

Chapter 3

The Korean Peninsula: Rising Military Tensions and the ROK's Changing Foreign and Defense Policy

The sinking of the *Cheonan*, a patrol vessel belonging to the navy of the Republic of Korea (ROK or South Korea), in March 2010 and the artillery shelling of South Korea's Yeonpyeong Island by the Democratic People's Republic of Korea (DPRK or North Korea) in November raised military tensions in the Korean Peninsula. As the United States and South Korea responded to these rising tensions by bolstering their military cooperation, China grew wary of stronger US-South Korean military cooperation. Differences have started to emerge between the US/ROK side and China on how to deal with North Korea's provocative behaviors. These events, however, have not had a noticeably detrimental effect on China-South Korean relations. In fact, there have been efforts to repair the relationship between the two countries, mainly by normalizing defense exchanges, in the wake of the friction triggered by North Korea's actions.

A major development within North Korea in 2010 came as the leadership took actions pointing to a potential successor to Korean Workers' Party General Secretary Kim Jong Il. The Kim Jong Il regime is thought to regard the loyal support of the military as essential for its survival and has been at pains to legitimize the impending transfer of power in the eyes of senior military officials. The *Cheonan* sinking and the shelling of Yeonpyeong Island could be located in this context.

The attack on the *Cheonan* and shelling of Yeonpyeong Island have led to a shift in the focus of South Korea's military from how to manage a full-scale war with North Korea to how to respond to localized military actions by the North. A military buildup in South Korea has also strengthened the influence of the defense industry through the South Korean legislature.

1. Rising Military Tensions on the Korean Peninsula and North Korea's Impending Transfer of Power

(1) The *Cheonan* Sinking and the Shelling of Yeonpyeong Island

At around 9:22 p.m. on March 26, 2010, the patrol vessel ROKS *Cheonan* sank in the Yellow Sea while sailing nearly 2.5 kilometers southwest of the South Korean-held Baekryong Island. On the 31st, the ROK Ministry of National Defense formed the Civilian-Military Joint Investigation Group to identify the cause of the sinking, with participation by experts from other countries—the

United States, Australia, Sweden, and the United Kingdom. The investigation group announced its findings on May 20, concluding that *Cheonan* was sunk because of a torpedo attack by a North Korean submarine. According to the Multinational Combined Intelligence Task Force, several of North Korea's approximately ten midget submarines (including 130-ton *Yono*-class vessels)

left their bases in the Yellow Sea two or three days before the *Cheonan* sinking, and returned two or three days after the sinking. The task force stated its opinion that one of those submarines sank the *Cheonan* with a CHT-02D torpedo. In another incident, North Korean coastal artillery batteries shelled Yeonpyeong Island on November 23. The bombardment, which occurred in two waves starting at 2:34 p.m. and ending roughly one hour later, killed two ROK marines and two civilians, and injured sixteen ROK marines and three civilians.

In response to these two incidents, South Korea and the United States have taken a hard-line stance against Pyongyang. After receiving the report that the *Cheonan* was likely sunk by a North Korean torpedo, ROK President Lee Myung-bak delivered a national address on May 24 in which he declared that South Korea would take tough action against North Korea, including: demanding the DPRK government to apologize for the sinking and punish those responsible; denying North Korean ships the freedom to use sea-lanes in South Korean waters; suspending North-South trade and exchanges; immediately exercising the right to self-defense against violations of its territorial land, waters, and airspace by North Korea; and referring the *Cheonan* incident to the UN Security Council.

On June 26, President Lee Myung-bak reached an agreement with US President Barack Obama to postpone to December 2015 the transfer of wartime operational control from the ROK-US Combined Forces Command to South Korea, which had been scheduled for April 2012. In July, the ROK and US defense ministers agreed to hold a series of combined naval exercises in order to send a clear message against North Korea's aggressive behavior. The first round of those exercises, held in the Sea of Japan on July 25–28, included the US 7th Fleet aircraft carrier USS *George Washington* among the participating vessels, and was also attended by four Japan

Maritime Self-Defense Force officers acting as observers. On September 27–October 1, the ROK and US navies engaged in an antisubmarine and antiship warfare exercise in the Yellow Sea and, in response to the Yeonpyeong Island bombardment, conducted another combined exercise in the Yellow Sea on November 28–December 1, with the intention of delivering a strong warning to North Korea. In addition, the United States and Japan addressed the rising tensions on the Korean Peninsula by holding combined joint exercises on December 3–10 in waters east of Okinawa and at military installations across Japan, with participation by several observers from the ROK armed forces. As these examples illustrate, South Korea, the United States, and Japan are stepping up their cooperation in dealing with North Korea's hostile behavior.

