

Chapter 4

The Korean Peninsula: “Nuclear Weapons State” North Korea Aiming to Become an Economic Power, ROK Seeking Active Deterrence Capability

In the year since the death of Chairman of the National Defense Commission Kim Jong Il, North Korea (Democratic People's Republic of Korea, DPRK) has taken steps to bolster the Kim Jong Un regime and Park Geun-hye of the conservative Saenuri Party has been elected as the next president of the Republic of Korea (ROK or South Korea). There has been no easing of North-South confrontation, and the problems posed by North Korea's nuclear and missile program grow more serious, so the security situation in the region remains as challenging as ever.

In February 2012, the United States and North Korea had direct dialogue more than three years after the Six-Party Talks were suspended. This was followed by announcement of an agreement between the two countries (the so-called Leap Day Agreement). The agreement was effectively scuttled, however, when the new North Korean constitution drawn up under Kim Jong Un described the country as a nuclear weapons state and North Korea launched a missile under the guise of putting an earth observation satellite into orbit with an Unha 3 rocket on April 13. This missile launch was a failure, but North Korea proceeded to launch another missile on December 12, 2012, demonstrating improvements in the technology relating to flight stability and flight accuracy. On February 12, 2013, the country conducted its third nuclear test, driving home its claim to be a nuclear weapons state.

Internally, the Kim Jong Un regime has initiated steps aimed at turning North Korea into an "economic giant" to complete the process of building a "strong and prosperous nation." According to reports, on June 28, 2012, North Korea made an internal announcement of new economic management measures and reported a decision to transfer all authority for economic policy to the party and cabinet, whose role will be to manage the economy while controlling the Korean People's Army. On the personnel level, Chief of General Staff Ri Yong Ho was abruptly relieved of all posts on July 15. In December, it was learned that Kim Jong Gak, appointed minister of People's Army in April, had been replaced by Kim Kyok Sik, former chief of general staff. These events reflect efforts to shake up the military leadership by filling posts with people seen as loyal to First Chairman Kim Jong Un. Other signs that Kim Jong Un is consolidating his control over the military include reports that the vested interests of the military are to be transferred to the party and cabinet.

North Korea continues efforts to strengthen its economic cooperation with

China, but at the same time, there were signs it had been ramping up diplomatic activities aimed at receiving advice on economic growth and attracting investments from Southeast Asian countries, in particular. However, North Korea's so-called July 1 measures in 2002 ended in failure, and the latest initiative is likely to meet a similar fate.

South Korea's presidential election in December was won by the conservative candidate, Park Geun-hye. One of the diplomatic and security goals of the new Park administration is to reopen the North-South dialogue, which was suspended under the Lee Myung-bak administration, but North Korea's latest nuclear test poses an obstacle to early realization of this goal. Moreover, at a time when North Korea is enhancing its nuclear and missile capabilities and its ability to instigate regional provocations, wartime operational control (OPCON) is due to be transferred to the ROK and the Combined Forces Command (CFC) dissolved in December 2015. The challenges this poses for the ROK are how to build a US-ROK cooperative framework to defend the country and how to strengthen its military once these changes take place.

During the five years he held office from February 2008, President Lee Myung-bak succeeded in diversifying and strengthening the alliance with the United States, earning a reputation for raising US-ROK relations to their highest level ever. The ROK's ties with China have also deepened, but there have been differences of opinion over how to approach the denuclearization of North Korea. President Lee showed interest in strengthening relations with Japan, but actions he took towards the end of his presidency had the effect of raising tensions between the two countries, to the disappointment of Japan. It will now be up to the Park Geun-hye administration to repair Japan-ROK relations, but the new administration is likely to move cautiously out of concern for South Korean public opinion.

In August 2012, the Lee Myung-bak administration released the Defense Reform Plan 2012-2030, a national defense blueprint through 2030. This plan reflects the ROK's policy—formulated after the sinking of the corvette *Cheonan* and Yeongpyeong Island shelling in 2010—of bolstering jointness and securing active deterrence capabilities. The administration of Park Geun-hye, who is from the same conservative Saenuri Party as former President Lee Myung-bak, is expected to maintain a similar basic policy.

1. Growing Concern over North Korea's Nuclear and Missile Development

(1) North Korea's Scrapping of Leap Day Agreement with the United States

More than three years after the suspension of the Six-Party Talks on North Korea's nuclear weapons programs, Kim Kye Gwan, first vice minister of the Ministry of Foreign Affairs, had two days of direct meetings in China with Glyn Davies, special representative of the secretary of state for North Korea Policy, February 23-24, 2012. The discussions were followed by announcement of a US-DPRK agreement, known as the Leap Day Agreement. Under the Leap Day Agreement, the United States would, according to Pyongyang's announcement, offer 240,000 metric tons of nutritional assistance with the prospect of additional food assistance. Once the Six-Party Talks were resumed, priority would be given to the discussion of issues concerning the lifting of sanctions on the DPRK and provision of light-water reactors. Both North Korea and the United States reconfirmed their intention to implement the September 19, 2009 US-DPRK joint declaration issued following a round of the Six-Party Talks. North Korea, upon request by the United States and with a view to maintaining a positive atmosphere for the DPRK-US high-level talks, agreed to a moratorium on nuclear tests, long-range missile launches, and uranium enrichment activity at Nyongbyon, and to allow the International Atomic Energy Agency (IAEA) to monitor the moratorium on uranium enrichment while productive dialogues continue. However, nearly two weeks later, Pyongyang announced on March 16 that it planned to launch what it called a "satellite," and then carried out the launch on April 13, effectively scuttling the agreement.

North Korea has been suspected for some time of possessing weapons-grade plutonium (WGP) and of producing weapons-grade uranium (WGU). After allowing for the nuclear devices used in two earlier nuclear tests, North Korea is believed to have possessed enough plutonium for several nuclear weapons in 2012, but securing precise information on the number of nuclear weapons in North Korea's possession and their accuracy remains a challenge. It is practically impossible to obtain a complete picture of the country's uranium enrichment plants.

In August, David Albright, director of the Institute for Science and International

Security (ISIS), who has visited North Korea's nuclear facilities, and Christina Walrond, research fellow of ISIS, released a report entitled *North Korea's Estimated Stocks of Plutonium and Weapon-Grade Uranium*. The report explores three potential scenarios on the assumption that North Korea had enough WGU to make between zero and eleven nuclear weapons and enough plutonium to make between six and eighteen nuclear weapons by the end of 2011. In the first scenario, North Korea would not produce any more plutonium for weapons, but would produce low-enriched uranium (LEU) to supply to an experimental light-water reactor that it is constructing in Nyongbyon. In the second scenario, North Korea would produce LEU and WGU, while also producing WGP at the light-water reactor. In the third scenario, North Korea would pursue WGU only without supplying LEU to the light-water reactor. The report concludes that North Korea would possess enough fissionable material to make between fourteen and forty-eight nuclear weapons by 2016. The estimates contained in the report are wide ranging, but if North Korea succeeds in miniaturizing warheads and is able to extend the range and accuracy of the missiles used to deliver them, it could pose a significant threat to regional security.

