unitary leadership. This is evidence of efforts to strengthen the de facto dictatorship of First Chairman Kim Jong Un under the principle of the party's primacy over the military. The July 2012 dismissal of Chief of the General Staff Ri Yong Ho and the December 2013 purge of Vice-chairman of the National Defense Commission Jang Song Thaek are striking illustrations of the regime's hard-line stance.

In May 2014, North Korea replaced Choe Ryong Hae with Hwang Pyong So as director of the General Political Bureau of the KPA. At the second session of the Thirteenth Supreme People's Assembly on September 25, Choe Ryong Hae lost his post as vice-chairman of the National Defense Commission to Hwang Pyong So while Jang Jong Nam was also relieved of his membership of the National

Defense Commission. Hyon Yong Chol, minister of the People's Armed Forces, and Ri Byong Chol, commander of the Korean People's Army Air Force, were appointed members of the Commission. Choe Ryong Hae, Hwang Pyong So, Jang Jong Nam, Hyon Yong Chol and Ri Pyong Chol are all regarded as close associates of First Chairman Kim Jong Un, but Kim Jong Un continues to replace his close associates at frequent intervals. Other factors cited as playing a role in these events are the failure of WPK Secretary Choe Ryong Hae to deliver the results expected by Kim Jong Un when he visited China in 2013, the desire to avoid concentrating power in Choe Ryong Hae, and the strong affinity between director of the General Political Bureau Hwang Pyong So and Kim Jong Un. Various other theories and opinions have been put forward, including the suggestion that because of Hwang Pyong So's influence, the WPK Organization and Guidance Department, thought to have been behind the purge of Jang Song Thaek, has become more powerful. However, in official news reports emanating from North Korea since early October, Secretary Choe Ryong Hae is listed before Director Hwang Pyong So, prompting conjecture about yet another reversal in their respective ranks. It is also conceivable that their ranks were never reversed in the first place and that Choe Ryong Hae continues to hold a higher position in the hierarchy.

Hwang Pyong So was born in 1949 and first started to appear in official news reports in May 2005 as deputy director of the Organization and Guidance Department of the Central Committee of the WPK. Information on why Hwang Pyong So rose to prominence is unconfirmed and contradictory and the precise reason remains a mystery. News reports from North Korea also indicate that Kim Yo Jong, younger sister of First Chairman Kim Jong Un, was made a vice-director of the Central Committee of the WPK on November 27. These developments probably reflect the desire of First Chairman Kim Jong Un to bolster his power base by surrounding himself with trustworthy offspring of the first generation of revolutionaries and his own family members.

Further reshuffles of First Chairman Kim Jong Un's close associates are likely to occur in the future. Some observers regard the frequent personnel changes as demonstrating the instability of the Kim Jong Un regime, but all indications to date are that the position of Kim Jong Un himself remains stable.

(2) Ongoing Efforts to Construct an Economic Giant

In 2013, North Korea adopted a "new strategic line on carrying out economic

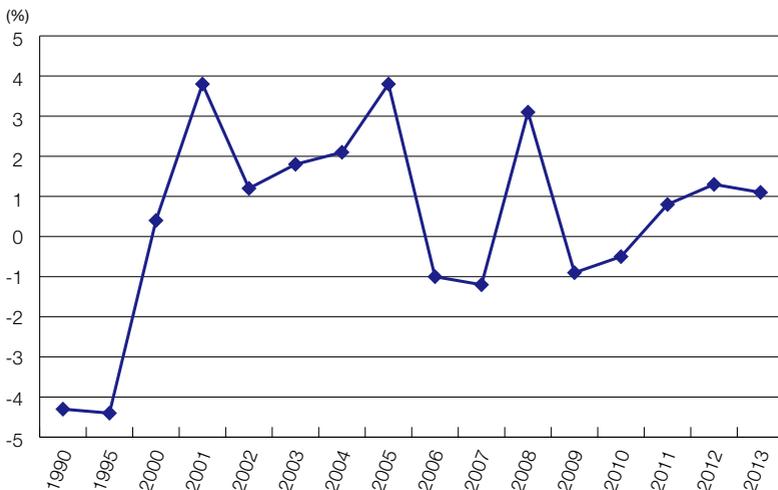
construction and building nuclear armed forces simultaneously.” Construction of an economic giant is another facet of this, and there has been a rush to construct a variety of facilities, mainly in Pyongyang. Real economic growth, however, appears to be occurring at only a gradual pace. For example, according to the Bank of Korea’s “Gross Domestic Product Estimates for North Korea in 2013,”⁶⁾ published in June 2014, North Korean economic growth turned positive in 2011. A graph of the Bank of Korea’s data shows a general improvement in the North Korean economy since 2009 (Figure 2.1).

Mining is the fastest-growing sector of North Korea’s main industries, expanding 2.1 percent year on year due to higher coal and iron ore output. Light industry, a key focus in recent years, grew 1.4 percent versus the previous year.

Nevertheless, as of 2013, North Korea’s gross national income was only one-forty-third that of South Korea and GDP per capita only one-twenty-first.⁷⁾ Rebuilding of the North Korean economy remains a daunting task and the prospect of catching up to South Korea’s economic level in the short term remains at zero.

There have been claims about a decline in North Korea’s trade with China since the purge of vice-chairman of the National Defense Commission Jang Song Thaek and numerous reports pointing to stalled China-North Korea relations

Figure 2.1. North Korea’s economic growth rate (1990–2013)



Source: Compiled based on Bank of Korea, “Gross Domestic Product Estimates for North Korea in 2013,” June 2014, in pages 20–21 of Radio Press, “Trends of North Korean Policy,” July 25, 2014.

since the third nuclear test.⁸⁾

Statistics compiled by China's General Administration of Customs indicate that China-DPRK trade declined 2.6 percent year on year to US\$6.389 billion in 2014. However, considering that there were no purchases of crude oil—which typically accounts for about 10 percent of total trade—in the whole of 2014, these figures suggest that trade between the two countries has actually been quite brisk. There are several conceivable reasons for this. One is the possibility that China wants to avoid undermining the North Korean regime by applying too much pressure. Another is the possibility that China hopes to preserve its influence by maintaining North Korea's economic dependence on China. Yet another is that China values the real economic benefits of the relationship, such as the ability to procure mineral and other resources cheaply and to enjoy access to ports facing the Sea of Japan. Despite the chill in diplomatic relations between the two countries, there are no signs of an overall contraction in economic relations, supporting the view that China is sticking to its policy of staying economically involved in North Korea. Although reports on the Chinese side concerning economic exchanges across the China-DPRK border include stories of a sharp decline in the value of investment contracts from US\$510 million to US\$100 million,⁹⁾ there are also reports of a revitalization of exchanges between the two countries, including academic exchanges as well as economic exchanges involving the tourist and fishing industries. Other reports indicate that China is becoming noticeably more active in the Rason Economic and Trade Zone Administrative Committee, which the purged vice-chairman Jang Song Thaek played a key role in setting up.¹⁰⁾ On the North Korean side, the Standing Committee of the Supreme Peoples' Assembly designated the Mount Kumgang region, Pyongyang and the Sinuiju region as special economic zones in June–July in a bid to introduce limited economic reforms and open up to the outside. If these measures gain traction, the economy may start to improve. There is a question mark, however, over just how far China will move ahead with investments in North Korea.