The year 2010 also saw increased efforts by South Korea and the United States to strengthen the role of their alliance in maintaining regional and global security. On October 8, the Forty-second US-ROK Security Consultative Meeting (SCM) issued a joint communiqué that laid out a more direct role for the alliance regarding regional security. According to the communiqué, the defense ministers of both sides agreed to establish a bilateral Extended Deterrence Policy Committee, and affirmed and signed three key documents: “Strategic Alliance 2015,” which outlines the framework for the transition of wartime operational control to South Korea under the extended timetable; “Guidelines for US-ROK Defense Cooperation,” which spells out details of the future vision for the US-ROK alliance; and “Strategic Planning Guidance,” which provides the US-ROK Military Committee with the strategic guidance and authorization necessary to direct the development of operational planning. The communiqué also noted that both ministers confirmed the Strategic Planning Guidance to be “a useful measure in deterring a wide range of threats against the Republic of Korea and establishing military preparation plans.”

These efforts by South Korea and the United States to strengthen their alliance and cooperation elicited a cautious reaction from the Chinese government.



Minister of National Defense Kim Tae-young and Secretary of Defense Robert Gates at the Forty-second US-ROK Security Consultative Meeting in Washington, D.C. (October 7, 2010) (DoD photo by Cherie Cullen)

Following the announcement that the US and ROK navies would conduct combined exercises aimed at deterring further DPRK aggression after the *Cheonan* incident, a Chinese Foreign Ministry spokesman expressed strong opposition to the exercises at a press briefing on July 15, stating that his government firmly opposed “any foreign military vessel or plane conducting activities in the Yellow Sea and China’s coastal waters undermining China’s security interests.” Compared with the get-tough response taken toward North Korea by the US and ROK governments, China has shown a somewhat lenient tone in its dealings with the DPRK regime, maintaining the relatively supportive stance that it has taken for years. Beijing’s softer approach was underscored during the UN Security Council’s (UNSC) adoption of Resolution 1874 in 2009 to impose sanctions on North Korea for performing a second nuclear test—although China voted in favor of the resolution, it sought to shield North Korea by stressing that the sanctions “should not adversely impact the country’s development.” Moreover, in October of that year, China and North Korea agreed to engage in large-scale developmental cooperation. The move toward greater collaboration between both nations was reaffirmed by Chinese President Hu Jintao, who, in a meeting with DPRK General Secretary Kim Jong Il on August 30, 2010, declared that their countries were “increasing vigorous exchange and cooperation in various fields, among various departments and between provinces along the borders.”

Another sign of Chinese support for North Korea seems to appear in the UNSC Presidential Statement issued on July 9, 2010, to condemn the attack on the *Cheonan*. While on one hand expressing deep concern over the Civilian-Military Joint Investigation Group’s finding that the *Cheonan* was sunk by a North Korean torpedo, the statement also “takes note” of the DPRK’s denial of involvement, and refrains from naming that country in the text condemning the incident. This contrasts with the earlier declaration issued by the G8 leaders at the Muskoka Summit on June 26, which included a condemnation of the attack on the *Cheonan* in the context of the Joint Investigation Group’s conclusion that North Korea was responsible. The UNSC Presidential Statement’s apparent back-pedaling—as seen from South Korea’s perspective—may arguably have been influenced by China in its position as a permanent member of the UNSC. Furthermore, in a Foreign Ministry press briefing on November 25, the Chinese government expressed a lukewarm attitude regarding referral of the Yeonpyeong Island incident to the UNSC, and suggested that an emergency session of the Six-Party

Talks be held to address the growing tensions.

At the same time, however, Chinese-South Korean relations are starting to improve. In October, China began taking steps seemingly aimed at easing the friction that had emerged between the two countries following China's shielding of North Korea from international condemnation. While attending the ASEAN Defence Ministers Meeting Plus on October 11, Chinese Defense Minister Liang Guanglie invited ROK Minister of National Defense Kim Tae-young to visit China before the end of the year in order to resume defense exchanges between both nations. In response, South Korea proposed the opening of strategic defense dialogue with China, a move that indicates both sides are mutually interested in mending their relations at the defense ministry level. Moreover, although China's stance toward North Korea patently diverged from that of South Korea and the United States, on December 1 President Lee Myung-bak said that it was undesirable to view the situation as a US/ROK versus China/DPRK standoff, criticizing the way that South Korean media outlets and scholars were increasingly painting a dichotomized picture of relations among the four nations.