The nuclear test site at Punggeri, Hamgyongpukdo, where North Korea conducted an underground nuclear test in 2006, sustained typhoon damage in August and September 2012, but then apparently underwent rapid repairs that restored it to a test-ready state by the end of December. The government announced that it conducted its third nuclear test on February 12, 2013. The nuclear device detonated in this test is believed to have been an atomic bomb that was smaller and lighter than the devices used in the previous two tests but produced a greater yield. Further analysis, including detailed validation, will be needed to assess North Korea's current nuclear capability.

(2) April and December 2012 Missile Launches and Technological Improvement

North Korea's April 13 missile launch was a failure, but the country later announced that it would put into orbit another working satellite for the advancement of science and technology. The missile launched on December 12 was a success in terms of flight stability and flight-path accuracy at least. Given the technological similarities between satellite launch vehicles and ballistic missiles, as well as North Korea's stated aim of having its own nuclear weapons to deter a nuclear

strike by the United States (discussed later), it is questionable whether future satellite launches by North Korea will be purely for the purpose of advancing science and technology. There is every indication that North Korea aims to develop intercontinental ballistic missiles (ICBM).

Experts differ in their opinions regarding the technical reasons for the failure of the April missile launch, but there is a general view that the biggest factor was likely a problem with the separation of the missile's first and second stages. The possible causes cited for this include discrepancies in combustion speeds due to poor synchronization between the four engines and fuel leakage triggered by vibrations in flight. However, North Korea had stated that ground control would destroy the rocket if it diverged from its planned flight path, so it is also possible that engineers blew up the rocket when they detected abnormalities after the launch. It might also be reasonable to hypothesize that the need to fit the political calendar resulted in the launch taking place before preparations were complete, or that some sort of problem occurred but the launch was carried out anyway to avoid a delay. A big factor behind the choice of the early morning of April 13 for the launch may have been the importance attached to celebrating First Chairman of the National Defense Commission Kim Jong Un's presiding over the Supreme People's Assembly the same morning and the one hundredth anniversary of the birth of Kim Il Sung on April 15. In any event, the fact that the Kim Jong Un regime's inauguration coincided with a failed missile launch can be regarded as a major political setback for the regime.

After the December 12 launch, North Korea announced that it had successfully launched a "satellite" into orbit. Technologically, the three-stage missile fired in December was likely a variant of the Taepodong-2 missile with an estimated range of more than 10,000 kilometers (assuming the missile's warhead weighed around one ton or less). That means it would be capable of reaching not just Hawaii, but the west coast of the United States. The Taepodong-1 missile launched in 1998 had a range of around 1,600 kilometers, while the second and subsequent stages of the Taepodong-2 missile or a derived version launched in 2009 flew more than 3,000 kilometers. In terms of the range, therefore, the latest missile represents a considerable improvement. Moreover, the missile's first and second stages are believed to have landed in the areas pre-announced by North Korea, which would indicate a significant improvement in flight accuracy. On December 23, the ROK's Ministry of National Defense reported that the South Korean

military had recovered and examined debris from the missile's first stage (booster) and learned, among other things, that (1) the missile used red fuming nitric acid (RFNA) as the oxidizing agent instead of the liquid oxygen that is normally used in civilian rockets; and (2) the aluminum alloy used in the rocket body may have been produced in North Korea, but some components of the pressure sensors and wiring were likely imported from overseas. The ROK's Ministry of National Defense noted that RFNA is based on technology developed in the former Soviet Union, but North Korea may also have received support from Iran. Further investigation and disclosure of information will be necessary, but initial analyses deepen suspicions about collaboration between Pyongyang and Tehran in the development of ballistic missile technology.

In a report released on January 25, 2013, Japan's Defense Ministry said it had confirmed that some kind of object apparently launched by North Korea was orbiting the earth at an inclination of 97 degrees, but there was no evidence that it was for telecommunications or for transmission and receiving of signals from earth. It seemed unlikely, therefore, that it was functioning as a space satellite.

The December missile launch not only indicates North Korea's intention to continue its ballistic missile development program, but may also show that it has succeeded in modifying the technology based on the lessons learned from the failure of the April missile launch. In his December 21 speech, First Chairman Kim Jong Un stated that the country must develop more telecommunications and other working satellites as well as powerful delivery rockets with the same spirit and zeal that produced the successful launch of the Kwangmyongsong 3-2 earth satellite. Further ballistic missile launches by North Korea therefore seem likely.

North Korea has upgraded the Missile Guidance Bureau in charge of strategic missile development to the status of Strategic Rocket Forces, independent of the Korean People's Army, Navy and Air Force, and also elected the Force's commander, Lieutenant General Kim Rak Kyom, to the Workers' Party Central Military Committee at the Party Delegates Conference on April 11.

The display of several seemingly new types of ballistic missiles at the parade celebrating the one hundredth anniversary of Kim Il Sung's birth on April 15 can be viewed as another sign of Pyongyang's intention to persevere with its ballistic missile development program.

(3) Consolidating North Korea's Status as a "Nuclear Weapons State"

Not merely content to inherit the status of a "nuclear weapons state" from the Kim Jong Il era, the Kim Jong Un regime is working to consolidate it. The preamble of the amended North Korean constitution unveiled on April 13 praises the achievements of Kim Jong Il, saying that he turned the nation into an invincible political ideological state, nuclear weapons state and undefeatable militarily strong state, and paved the glorious way to the construction of a strong and prosperous state. In other words, the North Korean constitution now formally recognizes the country as a nuclear weapons state. In his speech at a parade on April 15, First Chairman Kim Jong Un stated that "military technological supremacy is not a monopoly of imperialists any more, and the time has gone forever when the enemies threatened and intimidated us with atomic bombs. Today's solemn military demonstration will clearly confirm this." At the United Nations, North Korea maintained its criticism of the United States' hostile policy towards it and reiterated its intention to keep its nuclear weapons unless there was an end to this policy.

For example, at the First Committee (dealing with disarmament) of the United Nations Sixty-seventh General Assembly on October 15, the North Korean delegate maintained that the target of North Korea's nuclear deterrent was the United States, stating that his country had reacted to the US extreme nuclear threat with its nuclear deterrent. He further declared that this deterrent provides a sure guarantee for concentrating efforts on economic construction and improving the people's living standard. Continuing his comments, he said that some countries persistently link the DPRK's efforts for economic development with a military purpose and groundlessly pull it up under the pretext of its "enriched uranium plan" and "long-range missile test." He then asserted that the DPRK will be compelled to keep its nuclear weapons for a long period unless the United States rolls back its hostile policy towards it, concluding that the DPRK will fulfill its mission as a responsible nuclear weapons state.