As indicated above, 2014 saw intensified activity to bolster ties between North Korea and Russia, activity that yielded significant results, notably in the economic sphere. First, Kim Yong Nam, chairman of the Standing Committee of the Supreme Peoples' Assembly, visited Russia for talks with President Vladimir Putin in February. This was followed by the March 24–28 visit to North Korea of Russia's Alexander Galushka, minister of the development of the Russian Far

East, during which the Russian side promised economic cooperation aimed at boosting trade between the two countries ten-fold by 2020. On April 28, Russian Deputy Prime Minister Yury Trutnev visited North Korea to sign an economic cooperation agreement between the two countries. Then on May 5, President Putin ratified an agreement to write off 90 percent of North Korea's debts. On July 18,

work started on the construction of the Rajin Port third pier, a joint Russian-DPRK project, and on October 20, Russian Far East Development Minister Galushka revisited North Korea with a business delegation, attending a ceremony for the inauguration of work on a rail renovation project the following day. Russia has also been providing free food assistance to North Korea and the first food shipment of 50,000 tons arrived at Nampo in North Korea on October 3.

November 8 saw a visit to Russia by Hyon Yong Chol, minister of the People's Armed Forces, followed by the November 18 visit of Secretary Choe Ryong Hae, who handed a personal letter from First Chairman Kim Jong Un to President Putin. Reflecting Pyongyang's keenness to strengthen relations with Moscow, Choe Ryong Hae was accompanied on his Russian visit by Ri Yong Chol, vice-director of the Central Committee of the WPK, Kim Kye Gwan, first vice-minister of foreign affairs, Ri Kwang Kun, vice-minister of external economic relations, and No Kwang Chol, vice-chief of the General Staff of the KPA. There are also reports stating that First Chairman Kim Jong Un is scheduled to attend celebrations in May 2015 marking the seventieth anniversary of the former Soviet Union's victory over Germany in World War II. If the visit goes ahead, it could mean that Kim Jong Un's first visit abroad since his inauguration will be to Russia. It would be reasonable to assume that North Korea is hoping to use its relations with Russia to secure food and energy assistance and as a lever in its relations with China and the United States. Recent statistics, however, suggest there has been no marked upturn in trade between Russia and North Korea, and the North's dependence on trade with China remains as high as ever. Moreover, Russia's food and energy

assistance to North Korea is still limited. This raises the question of how much North Korea's hopes of strengthening relations with Russia can be realized.

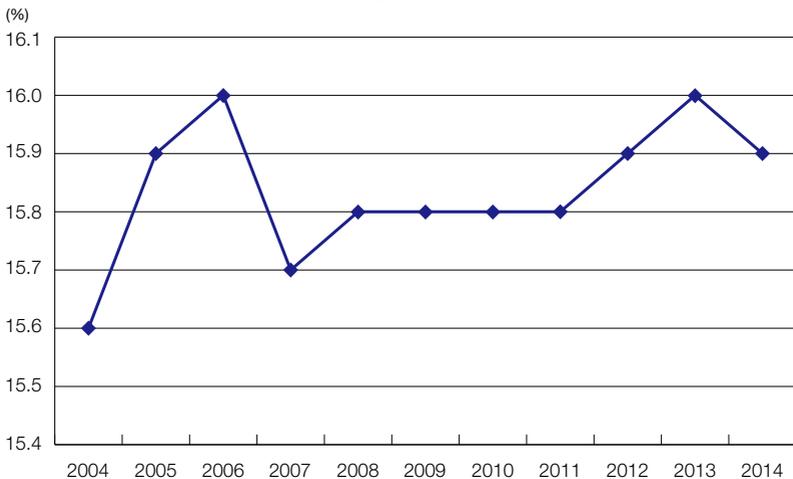
Finally, according to North Korea's own official announcements, the country's annual defense budget has remained at a high level, equal to at least 15–16 percent of total government expenditure since 2003 (Figure 2.2).

The graphs in Figures 2.3 and 2.4 below are based on estimates of actual defense spending for 2010–2013 prepared by Radio Press and on Stockholm International Peace Research Institute data.¹¹⁾

Figure 2.4 shows a decline in North Korea's annual defense spending in 2013 compared to 2012, but overall spending appears to be on an upward trajectory, especially since 2007.

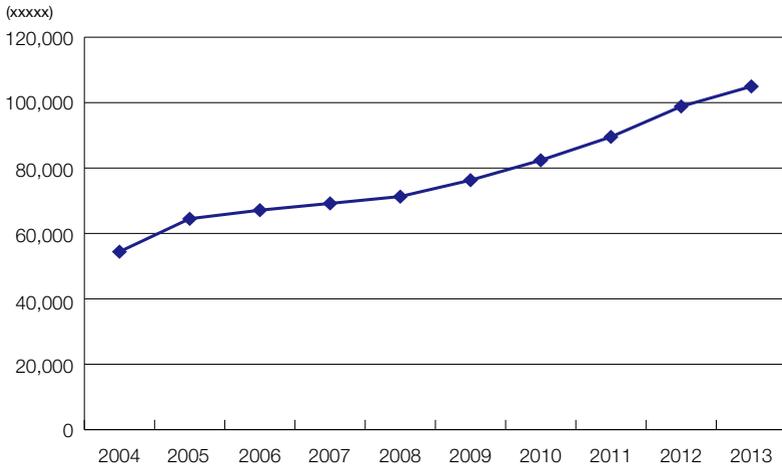
Despite the severe challenges North Korea faces in developing its economy, it continues to pour resources into maintaining and strengthening its nuclear deterrent and other military capabilities and seems set to persevere with and reinforce the new approach of “simultaneously building the economy and nuclear armed forces” under the Kim Jong Un regime.