(2) Revelation of North Korea's Plans for Transition of Power

The year 2010 brought a major political development in North Korea when its regime took actions suggesting who was being tapped to succeed the nation's top leader, Workers' Party of Korea (WPK) General Secretary Kim Jong Il. On September 27, Kim Jong Il promoted his third son, Kim Jong Un, to the rank of general. On the following day, Kim Jong Un was appointed to the WPK Central Committee at a meeting of the Conference of the Workers' Party of Korea, and was elected as a vice-chairman of the WPK Central Military Commission by the Central Committee. These appointments are widely seen as strong indications that Kim Jong Un is being officially groomed to take over the country's helm.

In recent years, the DPRK leadership began placing stronger emphasis on improving the economy, an action that can be interpreted as an attempt to legitimize the Kim Jong Il regime in the eyes of its citizens. A joint New Year's editorial published in January 2008 by the *Rodong Sinmun* and other North Korean newspapers declared that the WPK would "raise [the] economy and [the] people's livelihood to a high level by relying on the strong political and military might consolidated in the tempest of the [military-first] revolution, and thus open wide in 2012 the gate to a great, prosperous and powerful country without fail."

Now, however, it appears very unlikely that that “gate” will be opened in 2012. According to statistics released by the Bank of Korea, the DPRK economy did expand by 3.1 percent in 2008, pulling out of a two-year negative growth trend, but then shrank by 0.9 percent in the following year, mainly due to poor harvests stemming from severe cold weather, and shortages in electricity and raw materials. Furthermore, North Korea’s failed attempt at currency reform in 2009 made it even more difficult for the regime to demonstrate to the public that it was successfully raising their standard of living.

Confronted with dismal prospects for economic growth, the Kim Jong Il regime likely fears the potential collapse of its public support, and hence appears to be increasingly relying on the military’s loyalty to stabilize its grip on power. The *Cheonan* sinking and the shelling of Yeonpyeong Island—both occurring in a year where the Kim Jong Il regime made salient steps toward a transition of power—are seen by many observers as attempts to reinforce the regime’s legitimacy among the armed forces.

Along with a New IRBM, the Debut of Kim Jong Un

The DPRK held a military parade on October 10 to commemorate the sixty-fifth anniversary of the founding of the Workers’ Party of Korea. Attended by Kim Jong Il, General Secretary of the WPK, Kim Jong Un, Vice-Chairman of the Central Military Commission of the WPK, and Zhou Yongkang, a member of the Politburo Standing Committee of the Communist Party of China, this parade displayed a new intermediate range ballistic missile that was shaped similarly to the SS-N-6 missile developed in the former Soviet Union, and was mounted on a transporter-erector-launcher. While such a missile had been reported to exist under the name Nodong B or Musudan, this was the first time it appeared openly in video images. Experts estimate its range at 2,500–4,000 kilometers (cf. 2,400–2,500 kilometers for the SS-N-6). According to *Jane’s Defense Weekly*, it is a stretched-out version of the SS-N-6, with an estimated length of 12 meters compared to the SS-N-6’s 9.6 meters. This additional length has increased the missile’s propellant load to 17.1 tons, 5 tons more than the SS-N-6,

according to a US analyst. The *Ballistic Missile Defense Review Report*, which the Pentagon released in February, had said that a mobile IRBM was under development by North Korea. In October, a publication of the United States Forces in Korea reported the existence of intelligence reports showing that “North Korea is now fielding a new intermediate range ballistic missile.”

At the same time, questions remain about whether the new IRBM is actually a capable weapon or not. To begin with, there is no evidence that sufficient test launches have been carried out. The *Washington Post*, in its December 1, 2010, issue, reported that the new IRBMs which were on display during the October parade were merely mock-ups. It quoted an expert who believes that it would be at least another three to five years before the missiles are developed into actual weapons. The *Post* article also notes that North Korea, because of its dependence on foreign assistance and technology, may face “important limits” on its program of missile development hereafter. UN Security Council Resolutions 1718 (adopted in 2006) and 1874 (2009) restrict transactions in missile-related material and technology by North Korea.

At the October parade, the DPRK also exhibited for the first time a surface-to-air missile similar to Russia’s S-300 and China’s HQ-9, which experts say is highly unlikely to have been developed by the North Koreans without Russian or Chinese assistance. Also, in a UN report released in November 2010 pursuant to Resolution 1874, a panel of experts stated that its investigations had indicated the continuing involvement of the DPRK in nuclear-related and ballistic missile-related activities in countries such as Iran, Syria, and Myanmar. The panel also said that information about such activities “merit[ed] the close attention” of Member States and that it would be conducting further study with regard to the suspected activities. The UN report also pointed out that, because of the difficulties inherent in inspecting cargo that transits neighboring air space between North Korea and Iran, there were vulnerabilities in the UN’s attempt to prohibit arms dealings involving North Korea. The announcement of this report was delayed by six months because of objections by China.