The above is consistent with North Korea's previously stated position that the nuclear problem is first and last a problem with the United States, and that North Korea's nuclear tests and satellite launches are for peaceful purposes. The Kim Jong Un regime will likely advance its nuclear and missile development program under the guise of peacefully advancing science and technology. North Korea ignored UN Security Council Resolution 2087 adopted after its December 12, 2012 missile launch, announcing that it had conducted third nuclear test on February 12. The country will probably continue its nuclear tests to drive home its claim to be a nuclear weapons state.

On June 14, 2012, the Security Council released the report of an expert panel concerning the implementation and effectiveness of sanctions against North Korea specified in UN Security Council Resolution 1874 adopted in 2009. The report concluded that the sanctions have succeeded in economic terms by raising the costs of illicit transfers while simultaneously lowering the returns to the DPRK. At the same time, the report notes that fewer than half of member states had submitted reports on measures taken to implement the provisions of the Resolution, highlighting again the limitations of economic and financial sanctions against North Korea by the international community.

2. "Nuclear Weapons State" Aiming to Be an Economic Giant

(1) Signs of Heavier Focus on the Economy to Build a Strong and Prosperous Nation

A notable feature of the Kim Jong Un regime since its inception has been the desire to carry on the course set by Kim Jong Il by turning the country into an economic giant while strengthening its status as a "nuclear weapons state." The key elements of the North Korean concept of a strong and prosperous nation are national strength in the three areas of political ideology, military, and the economy. The country apparently sees itself as having gone some of the way to achieving its goal of becoming an ideologically strong power and a militarily strong power through the guiding philosophies of Juche (self-reliance) and Songun (military first), propounded respectively by Kim Il Sung and Kim Jong Il. It now apparently wants to focus on becoming a strong economic power through economic development, while continuing to reinforce the other two aspects. Having identified 2012 as the year in which it will open the gate to becoming a strong and

prosperous nation, turning the country into a strong economic power is now likely to be its biggest challenge. In his speech at the parade on April 15, 2012, First Chairman Kim Jong Un stated that North Korea must grow the valuable seeds, which the great Comrade Kim Jong Il sowed, to build an economically powerful state and improve the people's livelihood, and lead them to bloom as a glorious reality. On July 31, a foreign ministry spokesman stated that North Korea now has a strong nuclear deterrence capability and munitions factories to keep strengthening it, so the country can now spur the construction of a strong economic power without flinching even if the United States maintains its hostile policy. The point he was making is that since North Korea has already achieved a deterrence capability, it can now concentrate on the tasks of economic construction and improving the people's lives. This idea was also evident in the comments of the North Korean delegate at the First Committee of the United Nations Sixty-seventh General Assembly on October 15.

This raises the question of what types of economic development North Korea is likely to focus on. First Chairman Kim Jong Un is reported to have announced guidelines for new measures to improve management of the economy on June 28. These include a reduction in the number of collective farm workers, an expansion of the autonomous management rights of enterprises, transfer of economic enterprises dominated by the party and military to cabinet control, abolition of rationing and abandonment of a planned economy. According to the reports, the government will no longer set production quotas for factories, corporations, and other production units in the industrial sector, and these will be allowed to operate with financial independence. Production units will have responsibility for all economic activities, including procurement of resources, production, sales, and revenue distribution. While the government will allow the people to engage freely in commerce, it will still be able to intervene in personnel matters at production units.

Under the June 28 measures, food rationing is to be abolished and people will be free to purchase food at government-designated grain-storage facilities or at markets. On special occasions, such as the birthday of Kim Il Sung, however, the government will distribute food rations. North Korea's food rationing system is thought to have largely broken down in the mid-1990s, but any official decision by the North Korean government to abolish the system would mark a groundbreaking step for the country.

Application of the June 28 measures to the agricultural sector is also envisaged. Reports indicate that the government will no longer purchase agricultural produce from farmers, but will take 70 percent of production volume, leaving farmers to manage the remaining 30 percent as they see fit and to sell it on the market.

The most radical features of these proposed measures are abolition of rationing and abandonment of a planned economy. They signal a sweeping overhaul of North Korea's socialist model, but many experts are skeptical about whether North Korea really has the will to push ahead so far with its reform program. The country has tried economic reforms before, but all have ended in failure. In 2002, for example, the government adopted a set of Economic Management Reform Measures (known as the July 1 Measures) that included efforts to reduce the gap between official and black market prices by raising wages and adjusting prices for commodities such as food and other essentials, and to enhance productivity by expanding the autonomy of company management and instituting performance-based wages. However, as chronic shortages of energy and raw materials reduced the operating rates of manufacturing plants and other businesses, it became impossible to supply sufficient goods at official prices. This spurred further growth of black markets. By around 2005, the July 1 measures had been largely abandoned. In December 2012, reports were already emerging that much of the agricultural produce that was supposed to be delivered to the state has ended up in the hands of the People's Army instead of being sold on the market. There are also reports of many deaths by starvation in the southwestern Hwanghae Province, regarded as the granary of North Korea. These events suggest the latest initiatives are also likely to end in failure.

It is also important to note that the heavier emphasis on achieving the status of a strong economic power does not signify that North Korea has abandoned all plans to enlarge its military in favor of economic reform. The aforementioned logic that because the country has already achieved a deterrence capability, it can now concentrate on the tasks of economic construction and improving the people's lives does not necessarily mean the country intends to focus on economic reform rather than military buildup. As mentioned in Section 1 of this chapter, Pyongyang has stated explicitly its intention to keep bolstering its nuclear deterrence capability and its missile development program. It is conceivable that North Korea will keep quietly expanding its military behind the façade of transforming itself into an economic power. It should not be forgotten that the country has

already established a precedent for such behavior with its nuclear development program. Given its current economic state, North Korea needs to receive large-scale assistance from outside in order to rebuild and grow its economy, but it is pressing ahead with the development of nuclear weapons and missiles in spite of the restraints placed upon it by the international community. The chances of the country receiving the required assistance are extremely limited as long as it persists with its nuclear and missile programs.

(2) Dismissal of Chief of General Staff Ri Yong Ho and Personnel Appointments Focusing on Loyalty

The first dramatic leadership change after the formal inauguration of the Kim Jong Un regime occurred in April. The predominant feature of these personnel shakeups is the focus on reinforcing the loyalty of the military to the party and to Kim Jong Un under a framework based on the supremacy of the Workers' Party of Korea (WPK) over the Korean People's Army (KPA). This suggests that the party's control over the military may have declined, especially since the death of Kim Jong Il. The series of personnel-related measures is probably aimed at strengthening the party's dominance over the military. April 13 saw the selection of Choe Ryong Hae as director of the KPA General Political Department. He was also appointed a member of the National Defense Commission. Choe Ryong Hae is the husband of Kim Kyong Hui, Kim Jong Un's aunt. He is also a former subordinate of Jang Song Thaek, vice-chairman of the National Defense Commission, who is thought to have a solid grip on domestic affairs and diplomacy. His father is former Minister of People's Army Choe Hyon, who faithfully served both Kim Il Sung and his son Kim Jong Il. He is therefore seen as a key second-generation representative of the revolution with a well-attested revolutionary pedigree. Choe Ryong Hae's appointment was exceptional in that it elevated him from twenty-first to third rank in the presumed party hierarchy.