Figure 2.2. North Korea's officially published defense spending as a percent of annual expenditure



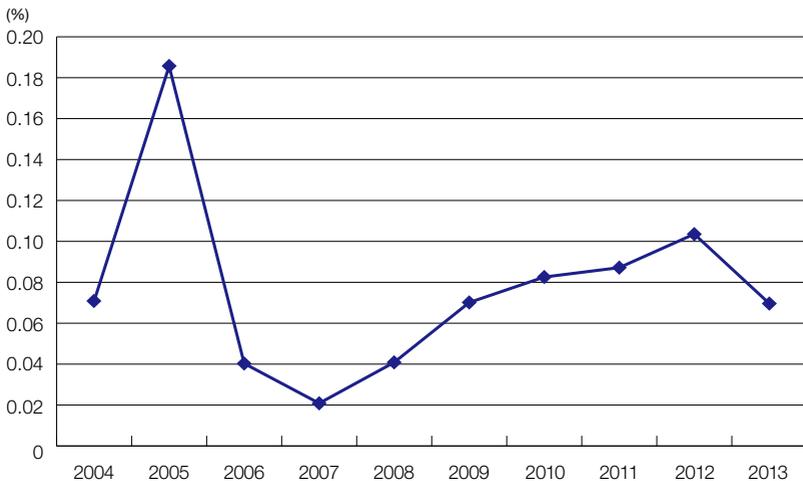
Sources: National Budget Report to the Supreme People's Assembly and other documents published annually in North Korea's *Rodong Sinmun*. North Korea's defense spending as a percent of the annual budget for the years 2000–2008 is shown on p. 79 of *East Asian Strategic Review 2010*, based on Radio Press, *North Korean Policy Trends*, Volume 5, No. 427 (2009).

Figure 2.3. Trends in North Korea’s defense spending (won)¹²⁾



Sources: Radio Press, *North Korean Policy Trends*, (July 25, 2014), table on p. 25 entitled “Trends in North Korean defense spending.” For the 2010–2013 data, this table divides the figures by 100 to reflect the November 2009 redenomination, but in order to facilitate understanding of chronological trends, we have multiplied the figures by 100.

Figure 2.4. Annual growth in North Korean defense spending



Source: Compiled based on Stockholm International Peace Research Institute (SIPRI) data for fiscal 2013. Because of the complexities involved in converting North Korean won values into US dollars or other western currencies, for analytical purposes we have calculated year-on-year comparisons from the figures used in the SIPRI data.

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

(1) Struggle to Balance South Korean Relations with the United States and China

The second year of the Park Geun-hye administration saw no notable changes in basic foreign policy as the focus remained on strengthening the US-ROK alliance while developing South Korea's relations with China. The central themes of the Park administration's approach to foreign relations are the "trust-building process on the Korean Peninsula" and the "Northeast Asia peace and cooperation initiative." The president herself devoted time to explaining these in her overseas tours in order to muster the support of other countries. She was also at pains to raise awareness of her "Eurasia initiative." This calls for (1) turning Eurasia, including Russia and central Asia, into a single continent by linking energy, railway and logistics infrastructure; (2) fostering creativity through the fusion of technology and culture; and (3) creating a peaceful continent via the trust-building process on the Korean Peninsula and the Northeast Asia peace and cooperation initiative.

In the area of US-ROK relations, US President Barack Obama held talks with his South Korean counterpart in Seoul during his tour of Asian countries (Japan, South Korea, Malaysia, and the Philippines) towards the end of April 2014. During the talks, President Park Geun-hye asked the United States to reexamine the timing of the transfer of wartime operational control (OPCON) from the ROK-US Combined Forces Command (CFC) to the South Korean military, scheduled for December 2015, and President Obama expressed agreement with this proposal. Also agreed on was a proposal to improve interoperability between the two countries while South Korea develops its own Korean air and missile defense system.¹³⁾ On April 26, the day after these talks, President Obama and President Park Geun-hye visited the CFC, regarded as a symbol of the US-ROK alliance. This was the first visit to the CFC by the US and South Korean presidents since its establishment in 1978, and represents a reaffirmation by the South Korean government of the need for a solid US-ROK alliance to deter the North.¹⁴⁾

A sticking point in the talks on delaying the transfer of wartime OPCON was the US side's insistence on setting a target year for the transfer and the South

Korean side's call for ensuring that conditions are right for the transfer rather than setting a date. At the US-ROK Security Consultative Meeting (SCM) held in October 2014, the two sides agreed on a plan to transfer OPCON until after South Korea improves its wartime capabilities and once again put off the transfer, which had been scheduled for December 2015.¹⁵⁾ There was no statement about a new transfer date, but Defense Minister Han Min-koo identified the mid-2020s as the time when the South Korean military was likely to acquire the necessary capability (see later for details). The day after the SCM, the two sides held a "2+2" meeting that brought together the foreign and defense ministers of South Korea with their US counterparts and agreed to strengthen the US-ROK alliance to counter threats from North Korea and to expand cooperation to meet global challenges. Notably, the joint communique talked of boosting three-way security cooperation between Japan, the United States and South Korea and reaffirmed the importance of sharing intelligence among the three countries—which had been discussed in Singapore in May—and to continue discussions on the matter.¹⁶⁾

Also capturing attention was the honeymoon in relations between South Korea and China. In July 2014, China's President Xi Jinping paid a state visit to South Korea for top-level talks. President Park Geun-hye has already had five summits with China since her inauguration, but the decision of the Chinese president to visit South Korea before going to North Korea was unprecedented and probably included a message to Pyongyang in light of the recent deterioration in ties between China and North Korea. More significant than this, however, is probably China's aim of encircling Japan and undermining cooperation between Tokyo, Washington and Seoul. In any event, it represents a clear break with China's previous stance of acting out of deference to North Korea. The main points of the joint communique issued after the July 3 talks between the Chinese and South Korean leaders referred to agreements on security, economic relations and culture. For example, the two sides agreed to more frequent and regular high-level talks in the area of foreign relations and security, to press ahead with negotiations aimed at signing a free trade agreement (FTA) before the end of the year, to establish a market for direct dealing between the South Korean won and Chinese renminbi, to promote cultural and social projects, and to negotiate on broadening the scope for visa exemptions. In November 2014, the two sides announced the conclusion of negotiations on the China-ROK FTA at a summit meeting in Beijing.¹⁷⁾

On security matters, the talks also highlighted differences in the two countries'

thinking regarding the North Korean nuclear problem. Since North Korea's third nuclear test in February 2013, China has started to put pressure on Pyongyang, including voting for the UN Security Council resolution to impose sanctions. The latest joint communique is also noteworthy for its clearer message to North Korea. For example, regarding the North Korean nuclear problem, whereas the 2013 joint communique only stated that China and South Korea "recognize the related nuclear weapons development as a serious threat," the 2014 communique adopted a more censorious tone, stating "both countries firmly opposed nuclear weapons development in the Korean Peninsula." The use of strong language such as "firmly" marks a first. Nevertheless, China's basic stance remained unchanged and it insisted on calling for "denuclearization of the Korean Peninsula" rather than the "denuclearization of the DPRK" that South Korea has been arguing for. Consideration for North Korea is one reason why China insists on calling for "denuclearization of the Korean Peninsula," but this wording is also intended to convey China's opposition to the deployment and use of nuclear weapons by the United States in the Korean Peninsula.