The military parade was also the occasion for the debut of Kim Jong Un, who had just been appointed the de facto heir to Kim Jong Il. It was broadcast live, something extremely unusual for North Korea. On October 10, the Korea Central News Agency emphasized the presence of the missiles in the parade as symbolic of the nation’s “military first” stance, commenting that “missile[s] and interceptor missile complexes of Juche type moved past the tribune of honor demonstrating the will and might of Songun Korea to wipe out the enemy, bringing the splendid military parade to an end.” The Radio Press believes that “Juche type missiles” referred to the new IRBMs,

while “interceptor missile complexes” was probably a reference to a group of surface-to-air missiles similar to the HQ-9. In addition to these missiles, the parade also featured for the first time a version of the Nodong IRBM fitted with a triconic (“baby bottle-shaped”) payload.

2. Transformations in ROK Policies on North Korea and Defense

(1) South Korea's Shift to a Unification-focused Policy toward North Korea

On August 15, President Lee Myung-bak, in a speech commemorating Korea's liberation from Japanese colonial rule, called on the North and the South to “overcome the current state of division and proceed with the goal of peaceful reunification,” and described three communities that both countries should build toward that end. Reiterating a concept that he had advocated since 2008, he proposed a three-phase process toward the peaceful unification of Korea. Specifically, both sides were to establish, in this order: a “peace community” that would guarantee security and peace on the Korean peninsula; an “economic community” that would develop the North's economy dramatically; and a “community of the Korean Nation” that would ensure the dignity, freedom, and basic rights of all individuals. This contrasts with the earlier Kim Dae-jung administration's policy of engagement with Pyongyang, which helped to stabilize ROK-DPRK relations, but was not necessarily aimed at reunification. In March 2000, ahead of a North-South summit scheduled for the following June, President Kim Dae-jung made his so-called “Berlin Declaration,” in which he asserted that the South would not attempt to “absorb the North”—suggesting that his administration was, for the time being, not planning to take immediate steps toward reunification. Instead, the declaration defines the pursuit of coexistence and coprosperity as a more pressing challenge, and relegates unification to a secondary task to be tackled later.

Compared with the Berlin Declaration, President Lee Myung-bak's three-phase vision for peaceful reunification represents a movement toward laying the political groundwork for reunification. In addition to stressing the importance of denuclearizing the peninsula as a prerequisite for creating a peace community,

President Lee's proposal also calls upon the South to make efforts to increase the personal income levels of North Koreans as part of the drive to form an economic community. As such, this initiative can be seen as a strategy for transforming North Korean society and institutions through measures implemented by the ROK government. At its inception, the Lee Myung-bak administration laid out a plan dubbed "Vision 3000: Denuclearization and Openness," which aims to first resolve the North Korean nuclear issue, and then take action to raise the North's per capita national income to \$3,000—a plan that serves as the foundation for the construction of the inter-Korean economic community. President Lee's August 15 speech added to this goal the third stage of forming a community of the Korean Nation to guarantee the basic human rights of all North Koreans.

On August 17, the Committee for the Peaceful Reunification of Korea, the WPK organ responsible for policy toward South Korea, responded to the Lee Myung-bak administration's three-phase reunification proposal with a statement denouncing it as being "tantamount to a declaration of an all-out confrontation to bring down the system in the DPRK." The statement also admonished President Lee Myung-bak to "mind his own business" by tending to the "nearly bankrupt" ROK instead of trying to "bring down" the North's system. This was followed on the 19th by a *Rodong Sinmun* editorial that further criticized President Lee Myung-bak's August 15 address for including a proposal to levy a "unification tax" in South Korea to help fund implementation of the three-phase reunification process. The editorial labeled the suggestion as a sign of President Lee Myung-bak's "criminal ambition" to integrate the ROK and DPRK systems.

According to information released by the ROK Ministry of Unification, the proposed unification tax is intended as a means of procuring the funds needed to substantively support active preparation toward reunification. On December 9, President Lee Myung-bak reiterated his position that South Korea, possessing greater economic power than the North, must use that strength to gear up for reunification. However, the tax proposal should not be interpreted as a sign that the ROK government suspects a major internal crisis is looming in North Korea, given that Minister of Unification Hyun In-taek has publicly stated that the administration does not believe there is a strong likelihood for a sudden upheaval in the DPRK in the near future. Nevertheless, the ongoing situation merits close observation to see whether the ROK leadership's talk of preparing for reunification will actually lead to a step away from the established approach of "coexisting" with the North.