On July 15, 2012, Chief of General Staff Ri Yong Ho was suddenly dismissed from all his posts and Hyong Yong Chol, a close associate of First Chairman Kim Jong Un, was appointed chief of the General Staff. Subsequently, in December, Kim Jong Gak, who had been appointed minister of the People's Armed Forces only in April, was replaced by Kim Kyok Sik. Minister of the People's Armed Forces Kim Kyok Sik was reportedly appointed commanding officer of the Fourth Army Corps after retiring as chief of the General Staff in 2009, but until the death

of Kim Jong Il in 2011, there was hardly any mention of him in North Korean media reports directed at foreign audiences. In March and July, 2012, however, articles in the *Rodong Sinmun* appeared under his own name, one criticizing South Korea and the other praising the Kim Jong Un regime. In November, he was seen in media photographs showing First Chairman Kim Jong Un inspecting a cavalry squadron and also at the ceremony commemorating the first anniversary of Kim Jong Il's death. It is not unusual for high officials in North Korea to submit articles to the *Rodong Sinmun*, but the publication of these articles by Kim Kyok Sik may help explain his appointment as minister of the People's Armed Forces.

Kim Jong Gak was one of the Kims' closest associates and was seen walking alongside the vehicle carrying the casket together with the new leader Kim Jong Un at the funeral for Chairman of the National Defense Commission Kim Jong Il on December 28, 2012. He also gave a speech at the central memorial meeting the following day representing the military. On February 15, 2012, he was promoted to vice marshal of the KPA, but he was relieved of his post as minister of the People's Armed Forces within less than a year of his appointment. The reason for the shakeup of the military leadership is unclear, but on October 29, First Chairman Kim Jong Un gave a speech at Kim Il Sung Military University, in which he declared that any military man who is not loyal to the party and to the leadership, however militarily talented and well-versed in war strategies, is a traitor to the revolution. This suggests that the reason has to do with the issue of loyalty to Kim Jong Un and to the party.

Efforts to strengthen control over the military by installing military leaders who are strongly loyal to the party and to First Chairman Kim Jong Un are probably closely related to moves to transfer control of economic enterprises dominated by the party and military to the cabinet, one of the goals of the economic management measures outlined in the first section of this chapter. It is

unlikely that the transfer to cabinet control of the military's vested interests, including trading companies and banks managed by the military, could proceed smoothly in the face of opposition by the military. This may have heightened the need to ensure the loyalty of the military leadership to the party and to First Chairman Kim Jong Un.

(3) Heightened Diplomatic Activity to Lure Investment and Design a Development Model

Since April 13, the assumed official inauguration date of the Kim Jong Un regime, North Korea has stepped up its diplomatic activities towards Southeast Asian countries. In May, Chairman of the Presidium of the Supreme People's Assembly Kim Yong Nam visited Singapore and Indonesia. In Singapore, he held talks with President Tony Tan and others on May 12. The Singapore side stated that the country was prepared to develop bilateral relations with the DPRK, but was constrained by the fact that the DPRK was subject to UN Security Council and other sanctions. He added that peace and security were essential for economic development. In Indonesia, Kim Yong Nam held talks in Jakarta with President Susilo Bambang Yudhoyono and Minister for Foreign Affairs Marty M. Natalegawa on May 15. The two sides discussed bilateral cooperation in the fields of economy, trade and investment. On June 1, Indonesia agreed to supply \$2 million worth of food assistance to North Korea. The food was delivered in September.

In August, Presidium Chairman Kim Yong Nam visited Vietnam and Laos. In talks with Vietnamese President Truong Tan Sang on August 6, the two sides agreed to enhance bilateral economic cooperation and to make efforts to eliminate obstacles to cooperation through bilateral committees on economic, scientific and technical cooperation. Vietnam also offered 5,000 metric tons of rice as food aid to North Korea. In talks with Prime Minister Nguyen Tan Dung on August 7, Kim Yong Nam stated that his country wished to share Vietnam's experience in socio-economic building and development.

In June, Cambodian Foreign Minister Hor Namhong visited North Korea and in July, North Korea's Minister for Foreign Affairs Pak Ui Chun reportedly met with officials of several ASEAN countries, including Cambodia, during a visit to Cambodia to attend the ASEAN Regional Forum. Separate from this, Kim Yong Il, head of the International Department of the Workers Party of Korea, visited Vietnam, Laos and Myanmar in June. On June 14, he held talks with leaders of

Myanmar's ruling Union Solidarity and Development Party (USDP).

Apart from efforts by the new North Korean regime to maintain and strengthen relations with Southeast Asian nations, this stepped-up diplomatic activity may show that the regime is interested at least in obtaining advice about economic growth from these countries. Obviously, it would be premature to conclude that these moves indicate North Korea is taking serious steps to open up the country. Historically, the government has strongly resisted declaring publicly that it is embarking on China-style reform and opening. It would not be surprising, however, for the country to seek a model in Vietnam, which has promoted a de facto policy of reform and opening under a program known as Doi Moi. Moreover, many Southeast Asian countries serve as a useful model for North Korea because of their traditional friendly ties with the country and their struggles in balancing economic development with internal stability. As observers have noted, there is much North Korea can learn: from Singapore, how to attract overseas direct investment and set up special economic zones; from Indonesia, how to manage natural resources; from Laos, Myanmar and Thailand, how to gather intelligence and exercise political control.

Especially noteworthy is North Korea's enhanced diplomatic overtures to Myanmar, which has moved rapidly closer to the United States. Hitherto, Myanmar has been seen as intent on strengthening and maintaining economic ties with China and military ties with North Korea, but it has recently undergone dramatic changes in the spheres of domestic affairs and diplomatic policy. These include recent efforts to restore relations with the United States by releasing Aung San Suu Kyi, leader of the democratic reform movement. It is too early to conclude that North Korea is genuine about reforming and opening up the country, but Myanmar's dramatic shift in favor of reform and opening could be seen as providing a model for North Korea.