South Korea is also concerned about illegal fishing by Chinese vessels in its waters. The joint communique following the latest talks states that the two sides will start official discussions in 2015 aimed at fixing the ocean boundaries, the first mention of this in a communique. It marks a major step forward for Seoul, as the only reference to this following the June 2013 summit between the Chinese and South Korean leaders was in the appendix to the communique. However, there is no evidence to date of any specific action by the two sides.

During the most recent summit, the Chinese side requested South Korea's participation in the Asian Infrastructure Investment Bank (AIIB) that China is promoting, but President Park Geun-hye was noncommittal regarding South Korea's position. This is because the United States is against the establishment of the AIIB and made its views known to Seoul ahead of the China-ROK summit. South Korea probably does not want to find itself caught in the middle between the United States and China. South Korea's consideration for Japan and the United States can be inferred from the fact that there was not a single reference to Japan by name in the joint communique. However, China's President Xi Jinping later gave a lecture at Seoul National University where he spoke openly about a "united front against Japan."¹⁸ Echoing this, Ju Chul-ki, senior presidential secretary for foreign affairs and national security at the Blue House (President's Office),

explained at a press conference just before President Xi Jinping's departure from Seoul that the two leaders had a wide-ranging discussion about Japan in which they both expressed concern about Tokyo's understanding of history and the issue of collective self-defense.¹⁹⁾ This sparked criticism within South Korea, with some arguing that Seoul had been forced into taking sides.

In the area of military exchanges, South Korea and China held their fourth defense strategic dialogue on July 24, 2014, in Beijing, where they signed a memorandum of understanding on setting up a hotline between the ministries of defense of the two countries. Discussions on the establishment of such a hotline had been going on since July 2012 and it was one of the items agreed to in the third defense strategic dialogue in 2013.

South Korea attaches importance to relations with both the United States and China, but as these events show, it finds itself caught in the middle and forced to make hard choices whenever there is a conflict of interest involving Washington and Beijing. A prime example is the issue of deploying ground-based terminal high altitude area defense (THAAD) missiles. The United States is looking at stationing THAAD systems in South Korea and has made official statements regarding the proposal. Each time it does so, however, South Korea claims that there have been no discussions with the United States regarding THAAD. This is because China is vehemently opposed to the deployment of THAAD in South Korea on the grounds that it is part of an attempt to encircle China. South Korea is likely to face increasingly hard policy choices going forward.

Relations between Japan and South Korea remained in limbo with no signs of a breakthrough in scheduling top-level talks, but on March 25, 2014, a meeting of the leaders of Japan, the United States and South Korea took place in the Netherlands at the initiative of President Obama. This was the first joint meeting of the three countries' leaders in six years and the first face-to-face encounter between President Park Geun-hye and Prime Minister Shinzo Abe in such a setting. The history issue was excluded from the agenda, which was limited largely to security matters of interest to all three parties, such as North Korea. During the talks, President Obama emphasized the importance of trilateral cooperation between Japan, the United States and South Korea, saying "... our meeting today is a reflection of the United States' critical role in the Asia Pacific region, but that role depends on the strength of our alliances." This can be viewed as a subtle hint to Japan and South Korea to improve their relationship.²⁰⁾ The

three leaders reaffirmed the importance of their trilateral cooperation in dealing with North Korea and agreed to discussions among the Japanese, US and South Korean senior delegates to the Six-Party Talks regarding the North Korean nuclear problem.²¹⁾ Following these talks, security consultations were held April 17–18 in Washington among senior defense officials of the three countries, at which they agreed to cooperate in dealing with the North Korean nuclear problem.

At the end of May 2014, the top defense officials of Japan, the United States and South Korea met during the IISS Asia Security Summit (known as the Shangri-La Dialogue), as they had done the previous year, and reaffirmed the importance of cooperation among the three countries and of sharing intelligence about North Korea's nuclear-weapon and missile threat²²⁾. They also agreed to discuss the establishment of a framework for sharing intelligence and issued a joint declaration. On July 2, chiefs of staff from Japan, the United States, and South Korea held talks on the occasion of the Rim of the Pacific Exercise (RIMPAC), then under way near the Hawaiian islands, and discussed the North Korean nuclear and missile threat among other matters related to the security situation.²³⁾ On July 21–22, Japan's Maritime Self-Defense Force participated in three-way naval search and rescue drills along with the US and ROK navies. At the end of December, senior defense officials of Japan, the United States and South Korea signed the long-pending agreement on sharing intelligence. Opposition within South Korea to cooperating with Japan on defense because of the dispute over history and other issues had hampered the negotiations, but the agreement now strengthens cooperation within the existing trilateral framework.

The sinking of the ferry *Sewol* on April 16, 2014, claimed the lives of more than 300 passengers, including many high school students on an excursion, sending a profound shock throughout South Korean society. Various factors were identified as contributing to the accident, including improper remodeling of the hull, overloading, inadequate securing of the cargo, failure to carry out regular inspections, and poor control by the operating company.²⁴⁾ The government's tardy initial response to the accident also drew heavy public criticism. The accident exposed problems with South Korea's crisis-management capabilities and procedures. Immediately after the accident, the Japanese government informed South Korea that it was ready to assist with the rescue operation. Defense Minister Itsunori Onodera also held a press conference, stating that if there was a request from the South Korean side, Japan would be prepared to send

a rescue team, including minesweepers and divers. According to media reports at the time, the South Korean government rejected Japan's offer of assistance, but the following week, it was reported that the South Korean maritime police had asked the Japanese entities involved in the design and construction of the vessel to participate in rescue activities at the site of the accident.²⁵⁾

(2) Park Geun-hye Administration's Defense Policy: Preemptive Measures not Ruled out

To offset declining troop numbers due to the falling birth rate, the Park Geun-hye administration has been actively working to introduce new equipment and systems to deal with threats from North Korea and other potential threats. A key element of this is “proactive deterrence” against North Korea's nuclear weapons and missiles, meaning the South would not rule out preemptive strikes if considered necessary. In October 2014, South Korea agreed with the United States to maintain the current combined defense posture for the time being in order to sustain and strengthen deterrence against North Korea by giving teeth to the policy of joint action against nuclear and missile threats from the North.