(2) South Korea's Review of Defense Policy—Addressing North Korea's Asymmetric Warfare Capabilities

As the ROK and US governments started taking a stronger tack on North Korea's localized military actions, it was noted that the DPRK had, over the years, continued to redirect the focus of its provocations, so as to target vulnerable areas that had yet to be addressed by South Korea. Whereas earlier localized hostilities instigated by North Korea took place mainly at points along near the Military Demarcation Line, later military actions shifted to other areas, such as waters along the Northern Limit Line (NLL). It is reasonable to assume that the DPRK, realizing that its surface vessel skirmishes with the ROK failed to elicit the desired reaction, once again sought another avenue of provocation, the result being the *Cheonan* sinking and the Yeonpyeong Island shelling.

As mentioned earlier in the context of the Civilian-Military Joint Investigation Group's report on the *Cheonan* sinking, North Korea is believed to possess a fleet of midget submarines that includes *Yono*-class vessels, and several of those submarines were suspected to have been involved in the attack. If this assertion is correct, it suggests that North Korea has, in recent years, turned toward asymmetric naval warfare capabilities to supplant the diminishing power of its surface fleet. In 2004, reports emerged that Iran was in possession of a *Yono*-class submarine, and in the following year the US and ROK intelligence agencies applied the name *Yono* to this class (it is believed that Iran procured its *Yono*-class vessel from North Korea in 2003). According to a North Korean dissident source quoted in the December 15, 2010, issue of *Jane's Defence Weekly*, WPK General Secretary Kim Jong Il issued in March 2009 an instruction that the country's nuclear development program should focus on aerial and underwater weapons. The same source also reported that the DPRK started developing nuclear torpedoes and nuclear mines in that March, and that nuclear torpedo development was planned for completion in 2012, while nuclear mine development was already close to completion. Furthermore, other sources indicate that North Korea possesses somewhere around twenty Romeo-class submarines (1,800-tons) and forty *Sango*-class submarines (300 tons). It is also believed that North Korea has deployed Silkworm missiles (SS-N-2) along its Yellow Sea coast; these surface-to-ship missiles have a range of approximately eighty kilometers, and hence are capable of impeding approach by ROK Navy surface vessels.

ROK Ministry of National Defense researchers have traditionally held the view

that the primary area of operation of North Korean submarines is the relatively deeper waters of the Sea of Japan, and that the most likely threat on the coast of the shallower Yellow Sea is infiltration by DPRK special force units traveling in submersibles. The *Cheonan* incident, however, raised questions over the ROK military's apparent lack of vigilance against submarine attacks in the Yellow Sea. Moreover, on November 29, Minister of National Defense Kim Tae-young stated that the bombardment of Yeonpyeong Island was the first such attack on the five South Korean islands near North Korea's Yellow Sea coast in forty-seven years, and that until the incident the ministry had considered enemy landings to be the primary threat scenario in defense planning for the islands. In other words, North Korea's shelling of Yeonpyeong Island was not foreseen by the ROK armed forces as a potential localized military action.

The ROK defense authorities, interpreting the *Cheonan* incident as an indication that North Korea's asymmetric warfare capabilities were growing, started shifting the main priority of defense planning from preparing for large-scale invasions to enhancing readiness for responding to localized military actions. Speaking at a meeting of the ROK National Assembly's Defense Committee on June 21, Minister of National Defense Kim Tae-young stated that the main goal of the military's equipment procurement programs had traditionally been to prepare for all-out war against the North and for future potential threats, but as a result of lessons learned from the *Cheonan* incident, defense planning priorities were to be re-ordered as follows: (1) infiltrations and local provocations by North Korea, (2) all-out war, and (3) potential threats.

This re-prioritization entails two major changes. First, South Korea will expand the role of its Navy and Air Force in responding to North Korean hostilities. Under the ROK's traditional defense doctrine, which focused on preparing for a large-scale ground invasion by the North, the Army was cast to play an extremely dominant role. For this reason, programs for bolstering air and sea power have been geared, for the most part, not so much toward countering North Korean aggression as they have toward other types of future threats. As one example of this posture, the Ministry of National Defense, when unveiling its "National Defense Reform 2020" plan in September 2005, declared that it would strengthen the Navy and the Air Force based on its forecast that the North Korean threat would gradually wane while the potential expansion of Japanese and Chinese military influence would become a more pressing concern. As another example,

the defense ministry's funding requests for the domestic shipbuilding program Korean Destroyer Experimental (KDX; helicopter-carrying destroyers) stated as their primary goal the construction of a blue-water navy—an objective that is not highly relevant to South Korea's responses against North Korean aggression, or to its alliance with the United States.