In addition to enhancing economic diplomacy with Southeast Asian countries, North Korea maintains close economic and trade ties with China. On August 14, 2012, during a visit to China, Vice-Chairman of the National Defense Commission Jang Song Thaek attended the third conference of the DPRK-China joint guide committee for joint development and management of the Rason special economic zone and the Hwanggumphyong and Wihwa economic zones. He secured a commitment from China for more positive assistance, including investment in the construction of ports, railways, roads and other social infrastructure in the special

economic zones. After the conference, Jang Song Thaek separately met with Chinese President Hu Jintao and Premier Wen Jiabao on the seventeenth. Reports say that the Chinese side expressed serious interest in studying new forms of economic cooperation, so North Korea's economic dependence on China seems set to continue. It is by no means certain, however, whether North Korea can look forward to unimpeded inflows of foreign capital from Southeast Asia and China. As mentioned earlier, large-scale assistance from outside is essential for North Korea to succeed with its economic reforms, but if the issue of the country's nuclear and missile development further deteriorates, it will become all the more difficult to receive assistance from the international community, which would very likely result in hurdles to the inflow of foreign capital.

3. Republic of Korea: Challenges Facing the New Park Geun-hye Administration

(1) Cautious Steps to Resuming North-South Dialogue

Conservative Park Geun-hye was sworn in as president of the Republic of Korea on February 25, 2013 and the country's first female head of state. While maintaining the previous Lee Myung-bak government's policy of emphasizing the US-ROK alliance, she is also hoping to achieve a breakthrough in relations with North Korea, which stalled under the previous administration. North Korea's nuclear weapon test in the days just before her inauguration, however, will probably force her to take a tougher line on North Korea for the time being.

The ROK holds presidential elections every five years. In the election held on December 19, 2012, Park Geun-hye of the Saenuri Party (New Frontier Party), to which former President Lee Myung-bak also belonged, garnered 51.6 percent of the vote, defeating Moon Jae-in, who received 48.0 percent. Moon Jae-in stood for the progressive Democratic United Party, the successor to the political movements with which former presidents Kim Dae-jung and Roh Moo-

hyun were affiliated. The main issue in the election was how to correct economic disparities, which the people felt had widened under Lee Myung-bak's government. In the closing days of the campaign, it was hard to predict the outcome of the election as Moon Jae-in, an advocate of rapid reform, closed the gap with Park. In the end, however, South Korean electors chose Park as the representative of stability, while still calling for correction of economic disparities.

Both candidates enunciated largely similar pledges concerning foreign diplomacy and security during the election campaign, calling for improved relations with North Korea while deepening ties with the United States and China. Underlying these pledges was a sense that South Korea's ability to influence events surrounding the North Korean nuclear and missile crisis had been weakened due to the impasse in North-South relations under the Lee Myung-bak administration. Although President Lee Myung-bak tried to have dialogue with North Korea, he vigorously demanded that North Korea abandon its nuclear weapons, and applied sanctions, such as suspending trade and other exchanges with North Korea after the sinking of the corvette *Cheonan* in March 2010 (referred to as the May 24 measures; see "Review of the Lee Myung-bak Administration's Policy towards North Korea" later in this section).

The two presidential candidates differed, nevertheless, in their specific approaches to dealing with North Korea. Moon Jae-in advocated resolving the nuclear problem through dialogue and economic assistance to North Korea, while transforming the Korean peninsula from an armistice regime to a peace regime. In effect, he aimed to revive the conciliatory approach of the Roh Moo-hyun administration to dealing with North Korea. As part of this, he called for rescinding the May 24 measures. Park Geun-hye favored a policy of resuming dialogue and humanitarian assistance to North Korea in order to build a relationship of trust with the North and urge it to denuclearize. She pushed for a cautious stance on revoking the May 24 measures and implementing large-scale economic assistance via the so-called Vision Korea Project, saying that these should occur only after there is visible progress in establishing trust with North Korea and achieving denuclearization. The Park Geun-hye administration's concept of how to deal with North Korea contains a mix of flexibility and caution. However, North Korea's decision to proceed with a nuclear test on February 12, 2013 in the run-up to Park's inauguration has forced her to adopt a cautious stance. Eventually, she is likely to revert to the original concept and attempt to initiate dialogue and

exchanges with North Korea, but that may take a considerable amount of time.

Presidential candidates Park Geun-hye and Moon Jae-in shared the same view on the need to develop relations with the United States and China. Underlying this is the widely held perception in the ROK that China stands along with the United States as one of the world's two large powers—the so-called G2 notion. The key drivers of the G2 notion in the ROK are its geographical proximity to China and its growing economic dependence on that country together with China's ability as a permanent member of the UN Security Council to have a significant influence on events relating to the North Korean problem, the primary focus of the ROK's foreign policy. Moon Jae-in argued that the ROK was unable to secure the cooperation of China in dealing with the North Korea problem because its diplomatic policy was too heavily skewed towards the United States. He declared his intention to adopt a more balanced style of diplomacy between the United States and China. Park Geun-hye's response to this was to criticize the balanced diplomacy approach and to place more emphasis on the US-ROK alliance when comparing the US-ROK and the China-ROK relationships. This is apparent from Park's assertion in her election promises that the US-ROK alliance is fundamental. Nevertheless, the new president is known to have made repeated trips to China during her term as a member of the National Assembly, acquiring a reputation as a China expert in South Korean political circles. She appears to be committed to upgrading relations with China to a level befitting a strategic cooperative partnership.

Both Park Geun-hye and Moon Jae-in talked of pursuing future-oriented ties with Japan, but declared their intention to remain firm on the Takeshima islands and history recognition issues. At a news conference in November 2012, Park Geun-hye declared that the islands belong to the ROK historically, geographically and in the eyes of international law and are not up for discussion. She also stated that the comfort women issue can never be justified. During a TV debate between the presidential candidates on December 4, however, she commented positively on improving relations with Japan, saying that she would deal with the ROK-Japan dispute in an intelligent way and noting the importance of moving beyond the past and adopting a broad, future-oriented outlook. The inauguration of the new Park administration provides a good opportunity to repair Japan-ROK relations frayed by the words and actions of former President Lee Myung-bak in August 2012 (discussed later). Any appearance of compromising with Japan

Review of the Lee Myung-bak Administration's Policy towards North Korea

In line with the policy outlined by the presidency handover committee set up after the 2007 presidential election, South Korea's Lee Myung-bak administration put forth its "Denuclearization and Opening 3000" Plan, representing a departure from the sunshine policy of the Kim Dae-jung and Roh Moo-hyun administrations. The plan envisaged raising the per capita income of North Koreans to \$3,000 over the next ten years if North Korea abandoned its nuclear weapons and switched to a policy of reform and opening. Pyongyang, however, rejected the plan, insisting on continued recognition of the June 15 joint declaration with the Kim Dae-Jung administration (2000) and the October 4 joint declaration with the Roh Moo-hyun (2007) administration. The Lee Myung-bak administration later proposed its grand bargain (2009) and economic community plan (2010), but North Korea also rejected these out of hand. North Korea consistently maintained a hard line against the Lee Myung-bak administration, marked by its missile and nuclear test in 2009, its involvement in the sinking of the corvette *Cheonan* and the Yeongpyeong Island shelling in 2010, as well as its cyber attacks and jamming of wireless communications.