On March 6, 2014, South Korea's Ministry of National Defense unveiled its Defense Reform Basic Plan 2014-2030 (“14-30”),²⁶⁾ to serve as the blueprint for the country's defense through 2030. This is the Park Geun-hye administration's first defense plan and follows a similar line to the Defense Reform 2020 plan (“2020”) announced by the Roh Moo-hyun administration in 2005, which proposed boosting military strength with advanced armaments while reducing troop numbers. It is also the direct successor to the plan adopted during the Lee Myung-bak administration (Table 2.1). It does, however, contain the following new thinking regarding such basic concepts as threat perception and military strategy.

Regarding threat perception, the “2020” plan foresaw a gradual attenuation of the threat from North Korea and the emergence of what it termed potential threats within the region—not identified in the official documents, but understood in South Korea to refer mainly to China and Japan²⁷⁾—by 2020. Moreover, it assumed that these potential threats would be greater than that from North Korea. The Lee Myung-bak administration's Defense Reform Basic Plan 2011–2030 (“11-30”), however, argued for focusing on the existing threat from North Korea rather than on potential threats. Specifically, it highlighted the need to defend against regional provocations, such as the 2010 sinking of the corvette *Cheonan*

Table 2.1. Defense reform plans of South Korean administrations

Admin.	Name	Abbrev.	Date unveiled
Roh Moo-hyun	Defense Reform 2020	2020	September 13, 2005
	Defense Reform Basic Plan 2009-2020	09-20	June 26, 2009
Lee Myung-bak	Defense Reform Basic Plan 2011-2030*	11-30	March 8, 2011
	Defense Reform Basic Plan 2012-2030	12-30	August 29, 2012
Park Geun-hye	Defense Reform Basic Plan 2014-2030	14-30	March 6, 2014

Sources: ROK Ministry of National Defense website, *Kookbang Ilbo* (Defense Daily), May 27, 2011, and other sources.

Note: *This was called the “Defense Reform Plan 307” when initially released. It underwent several revisions after its release, becoming the official “12-30” plan the following year.

and shelling of Yeonpyeong Island, and to prepare for asymmetric threats, such as long-range artillery (mainly multiple rocket launchers), weapons of mass destruction and their delivery vehicles, and special operation forces. Of these, it regarded regional provocations as the most serious.²⁸⁾ The “14-30” plan, on the other hand, emphasizes the threat from North Korea in the short-to-medium term and so-called potential threats in the long term. With respect to North Korea, it also sees the need for the capability to deal simultaneously with three scenarios— asymmetric threats, regional provocations and all-out war. In other words, the Park Geun-hye administration has modified the position taken by the Lee Myung-bak administration of prioritizing North Korea’s regional provocations by highlighting the importance of potential threats and by elevating asymmetric threats and all-out war to the level of regional provocations in defining the targets of its defense posture. Underlying these revisions are probably North Korea’s ongoing development of nuclear weapons and missiles, and changes in the strategic environment surrounding South Korea, but they may also reflect louder calls from the services (especially the navy), which have been demanding the latest equipment.

Also revised was the basic concept underlying South Korea’s military strategy. The Roh Moo-hyun administration’s “2020” plan merely used the word “deterrence,” but the “11-30” plan adopted by the Lee Myung-bak administration proposed the notion of “active deterrence.” This shows South Korea’s strong determination to retaliate against regional provocations and asymmetrical threats

from North Korea. Having the capability to retaliate is intended to dissuade the North from taking hostile action. The Park Geun-hye administration’s “14-30” plan goes one step further and calls for “proactive deterrence.” According to *Kookbang Ilbo* (Defense Daily), this encompasses the same elements as “active deterrence,” but focuses on North Korea’s nuclear weapons and missiles and embraces the notion of “preemptive measures,” meaning that South Korea would not exclude preemptive strikes to prevent all-out war.²⁹⁾

As noted above, South Korea has been reducing the numerical strength of its armed forces since the adoption of the Roh Moo-hyun administration’s “2020” plan. This plan envisaged a reduction in troop numbers from 680,000 in 2005 to 500,000 in 2020. The Lee Myung-bak administration, however, moderated both the magnitude and pace of troop reductions on the grounds that the threat from North Korea had increased. The Park Geun-hye administration’s “14-30” plan aims for troop strength of 522,000 in 2020 (Table 2.2). The direct reason for cutting troop strength is the rapid decline in the birthrate. The number of males aged 20–24 years, the main target age range for conscripts, is estimated to fall from 1.89 million in 2015 to 1.3 million in 2025.³⁰⁾

The army will bear the brunt of the reduction, with planned cuts totaling 111,000 (naval and air force strength will not change). The ROK Army has maintained a large troop presence along the lengthy 248-kilometer truce line to prevent incursions by North Korean military forces. To ensure that troop cuts do not compromise its preparedness, there will be a strengthening of the surveillance capabilities, command-communication capabilities, fire power and mobility of each army unit (based partly on reports in *Kookbang Ilbo* and other sources³¹⁾). Specifically, the army’s infantry divisions and other front-line troops will deploy unmanned aerial vehicles (UAVs), counter battery radar, K-9 155-millimeter self-propelled howitzers, new multiple launch rocket systems multifunctional rifles,

Table 2.2. Plans to reduce South Korea’s troop strength

Unit: 1,000 personnel

	Army	Navy	Marine Corps	Air Force	Total
2014 (actual)	498	41	29	65	633
2022 (target)	387	41	29	65	522

Source: Ministry of National Defense, “Defense Reform Basic Plan 2014-2030” (March 2014).

and new tactical vehicles (see the sidebar “New Equipment Being Deployed/Developed by ROK Army”). For each corps comprising two to five divisions, the army will introduce C4I systems, UAVs, medium-sized utility helicopters, light armed helicopters (LAH) and other equipment. The plan calls for the air force to set up an air support operations center (ASOC) in each corps to make it easier to receive assistance from attack aircraft. The number of corps will be reduced from the current eight to six by 2026, but the increase in fire power and mobility will reportedly extend each corps’ theater of operation from the current area measuring 30 kilometers wide by 70 kilometers deep to 60 kilometers wide and 120 kilometers deep. Other conceivable measures to offset troop cuts include raising the percentage of specialized non-commissioned officers among frontline troops and boosting the combat strength of reservists by increasing the amount of training and upgrading weapons.