However, now that South Korea is placing greater emphasis on responding to localized military actions by North Korea, it arguably needs to expand the roles of its Navy and Air Force to serve that end. Signs of this expansion were seen in 2010, such as when the antisubmarine capabilities of the KDX-I (3,200 tons) and KDX-II (4,500 tons) formed the centerpiece of the ROK Navy's participation in a US-ROK combined naval exercise held in August as part of the two countries' response to the *Cheonan* incident. In addition, Minister of National Defense Kim Tae-young, in his November 29 remarks on the Yeonpyeong Island bombardment, stated that geographical constraints limited the ROK military's ability to reinforce Yeonpyeong and the four other South Korean islands near the NLL with ground units, and that the ministry planned to bolster its ability to use air and sea power to retaliate against further North Korean aggression in the region.

The second change entailed by the defense planning re-prioritization is addressing the growing importance of joint operational capabilities. In a speech given on June 14 in the wake of the *Cheonan* incident, President Lee Myung-bak stated that the ROK military needed to organically and efficiently interoperate its three branches. Although the importance of joint operation had already been highlighted prior to the *Cheonan* sinking, President Lee's June 14 statement may further catalyze efforts towards enhanced interoperability. On September 15, Rhee Sang-woo, who led a government review of defense reform as chairman of the Presidential Commission for the Advancement of National Defense, echoed the call for stronger joint operation capabilities, declaring that the ROK military must develop a system that would allow a single commander to easily run joint operation of all sorts of combat assets.

Against this backdrop, the Joint Chiefs of Staff (JCS) appears to be taking steps to strengthen its operational control over the military, an authority that had remained largely unaltered since it was mandated in 1990. On November 5, 2010, the JCS announced that it would launch later that month an internal study on ways to strengthen joint operation capabilities, and that it would begin implementing concrete measures in 2012 to revise operating directives and make organizational

enhancements. In comments made on the same day, JCS Chairman Han Min-koo said that effective integration and development of ground, air, and sea power required joint operational planning, supplementing of the systems for implementing joint operations, and expansion of the JCS chairman's control over joint operations. Prior to the *Cheonan* incident, the Ministry of National Defense had expressed its intention to reinforce the ROK military's jointness in fiscal 2010 operational plans announced on December 30, 2009. However, the specific measures cited in those plans were limited to changes in the equipment procurement system, and did not include military operational reforms like those subsequently proposed by JCS Chairman Han Min-koo.

On December 6, 2010, the Presidential Commission for the Advancement of National Defense submitted to President Lee Myung-bak a report that included a recommendation to establish a special headquarters for commanding the Yellow Sea region that encompasses the five South Korean islands near the NLL, with the aim of comprehensively improving ROK military capabilities in that area. The commission also proposed strengthening unity across the entire ROK armed forces through the creation of a joint forces command and directly subordinate commands for the Army, Navy, and Air Force.

South Korea's fiscal 2011 defense budget includes funding for programs that will bolster its defense capabilities in the region along the NLL—namely, upgrading and adding radar systems for detecting the positions of DPRK artillery involved in hostile actions, and procurement of precision guided weaponry for counterattacking those positions. It appears that the radar enhancement program will consist of upgrading the AN/TPQ-36/37 Firefinder radars introduced in the early 1990s, and purchasing ARTHUR units manufactured by Sweden's Saab. As for the precision guided weaponry program, South Korea is expected to buy GPS-guided Spike missiles built by Israel's Rafael Advanced Defense Systems.

(3) South Korea's Policy for Strengthening Its Defense Industry and Disagreement over Equipment Procurement Plans

Along with responding to North Korean aggression, another key challenge in the defense of South Korea is the task of vitalizing the country's defense industry—an industry that has been branded as a key source of economic growth by the Lee Myung-bak administration. The perceived need to beef up the domestic defense industry emerged as a topic of political discussion sometime around the launch of

the Lee Myung-bak administration. The Seventeenth Presidential Transition Committee, which was formed to prepare for the installment of Lee's administration, released a white paper that described development of the defense industry into a new source of economic growth as one of the prerequisites for South Korea to become a world-class state. According to a report issued by a presidential committee on October 19, 2010, the ROK government is stepping up efforts to jump-start the sagging defense industry and reshape it into a future driver of economic growth. Specifically, the report declares that the industry's emphasis should be shifted from serving domestic demand to exporting, and proposes an initiative to increase the weight of exports in the industry's output to 40 percent from the current level of 4 percent. The initiative is also aimed at making South Korea the world's seventh largest military equipment exporter by 2020. This focus by the Lee Myung-bak administration on bolstering the defense industry has fueled the rapid growth of South Korean military exports in recent years.