The main constraints faced by the Lee Myung-bak administration in its policy towards North Korea were the North's consistent refusal to have anything to do with Lee's administration and the fact that China functioned as a safety valve for North Korea's diplomacy and security.

tends to be viewed as politically damaging in the ROK, however, so the new president will inevitably have to move cautiously. As symbolized by the G2 notion, Japan's relative importance in the ROK's foreign diplomacy has declined, so she may conclude that there is no need to take political risks.

National defense policies were not a major issue in the presidential election. The new Park administration is likely to continue the Lee administration's approach of strengthening deterrence against North Korea relying on the US-ROK alliance. The immediate challenges will be the implementation of defense reform focused on jointness and active deterrence capabilities against North Korea and the establishment of a new US-ROK coordinating mechanism after the dissolution of the Combined Forces Command (CFC) in 2015 (discussed later).

(2) Lee Myung-bak's Diplomatic Achievements and Leftover Issues

During his five-year term as president starting in February 2008, Lee Myung-bak succeeded in diversifying and cementing his country's alliance with the United

States. He also established a personal relationship of trust with US President Barack Obama, and was credited with raising US-ROK relations to their highest level ever.

In June 2009, President Lee Myung-bak and President Obama announced a Joint Vision for the Alliance of the United States of America and the Republic of Korea. This Vision sees the US-ROK relationship as going beyond the defense of South Korea to contribute to the resolution of regional and global challenges. The Vision was reaffirmed in March 2012 at talks between the US and ROK leaders during President Obama's visit to Seoul to attend a nuclear security summit. At the end of the talks, the two leaders forcefully called on North Korea to repeal its decision to fire the "long-range missile" that it was then preparing to test, while declaring their intention to enhance and strengthen US-ROK combined defense capabilities.

On October 24, 2012, the Forty-fourth US-ROK Security Consultative Meeting (SCM) was held in Washington. Attending the meeting were ROK Minister of National Defense Kim Kwan-jin and US Secretary of Defense Leon E. Panetta, who not only reaffirmed the 2009 Joint Vision, but agreed to initiate long-term strategic planning ahead of the sixtieth anniversary of the US-ROK Alliance in 2013.

On October 7, before the SCM, South Korea's presidential Blue House announced an agreement with the United States for the ROK to extend significantly the firing range of its ballistic missiles (discussed later). The South Korean government had long been calling for the extension of the missile range, but the US side had reportedly opposed this out of concern for the impact it might have on the security environment in the Northeast Asian region. The US government's decision to accede to the ROK's request on this occasion can be regarded as reflecting the favorable state of US-ROK relations overall.

One issue on which the United States and the ROK did not achieve full agreement in 2012 was the ROK's participation in ballistic missile defense (BMD). At a news conference immediately after the Forty-fourth SCM, Defense Secretary Panetta revealed that the two countries would continue to discuss BMD. According to the South Korean media, ROK Defense Ministry officials emphasized that although the United States and ROK shared information about incoming missiles, this did not signify ROK participation in the US-led BMD network. One factor behind the ROK's stance on this issue appears to be a desire

to avoid irritating China, but it could also be argued that such consideration for China is inconsistent with the ROK's desire to extend the firing range of its ballistic missiles.

The ROK has for some time expressed the hope that China would use its influence to push for denuclearization and reform and opening in North Korea, but China's response to this has been only lukewarm. At the second vice-ministerial-level defense strategic dialogue held in Beijing in July 2012, the two sides agreed to set up a hotline between their respective defense authorities and to study the possibility of establishing an agreement on mutual disaster relief (see "ROK-China Strategic Dialogue Twenty Years after the Establishment of Diplomatic Relations" later in this section). This might be regarded as a success for the ROK, which is interested in building many channels with China because of that country's influence with North Korea, but the lack of any reference to a timeline for establishing the hotline or finalizing an agreement suggests it could take some time for these goals to be realized. There has also been growing dissatisfaction in the ROK over China's detention of South Korean activists trying to aid North Korean refugees as well as illegal fishing in South Korean waters by Chinese fishing vessels. China, for its part, is wary of moves to strengthen the US-ROK alliance and upgrade the ROK's ballistic missile capabilities.

The year 2012 saw improvement in mutual understanding and cooperation between the ROK and Japan in the area of security and defense, driven in part by North Korea's nuclear tests and military provocations, but relations between the two countries took an awkward turn some respects in the latter half of the year. At high-level talks in May between Japanese Prime Minister Yoshihiko Noda and President Lee Myung-bak, the two leaders affirmed the importance of bilateral Japan-ROK or trilateral Japan-US-ROK cohesion over North Korea's missile tests. In June, Japan's Senior Vice-minister of Defense Shu Watanabe, Defense Secretary Panetta and ROK Defense Minister Kim Kwan-jin held a defense ministerial meeting in Singapore where they agreed to enlarge the scope of their cooperation not only regarding the North Korea issue, but also in fields such as humanitarian assistance and disaster relief (HA/DR) and maritime security. In the field of Japan-ROK defense cooperation, a Japanese destroyer participated in "Eastern Endeavor 12," a Proliferation Security Initiative (PSI) maritime interdiction exercise held in Busan in September. In 2011, Japan and the ROK had agreed to exchange views regarding the Acquisition and Cross-Servicing

Agreement (ACSA) for UN peacekeeping operations and search-and-rescue (SAR) training, as well as an agreement on the protection of classified information. The latter agreement was ready for signing in June 2012. However, one hour before the scheduled signing ceremony in Tokyo, the South Korean side requested a postponement. Reports said that this was due to a decision by the Saenuri Party to apply the brakes out of concern for a backlash from opposition parties and the public because President Lee Myung-bak had not done enough prior consultation with the National Assembly and had not sufficiently explained it to the South Korean people.

A series of events in August further heightened tensions between Japan and the ROK. On August 10, President Lee Myung-bak suddenly landed on Takeshima. Japan protested this visit, but at the same time proposed to the ROK side that the two parties seek a peaceful resolution of the dispute at the International Court of Justice. The ROK government rejected this proposal. On August 14, President Lee demanded an apology from the Japanese emperor for Japan's colonial rule over Korea. The shock caused by these seemingly impulsive actions by President Lee was all the more intense because of the president's hitherto positive stance on building a forward-looking relationship between the two countries.

It will now be up to the new Park Geun-hye administration to restore the relationship of cooperation between Japan and the ROK and tackle the issue of raising defense cooperation between the two countries to a higher level. In the eyes of the Park administration, this will first require an atmosphere conducive to Japan-ROK cooperation. The thinking in Seoul appears to be that once such conditions exist, with Japan avoiding statements or actions that might aggravate the ROK, it should be possible to proceed with talks towards signing of both agreements. How the Park administration deals with the issue of security cooperation with Japan will probably be influenced by South Korean public opinion. Nonetheless, concrete progress with the agreements was made even under the Lee Myung-bak administration and that fact, along with the need for Japan-ROK security cooperation reaffirmed by North Korea's December 2012 missile test and February 2013 nuclear test, suggest Japan should take a pragmatic approach in promoting Japan-ROK security cooperation.