Regarding the ROK Navy, the “14-30” plan envisages raising the status of the submarine flotilla to a submarine command as the submarine fleet is enlarged, building three new Aegis destroyers, and reorganizing the mobile flotillas around these vessels. The proposal to set up a submarine command has been on the drawing board since the time of the “2020” plan.³²⁾ In addition to the current nine *Chang Bogo*-class (1,200-ton) submarines, the plan calls for building and deploying *Son Wonil*-class (1,800-ton) submarines (in July, 2014, the *Yun Bonggil*, the fifth of an eventual nine such vessels was launched). South Korea also plans to ramp up construction of large 3,000-ton submarines from 2015 with the goal of launching the first in 2018.³³⁾ The plan is to build nine such vessels and to enable them to carry not only cruise missiles, but also ballistic missiles. The plan to build new class of Aegis destroyers was not included in the Lee Myung-bak administration’s “11-30” plan. Reports say that as the Aegis fleet is enlarged from the current three to six vessels, the number of mobile flotillas will be increased from the current one to three by 2030.³⁴⁾ The plan to boost the size of the Aegis fleet symbolizes a return to the policy of highlighting potential threats, not just threats from North Korea, in South Korea’s threat perception. The “14-30” plan includes procuring next-generation destroyers (KDDX, reportedly 5,000-ton class) and a large landing ship. The large landing ship will be an improved version of the existing (14,000-ton) *Dokdo*-class landing platform helicopter (LPH) and is due to come into service in 2020.³⁵⁾ For the marine corps, the plan to establish an aircraft wing outlined in Defense Reform Plan 2012-2030, the Lee Myung-bak

administration's revised version of "11-30," remains in place. A formal decision was taken in July 2013 to produce a ship- and land-based amphibious variant of the utility helicopter Surion for use by the aircraft wing. According to media reports, plans call for deploying more than forty of these helicopters between 2017 and 2023. This will give the marine corps, which has hitherto not had its own helicopters, a three-dimensional, high-speed amphibious capability.³⁶⁾

The air force is to get a tactical air control wing and an air intelligence wing. The tactical air control wing will be in charge of the ASOC to be set up in each army corps while the air intelligence wing will have responsibility for medium- and high-altitude UAVs (discussed later) and for imagery and electronic intelligence. The "14-30" plan also calls for the air force to purchase or develop FA-50 light attack aircraft, F-35A fighters, the ROK-designed KF-X fighter, air refueling tankers, and medium- and long-range surface-to-air missiles (M-SAM, L-SAM, discussed later). The first of an eventual sixty FA-50 aircraft was delivered to the air force in August 2013. For the F-35A, the plan is to import forty aircraft between 2018 and 2021. South Korea has been studying and planning for the introduction of air refueling tankers since the 1990s³⁷⁾ and as of end-2014, candidates are the Boeing KC-46A (Boeing 767), the Airbus A330 MRTT, and the Boeing 767-300ER remodeled by Israel Aerospace Industries (IAI).³⁸⁾ South Korea plans to import four aircraft by 2016. The KF-X project involves developing a twin-engine fighter with stealth capabilities and the maneuverability of the F-16. The reported target date for completion is 2025. In October 2014, South Korea and Indonesia agreed to develop the fighter jointly.³⁹⁾

The "14-30" plan envisages upgrading the ROK military's Chemical Biological Radiological Defense Command and its Cyber Warfare Command, which are joint units. The role of the first is to prepare for chemical, biological, nuclear and radiological weapons and the "14-30" plan defines one of its tasks as assisting with operations to remove North Korea's weapons of mass destruction in time of war. Both commands are intended to bolster measures to counter asymmetrical threats from North Korea. Referring to the Joint Chiefs of Staff, the "14-30" plan also calls for appointing a second vice-chairman to handle operations or to set up a "future command structure" in preparation for the transfer of wartime OPCON. However, as discussed below, the transfer of OPCON has been postponed and the Combined Forces Command (CFC) retained, so it is unclear whether these organizational changes aimed at strengthening operational command capabilities

will actually occur.

To deter and counter North Korea's nuclear weapons and missiles, the plan is to use South Korea's own kill chain and the Korean air and missile defense (KAMD) system, due for completion by 2023, along with the US-ROK tailored deterrence strategy.⁴⁰⁾

The kill chain system is intended to detect signs that North Korea has launched nuclear weapons, missiles or long-range artillery and to intercept and destroy them over North Korean territory.⁴¹⁾ The South Korean military already has the RC-800 Baekdu signal-intelligence aircraft and the Peace Eye E-737 airborne early warning and control aircraft to use in detection operations. It now intends to supplement these with Global Hawk high-altitude, unmanned surveillance aircraft (in 2018), a medium-altitude unmanned aerial vehicle (MUAV) equipped with synthetic aperture radar, electro-optic and infrared sensors and other devices (to be developed by Korean Airlines and others), and the launch of reconnaissance satellites.⁴²⁾ The system uses multiple platforms and warheads to carry out strikes, including cruise missiles launched from surface and submarine vessels (Haeseong 2 and 3, each reportedly having a range of 1,000–1,500 kilometers and 500–1,000 kilometers, respectively⁴³⁾) and Korea GPS-guided glide bombs (KGGGB, with a range of more than 100 kilometers).⁴⁴⁾ Land-based weapons deployed to date include Hyeonmu-3C cruise missiles with a range of 1,500 kilometers and Hyeonmu 2 ballistic missiles with a 500-kilogram warhead and range of 300 kilometers. In addition to these, the plan calls for deploying or developing Taurus KEPD 350 air-launched cruise missiles with a range of 500 kilometers (to be deployed from 2015), new multiple launch rocket systems (cited above), two types of ballistic missiles, one with a range of 500 kilometers and 1-ton warhead, the other with a range of 800 kilometers and 500-kilogram warhead (target deployment dates: 2015 and 2017, respectively), and short-range ballistic missiles with powerful destructive capability.⁴⁵⁾ Once these are deployed, all areas from the southern tip of the South Korean mainland to the northern end of North Korea will reportedly be covered, and it will also be possible to destroy enemy weapons concealed in tunnels and bunkers. Reconnaissance satellites, one of the new items of equipment, are due to come into use in 2023, marking the completion of the kill chain according to ROK Defense Ministry officials, as discussed below.

KAMD will enable detection of enemy missiles using land-based early-warning radar (Green Pine radar) and Aegis ship-based radar followed by interception at

low altitude with PAC-2 guidance enhanced missiles.⁴⁶⁾ In April 2014, a decision was taken to improve the performance of PAC-2 and to import PAC-3 missiles—which have greater ability to destroy enemy missiles—from the United States from 2016 through 2020.⁴⁷⁾ In addition, South Korea is in the process of modifying the guided midrange surface-to-air Cheongung missile (M-SAM), developed as a replacement for the surface-to-air Hawk missile, to intercept ballistic missiles. Full deployment is planned for 2015. In June 2014, Seoul officially decided to develop domestically a long-range surface-to-air missile (L-SAM) capable of intercepting incoming missiles at a higher altitude (fifty to sixty kilometers) than that of PAC-3. The target date for deploying this is 2023.⁴⁸⁾ The deployment of L-SAM is expected to complete the multi-layered anti-missile system (low and medium altitude) that is integral to KAMD. A proposal to introduce the terminal high altitude area defense (THAAD) system or the SM-3 missile deployable from Aegis ships, both of which are designed to intercept missiles at an even higher altitude, has sparked fierce opposition in South Korea on the grounds that it would aggravate China, and Seoul has officially dismissed the idea.⁴⁹⁾ In April 2014, South Korea reorganized the army's Missile Command, which operates surface-to-surface ballistic and cruise missiles, changing its Korean name from Yudotan Saryongbu to Misail Saryongbu (both of which mean “missile command”). This was probably meant as a countervailing action against the North, which has created a strategic force⁵⁰⁾ and has conducted repeated tests and exercises using ballistic missiles and rocket launchers, but there are also reports suggesting that the reorganization was intended to assign core kill chain and KAMD tasks to this command.⁵¹⁾ Even if this is true, it is unclear whether the army's Missile Command would have control over related air force and navy units.