In November 2010, the Ministry of National Defense decided to deploy ROK special forces to the United Arab Emirates (UAE), in what is widely interpreted as a gesture aimed at boosting South Korean military exports (see "The ROK Armed Forces' Robust Involvement in the International Arena" below). This decision stems, it seems, from the UAE's use of arms purchases as a means of securing foreign military commitments. In 2009 the ROK's Korea Aerospace Industries (KAI) courted the UAE to purchase its T-50 supersonic trainer (co-developed with the US firm Lockheed Martin), but lost in the bidding to the M-346 of Italy's Aermacchi. South Korea has apparently tried to make up for this fumble through military cooperation with the UAE, an approach that seems to have paid off—in February 2010 the UAE contracted to import roughly \$20 million worth of South Korean military equipment, including vehicles and ammunition.

The pace of South Korean military exports has rapidly accelerated in recent years. Their annual value, which ranged from \$55 million to \$418 million during the first half of the 2000s, skyrocketed to \$845 million in 2007, and further climbed to \$1,031 million in 2008 and to \$1,170 million in 2009. The number of suppliers and buyers has also dramatically risen—54 South Korean firms exported military equipment to 46 countries in 2007, while in 2009 those numbers increased to 104 firms and 74 countries. Seeking to attract contracts from the Commonwealth of Independent States (CIS) as well, the ROK Defense Acquisition Program Administration (DAPA), which also oversees South Korean military exports, sent

representatives to the First Kazakhstan Defence Exposition in May 2010, where they proposed to the CIS delegation that both sides sign a memorandum for pursuing defense industry cooperation. In the following month, DAPA representatives made efforts to strengthen cooperative ties with European nations as well, meeting with British defense officials to discuss possible arms deals, and attending Eurosatory, an international exhibition in France by defense and security industries. In July, ROK Chief of Naval Operations Kim Sung-chan, meeting with the visiting Chief of Naval Staff of the Indonesian Navy, sought to encourage Indonesian imports of South Korean military equipment by pledging to support the Indonesian Navy with assistance in military equipment and training if a South Korean contractor was selected for Indonesia's submarine procurement program. Moreover, during a state visit to Indonesia on December 11, President Lee Myung-bak secured an agreement to step up defense industry cooperation between the two countries, including joint production of weapons.

Despite the recent expansion of South Korean military exports, however, the country's defense industry is placed in a harsher business situation than are other domestic manufacturing industries. In 2008, the defense industry's operating rate rose roughly 10 percent from its level at the start of the decade, climbing to 60.3 percent, but this fell considerably short of the average of 77.2 percent for the manufacturing sector as a whole. Reports indicate that the T-50 may be on the verge of losing out to the M-346 again, this time in bidding for a contract from Singapore. With the South Korean defense industry laboring under such unfavorable conditions, the call to develop the industry into a source of economic growth is being backed by supporters led by elected officials from regions that are home to military equipment manufacturers.

Among the various defense sectors, the aerospace industry in particular has been struggling against unforgiving business conditions, a situation that partly shaped the goals of the National Defense Reform 2020. When the Ministry of National Defense announced its proposal for that plan in 2005, it indicated that attack helicopters would be procured as one of the key military capabilities needed to offset impending reductions in Army troop strength. Accordingly, the Army sought to replace its aging helicopter fleet with a larger force of more than 250 attack helicopters. At the time that defense reform began to be pursued, the Army said the obsolescence of its existing helicopter inventory necessitated the start of attack helicopter deliveries in 2014. However, this plan has remained up

in the air as of 2010.

The main reason for this is that the Army's proposal to give greater priority to procurement of used US-manufactured AH-64D attack helicopters is at odds with the Korean Attack Helicopter (KAH) procurement scheme that has been strongly advocated by the National Assembly's Defense Committee. In April 2008, the United States proposed to South Korea the sale of used AH-64Ds. The ROK Joint Chiefs of Staff, which had planned to procure both AH-64Ds and KAHs, was reportedly alarmed by the unexpectedly high price tag for the AH-64Ds, and decided to offset the steeper cost by substituting the KAHs with another homegrown helicopter that was smaller but less expensive. In other words, the Army, facing a possible downsizing of its procurement plan due to budgetary constraints, apparently chose to give greater priority to acquiring the AH-64Ds, and use a cheaper alternative for the indigenous helicopter side of its plan. However, the Defense Committee is making a loud call for the Army to forgo AH-64D purchases and instead procure the KAH for its new helicopter fleet. During the June 30, 2010, Defense Committee confirmation hearing on Gen. Han Min-koo's nomination as chairman of the Joint Chiefs of Staff, a committee member strongly urged Gen. Han to scrap the AH-64D/light helicopter scheme in favor of KAH procurement only.