ROK-China Strategic Dialogue Twenty Years after the Establishment of Diplomatic Relations

The ROK and China held their second defense strategic dialogue in Beijing at end-July 2012, marking the twentieth year since the establishment of diplomatic relations between the two countries. The first dialogue was held in Seoul in July 2011. The 2012 dialogue was attended by Lee Young-geol, ROK vice minister of national defense, and Ma Xiaotian, deputy head of People's Liberation Army General Staff Department in China. South Korea's Ministry of National Defense lists the achievements of this dialogue as follows.

- 1) Signing of a memorandum of understanding on ROK-China national defense exchange and cooperation aimed at creating the institutional basis for promoting friendly cooperation and exchange/cooperation in the defense field
- 2) Establishment of a hotline between the defense ministries of the ROK and China in order to strengthen strategic communication between the two countries
- 3) Agreement to strengthen exchange and cooperation in the field of military education
- 4) Agreement to study the signing of a memorandum of understanding between the two countries on disaster rescue and mutual aid
- 5) Agreement to use the opportunity of the twentieth anniversary of the normalization of diplomatic ties between the two countries to expand exchanges in the field of national defense

It was also revealed that the two countries had agreed to exchange opinions on security in the Korean Peninsula and Northeast Asia. The ROK side asserted that North Korea's military adventurism and provocations were the fundamental cause of the tensions in the Korean Peninsula, stressing that in the event of a military provocation by North Korea, the ROK would, by way of exercising its right to self-defense, take decisive punitive action. The ROK expressed the hope that China would therefore play a constructive role.

The ROK's Deputy Defense Minister Lim Kwan-bin said the second defense strategic dialogue signified that the ROK and Chinese military were in process of establishing high-level channels of dialogue. He hoped that the dialogue would enhance and expand exchanges and cooperation in the defense field between the two countries, and expressed his conviction that defense relations between the two countries would develop into something befitting a strategic cooperative partnership, mirroring the active exchanges and cooperation that already existed in the economic, social and cultural fields.

Apart from this government-level (track one) dialogue between the ROK and China, there is also dialogue at the nongovernment level (track two). The reports of the discussions taking place in track two, however, have a different flavor from those of the track-one discussions. For example, at the second strategic dialogue between the ROK's NEAR Foundation and the Institute of International Strategies and Development of China's Tsinghua University on September 1, 2012, one comment reportedly emerging from the Chinese side was that the ROK is economically dependent on China, but dependent on the United States politically

and for its security. Describing this as an unsustainable situation, the commentator said the ROK should look for an alternative. Another Chinese participant asked whether the ROK planned to remain under the US nuclear umbrella forever, saying that it would be treated as a second-rate country as long as it did so. Other statements reportedly made by the Chinese side include the comment that China cannot approve of North Korea's nuclear weapons, but would not interfere with its Songun (military first) policy because it is an internal affair. It was also said that the way to assist North Korea to reform was by passing on China's own experience. It is interesting to see such differences of nuance emerge between track one and track two in the ROK-China strategic dialogue twenty years after the establishment of diplomatic relations between the two countries.

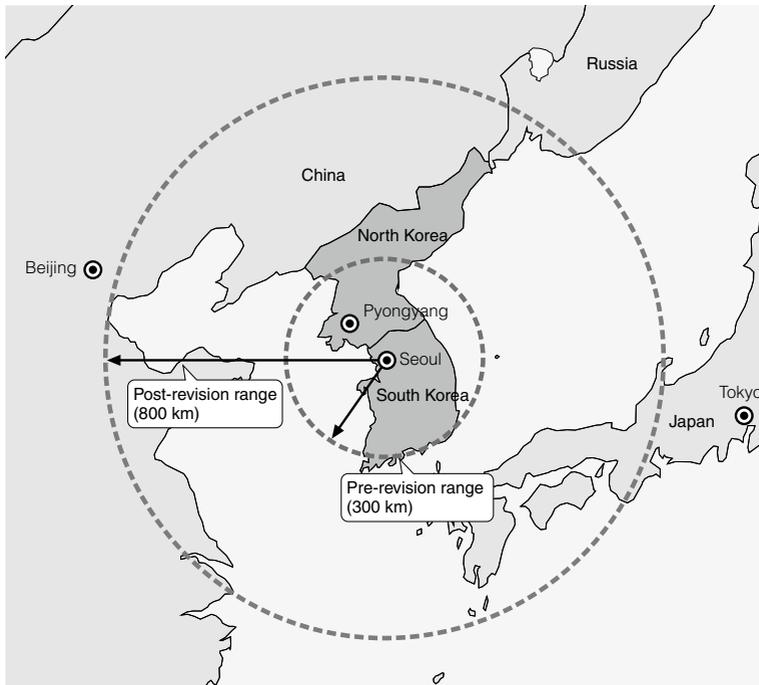
(3) Strengthening Active Deterrence Capabilities

On August 29, 2012, the ROK's Ministry of Defense released the Defense Reform Plan 2012-2030 (hereafter 12-30), a national defense blueprint through 2030. This plan is the successor to the Defense Reform Plan 2011-2030 announced March 8, 2011 (hereafter 11-30), which outlined policies of bolstering jointness and securing active deterrence capabilities.

The plan to bolster jointness was prompted by a rethink following the 2010 sinking of the corvette *Cheonan* and the shelling of Yeongpyeong Island, to which the various branches of the ROK military had failed to respond in an effective, integrated manner. Under the current system, the chairman of the Joint Chiefs of Staff (JCS) is authorized to exercise direct operational command of land, sea and air combat forces, but the chiefs of staff of the army, navy and air force do not have such authority (they have authority over personnel and supply matters for their respective forces). In reality, however, the commanders of the fighting units tended to pay greater attention to the chiefs of staff of their own branch of the military, who had authority over personnel matters, than to the JCS. The revision is intended to correct this problem by having the JCS exercise control of each force's fighting units through the chiefs of staff of each force in order to achieve uniform command by the JCS. The idea is that since the commanders of the fighting units can be expected to obey the chiefs of staff of the individual forces, who have personnel authority, effectively they will be taking orders from the higher-level JCS.

Since this plan to strengthen the command authority of the JCS was put forward in 11-30, it has been debated in the National Assembly, but has met stiff opposition.

Figure 4.1. ROK's Ballistic missile range



Note: The figure shows missile ranges centered on Seoul.
Source: Compiled from information released by the Blue House.