The success or otherwise of the kill chain and KAMD will likely involve overcoming several obstacles. First, there are technical problems, such as whether the system can identify North Korean launch pads, which are often concealed in bunkers or moved around, whether it can pick up signs of a launch, and whether it can deal with multiple simultaneous events—such as would occur in a saturation attack—as highlighted in the “14-30” plan. In order to conduct precision strikes while evading North Korea's electronic deception, the collection and analysis of geospatial information is essential. The goal is to complete both systems around 2023, but whether the country can develop the reconnaissance satellites, L-SAM and other components by that time and whether it can keep up with performance

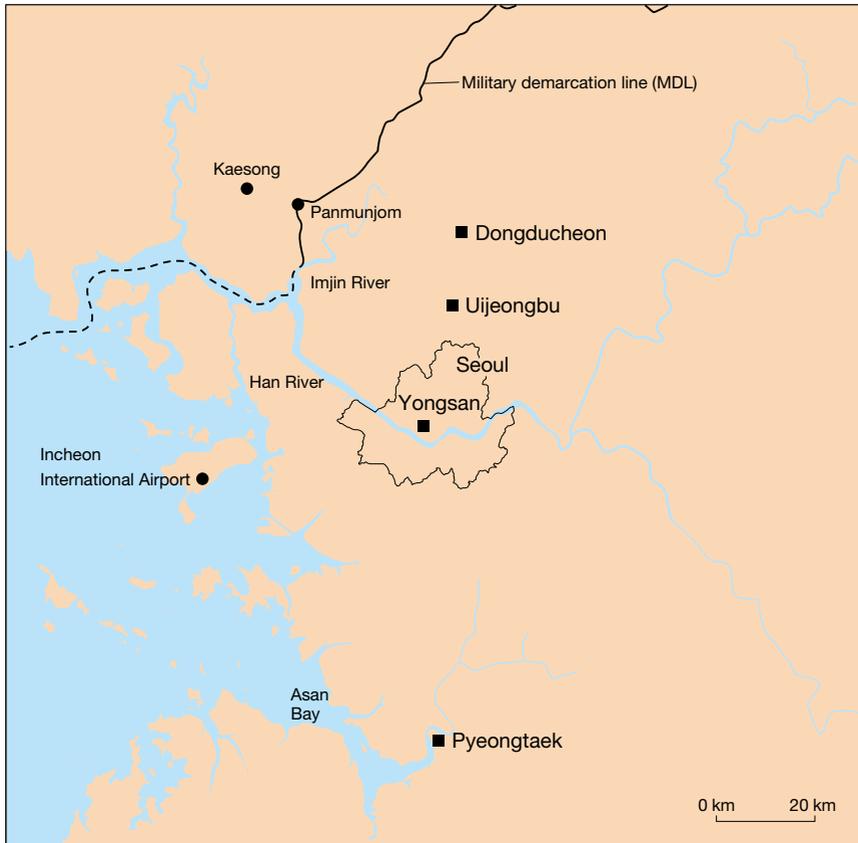
improvements on the North Korean side in the interim are moot points. With the kill chain, another potential challenge is whether South Korea's president can make a timely decision to launch a preemptive attack, which carries the risk of escalation, and whether such a decision is politically feasible.⁵²⁾ The "14-30" plan, including the kill chain and KAMD, also appears to be based on a precarious financial rationale. The plan assumes that defense spending will grow by an average of 7.2 percent annually from 2014 through 2018. However, the defense budget in 2014 grew only 3.5 percent over the previous year, and although spending is set to increase by 4.9 percent in 2015, this is still below the level assumed by "14-30."⁵³⁾ This will probably force a rethink of the contents of "14-30," especially the timing of the completion of both systems and the pace of cutting troop strength.

With respect to the US-ROK alliance and US Forces Korea, the Forty-sixth ROK-US Security Consultative Meeting (SCM) in October 2014 took the following important decisions regarding the maintenance and strengthening of deterrence against North Korea. First, the timing of the transfer of wartime OPCON for South Korean combat forces from the Combined Forces Command (CFC; a US Army general serving as commander of US Forces Korea, with an ROK Army general serving as deputy commander) to the chairman of the ROK Joint Chiefs of Staff is to be postponed from December 1, 2015 until such time as the right conditions prevail.⁵⁴⁾ In February 2007, the Roh Moo-hyun administration and the George W. Bush administration agreed to transfer wartime OPCON in April 2012, but in June 2010, following the sinking of the corvette *Cheonan* and shelling of Yeonpyeong Island, the Lee Myung-bak and Obama administrations postponed the transfer until December 1, 2015. The growing threat from North Korea's nuclear weapons and missiles was given as the reason for the second postponement. The two sides agreed that conditions would be right when critical ROK and Alliance military capabilities are secured and the security environment on the Korean Peninsula and in the region is conducive to a stable OPCON transition. At a press conference immediately after the SCM, Han Min-koo, South Korea's minister of national defense, forecast that conditions would be right for the transfer of wartime OPCON around the mid-2020s, but Yoo Jeh-seung, deputy minister for policy at the Defense Ministry, told South Korean journalists that completion of the kill chain and of KAMD was the key precondition and that the intended date for completion of both systems was 2023, meaning that the transfer of wartime

OPCON was likely to take place in that year also.⁵⁵) However, as noted above, the completion of the two systems is expected to face obstacles and the two parties may decide that the conditions for the transfer are still not in place even as the mid-2020s approaches. The postponement of the transfer of wartime OPCON means that the CFC will be maintained. Originally, the CFC was to be dismantled during the transfer of wartime OPCON followed by the establishment of a new mechanism for coordination or command between the US and South Korean militaries.