The ROK Armed Forces' Robust Involvement in the International Arena

Despite fresh reminders of the threat posed by North Korea, the ROK Armed Forces has continued to be an active contributor in the international arena. On July 1, calling it a step that "will ensure that our participation in international peacekeeping activities befits our country's international status," the ROK Ministry of National Defense established the "International Peace Support Force" (IPSF) within the Army's Special Warfare Command. Its mission there will be to respond as a dedicated unit to various requests from overseas. After discontinuing the overseas dispatch of troops at the end of the Vietnam War, South Korea resumed doing so in the Gulf War and then, in 1993, sent troops to take part in peacekeeping operations in Somalia. Since this initial experience in UN-led peacekeeping, the South Korean military has expanded its involvement internationally. Since February 2010, it has deployed a contingent of 250 soldiers to the UN Stabilization Mission in Haiti to support that country's reconstruction following the large earthquake. Between April and August 2010, an ROK Navy rear admiral took command of CTF-151, a multinational task force set up to conduct

counter-piracy operations. The establishment of the IPSF indicates that South Korea is prepared to continue to build on its record of overseas deployments—now encompassing sixteen regions in fourteen different countries—in response to further requests for assistance.

The IPSF, which will carry out UN peacekeeping operations and deploy with multinational peacekeeping forces, is a part of a 3,000-personnel unit which will be on regular standby for overseas duty. The Ministry of National Defense announced that it would be creating this unit on June 30, 2009. Two other units, both also assigned to the Special Warfare Command, will also be a part of this standby force: a “reserve unit,” which will provide replacements or reinforcements for contingents deployed abroad; and a “support unit,” which will oversee construction, transportation, and other services. Each of the three units will have around 1,000 soldiers. When it is not serving abroad, the IPSF will conduct the training needed to accomplish its overseas missions. After orders are received to deploy overseas, additional education in the languages and customs of the region of deployment will be provided. The IPSF will deploy within a month after receipt of its orders.

Support among the South Korean people for overseas deployments is growing. In September–October 2009, the National Defense University conducted interviews with members of the general public on the issue of South Korea’s participation in international peacekeeping operations. Its survey found that 20.3 percent of respondents were strongly in favor of such deployments and that 56.4 percent were somewhat in favor of them. In other words, 76.7 percent of the people had an affirmative opinion of peacekeeping activities by the ROK military. This was an increase of close to 10 percentage points over the results of a similar survey in 2008 (when 68.7 percent expressed an affirmative view). Moreover, although close to half of the respondents (46.5 percent) said that they believed that support units rather than combat units should form the crux of such activity, close to half (43.4 percent) were in favor of expanding peacekeeping operations by the armed forces.

Since June 2010, Korea has deployed 350 troops (primarily special forces) to Afghanistan to join the International Security Assistance Force (ISAF). The mission of this contingent is to provide protection for 140 Korean civilians working on a Provincial Reconstruction Team (PRT) that is advising central and provincial governments on administrative reform and is also providing medical support, education, occupational training, and agricultural development expertise. The dispatching of a PRT reflects greater trust between South Korea and the United States. When the ROK government announced its intentions to send the PRT, a spokesman for the US State Department said that “whether it be Japan’s contribution or Korea’s contribution, I think our [only] hope would be that it would be commensurate to the size of their wealth, of their economies.” He added that the United States welcomed PRTs and all other types of assistance.

In November 2010, the ROK government approved a proposal to send a unit of special forces troops to the United Arab Emirates. According to the Ministry of National Defense, this deployment arose because in the process of securing a contract to build a nuclear power plant in the country, the UAE made a request for military cooperation. In other words, military cooperation was one of the

conditions for the deal. The mission of the special forces unit in the UAE will be to assist in the education and training of UAE special forces, to engage in combined exercises, and to protect South Korean nationals in the event of a military emergency. South Korea will dispatch 150 troops (the agreement originally called for 130) for two years, from January 2011 to December 2012, with the possibility of an extension if such is needed. In addition, the Ministry of National Defense is considering allowing a private company staffed by South Korean military reserves to participate in education and drill site management at the UAE's special warfare school.