Second, the two parties agreed that some of the US military units stationed within Seoul or in the city's northern suburbs would remain. Under a US-ROK agreement during the Roh Moo-hyun administration, the US Forces Korea Headquarters was to be moved from the Yongsan Garrison in central Seoul and the 2nd Infantry Division relocated from several bases around Seoul to Pyeongtaek (after enlargement of the existing Camp Humphreys), with most of the vacated sites being returned to South Korea. The timing of the relocation has been postponed several times, most recently to 2016. Under the latest SCM agreement, however, the CFC will continue to use part of the Yongsan Garrison until the transfer of wartime OPCON is completed. Although most of the 2nd Infantry Division will be transferred from Uijeongbu and elsewhere to Pyeongtaek, the subsidiary 210th Field Artillery Brigade (also known as the 210th Fires Brigade) will remain in Dongducheon, located roughly twenty kilometers from the Demilitarized Zone and forty kilometers north-north-east of central Seoul. The role of this brigade, which is equipped with a multiple launch rocket system and Army Tactical Missile System (ATACMS), is to destroy North Korea's long-range artillery in the early phase of hostilities, so it was probably decided that leaving it at the front rather than moving it to Pyeongtaek, located away from the front, made more sense militarily and would serve as a deterrent to North Korea. However, this brigade will also reportedly relocate from Dongducheon to Pyeongtaek once the South Korean military acquires a similar capability,⁵⁶) specifically around 2020 when a new domestically developed multiple launch rocket system is delivered.

Third, the parties agreed to the following changes regarding the 2nd Infantry Division. Apart from one field artillery brigade (see above) and one combat aviation brigade (transportation/attack helicopter unit), the only other major unit the Division has is the 1st Armored Brigade Combat Team (BCT, mechanized infantry and tank unit), but under the latest agreement, the 2nd Infantry Division

Figure 2.5. Seoul and major US military bases located nearby

Sources: Compiled from USFK, "Transformation and Restationing, FKSC-D (R)" and other sources.

Note: ■ marks locations of major US military bases.

will become a ROK-US combined division in wartime and the ROK military's armored brigade will be reinforced (a ROK-US combined staff will be established in peacetime for this purpose). According to reports, the US military plans to deactivate the 1st Armored BCT in June 2015 (leaving tanks, armored vehicles and other equipment in South Korea), replacing it with armored brigades from other US mainland-based divisions, each to serve on a nine-month rotational basis.⁵⁷⁾ This measure is part of plans to reduce the troop strength of the US Army as a whole (see Chapter 7) and should give the United States the flexibility to move the units in question to areas outside of South Korea if necessary. The

United States claims that because it will be sending whole units that have been fully trained at home, US military power in South Korea will be maintained.⁵⁸⁾ This may be why no fears have been expressed in South Korea about the US military's commitment towards the country.

Fourth, the parties agreed to bolster US-ROK deterrence against North Korea's weapons of mass destruction (WMD) and missiles. They reaffirmed the tailored deterrence strategy for dealing with North Korea's nuclear and other WMD, which was adopted at the Forty-fifth SCM in October 2013. Details of the strategy have not been disclosed, but it is understood to specify responses by the US and ROK militaries that are tailored to circumstances in North Korea for all stages, from intimidation with nuclear and other weapons through their actual deployment. It has been tested in various US-ROK joint military exercises and is thought to be undergoing further refinement.⁵⁹⁾ At the Forty-sixth SCM, the two sides agreed on "Concepts and Principles of ROK-US Alliance Comprehensive Counter-missile Operations" for dealing with North Korean missiles. The details of this are also secret, but it is understood to contain plans for countering threats from North Korean missiles, including those with nuclear or biological-chemical warheads, via four types of actions by the United States and South Korea: detect, defend, disrupt and destroy. Available information suggests that South Korea's kill chain and KAMD systems would work in tandem with the United States' systems of ballistic missile defense (BMD) and strategic bombers and missiles to implement these actions. South Korean newspapers, however, report that for preemptive strikes, the ROK military would be responsible for carrying out attacks and the US military would assist with intelligence in implementing any destroy mission.⁶⁰⁾

To sum up, the United States' commitment to defend South Korea was reaffirmed in 2014 and steps were taken to maintain and strengthen deterrence against the North by the two allies. South Korea fears a Chinese backlash, as stated above, but if it is going to take the growing nuclear and missile threat from North Korea seriously, it probably has little option but to intensify cooperation with the United States in such areas as missile defenses. The United States, for its part, clearly wants the US-ROK alliance to contribute to the security of the Korean Peninsula and the Northeast Asian region, and it is probably also keen to keep South Korea's military power, especially systems like the kill chain that have the potential to escalate tensions, within the framework of the alliance.

New Equipment Being Deployed/ Developed by ROK Army

As set out in Defense Reform Basic Plan 2014-2030 (“14-30”), the ROK Army is developing and installing numerous types of new equipment to offset cuts in troop numbers. Following the repeated discovery of North Korean UAVs inside South Korea, the ROK Army in April 2014 revealed for the first time that it was using Songgolmae (peregrine falcon) low-altitude reconnaissance UAVs. Reports say that this vehicle, which is used by army corps, is 4.8 meters long and 6.4 meters wide and is launched by catapult from a truck. It travels at 150 kilometers per hour, has an operational radius of 100 kilometers, and flight duration of four to five hours. ROK army corps are also using an Israeli-made UAV Searcher. Apart from this, a number of different UAVs are in development for use by army divisions (the company undertaking this development is Korean Airlines) and by battalions.⁶¹⁾

Very little has been published about next-generation multiple launch rocket systems, but reportedly they will be capable of launching unguided and GPS-guided rockets of various diameters as well as short-range ballistic missiles now in development. Mass production was due to start in 2014.⁶²⁾

The K-11 dual-barrel air burst weapon is capable of firing both 5.56-millimeter bullets and 20-millimeter grenades designed to burst in the air. The distance to the target is automatically measured by laser and inputted into the airburst grenades, which burst when they reach the specified distance. The weapon can therefore be used to inflict damage on a concealed enemy. The K-11 is used by infantry squads. After it was initially deployed in 2012, there were several accidental explosions and malfunctions, but in July 2014 the problems were considered to have been resolved and deployment to squads resumed.⁶³⁾

The midsize KUH-1 utility helicopter Surion is intended as a replacement for the UH-1 and 500 MD and has been in development by Korea Aerospace Industries (KAI), with technical cooperation from Eurocopter (now Airbus Helicopters), as part of the Korea Utility Helicopter (KUH) project since 2006. It can carry a maximum of eighteen personnel. Deployment to military units began in 2013 and plans call for the delivery of 200 helicopters by 2020.⁶⁴⁾

The Light Armed Helicopter (LAH) project is intended to develop replacements for the existing AH-1S and 500 MD helicopters and is being undertaken together with the Light Civil Helicopter project backed by the Ministry of Trade, Industry and Energy. The goal is to complete development in collaboration with foreign companies by 2022. KAI is considered most likely to be selected as the domestic developer.⁶⁵⁾

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