It is one of the issues that have been carried over to the new administration. Opposition to the plan has come from the navy and air force on the grounds that the chiefs of staff of the navy and air force will, in effect, be subordinated to the JCS, which is dominated by people with an army background. Doubts have also been expressed about whether the new system will function properly when the ROK forces conduct joint operations with the US Forces Korea after the transfer of wartime OPCON (discussed later).

The active deterrence capability envisaged in 11-30 and 12-30 refers to the ability to deter regional provocations, like the sinking of the corvette *Cheonan*, and asymmetric threats from missiles and chemical weapons as well as future potential threats. It also includes the ability to deal with the situation after deterrence fails. As part of this program, the ROK has emphasized strengthening its stock of ground- and ship-to-ground missiles capable of destroying North Korea's missile launch sites. In October 2012, the missile guidelines drawn up by

the United States and the ROK, which have limited the ROK's ground-to-ground missile capabilities, were revised. The previous guidelines limited the range to 300 kilometers and warhead weight to 500 kilograms for the ROK's ballistic missiles. Under the new guidelines, the ROK will be able to develop missiles with a range of 800 kilometers. A tradeoff is also possible, so instead of a missile with a range of 800 kilometers and 500-kilogram warhead, it will be possible to have a warhead weighing one ton if the range is cut to 550 kilometers. The ROK side was pushing for a range of 1,000 kilometers, enabling it to target North Korea's most northerly point from South Korea's most southerly point. However, the United States is reported to have opposed this out of concern for its impact on neighboring countries. Even with a range of 800 kilometers, it would be possible to reach the Tumen River at the border between North Korea and Russia from Pohang in the southeast of South Korea. In April, before the revision of the guidelines, the ROK's Ministry of National Defense revealed that it had deployed cruise missiles (reportedly with a range of 1,500 kilometers) capable of attacking any part of North Korea and ballistic missiles with a range of 300 kilometers. In November, it was also reported that the South Korean navy had equipped its destroyers with Cheonryong cruise missiles having a range of 400 kilometers, covering all of North Korea's territory. Given the development of North Korea's nuclear and missile capabilities, the ROK's desire for a ballistic-missile-based strike capability is understandable, but the ROK also needs to provide a fuller explanation to other countries in the region and to the international community.

Regarding other strike capabilities, the ROK is now in process of selecting the type of aircraft to use for its next-generation fighters (F-X) (candidates include the F-35, Eurofighter, and F-15SE). It will also make additional purchases of the current F-15K fighter. Its aim is to establish a "kill chain" to detect, target and destroy North Korean ballistic missile launch sites through a combination of surveillance and reconnaissance capabilities and strike capabilities. For any missiles that might make it across the border, the plan is to detect them and bring them down using the Korean Air and Missile Defense (KAMD) system, a low-altitude missile shield comprising Green Pine and Aegis radars along with PAC-2 missiles. There have also been reports that the ROK is studying the introduction of PAC-3 missiles, but as stated earlier, the South Korean government insists that the KAMD system has no relationship with the United States' ballistic missile defense (BMD).

Table 4.1. The ROK’s main ballistic and cruise missiles

	Ballistic missiles		Cruise missiles		
Name	Hyeonmu 1	Hyeonmu 2	Hyeonmu 3A	Hyeonmu 3B	Hyeonmu 3C
Range (km)	180	300	500	1,000	1,500

Source: Yonhap News, November 23, 2012.

Another challenge is to improve the ROK’s C4ISR (command, control, communications, computers, intelligence, surveillance and reconnaissance) capabilities, especially surveillance and reconnaissance. Between 2011 and 2012, a total of four E-737 Peace Eye airborne early warning and control (AEW&C) aircraft were delivered to the South Korean air force. The country wanted to supplement this with high-altitude unmanned reconnaissance aircraft and in December 2012, the US government announced its intention to sell the ROK four MQ-4 Global Hawk high-altitude unmanned surveillance aircraft. The ROK’s military has hitherto relied on the US Forces Korea for this C4ISR capability, but with the impending transfer of wartime OPCON, sees the need to have its own capability.

Currently, a CFC commander (US Army four-star general) would exercise OPCON over South Korean fighting units in the event of a full-scale invasion by North Korea. This means that a CFC commander would be able to direct the operations of the US Forces Korea and the South Korean fighting units in an integrated manner. Wartime OPCON will be transferred to the chairman of the ROK’s JCS in December 2015 and the CFC itself will be dissolved. A key issue that the US and ROK authorities have been studying is how the relationship between the South Korean military and the US military will be coordinated in the event of a contingency on the Korean Peninsula after the transfer of wartime OPCON and the dissolution of the CFC. At the Security Consultative Meeting (SCM) in October 2012, the two sides agreed to end their deliberations on this by the first half of 2013. In January 2012, the Eighth US Army headquartered in Seoul transformed from being the US Army Service Component Command in Korea (supplying army forces to the CFC) to a Field Army headquarters. This change is part of a package of reforms of the US Army Pacific, but since the US military in South Korea will require a command function for its own combat troops after the dissolution of the CFC, it is probably also intended to fulfill that role. The Eighth US Army also commands the task force that works with some of

the ROK's army units.

Plans call for relocating the US Forces Korea command headquarters from central Seoul to Pyeongtaek in the central western part of South Korea and to relocate army fighting units (such as the Second Infantry Division) stationed north of Seoul to Pyeongtaek also. Initially the goal was to relocate the command headquarters around 2014, but as this was not spelled out at the October 2012 SCM, it may be postponed. Another proposal under consideration is to keep only the artillery units north of Seoul after equipping them with the latest hardware in order to maintain and strengthen deterrence of North Korea's long-range artillery.

Defense Reform Plan 2012-2030

In addition to strengthening the authority of the JCS chairman and securing active deterrence capabilities (see main text), the Defense Reform Plan 2012-2030 (12-30) announced by the Lee Myung-bak administration in August 2012 includes the following.

First, it proposes reducing troop numbers from 636,000 at end-2012 to 522,000 in 2022 (see table below). All of the cuts will occur in the army, with the navy (including marine corps) and air force remaining at their current strength.

The move to cut troop numbers started with the Defense Reform Plan 2020 announced by the Roh Moo-hyun administration in June 2005. This plan envisaged downsizing from 680,000 in 2005 to 500,000 in 2020 (in June 2009, the Lee Myung-bak administration revised the 2020 target to 517,000). South Korea's sharply declining birth rate is one reason for the proposed reductions.

To enhance her prospects in the election against the opposition candidate Moon Jae-in, the new President Park Geun-hye pledged to shorten the period of obligatory military service for young males from the current twenty-one months to eighteen months. If this proposal is implemented, it will leave troop numbers around 27,000 short of the annual average target outlined in the 12-30 plan. South Korea's military has many troops stationed along the 248-kilometer ceasefire line to guard against incursions by North Korea's military, and there are concerns that cutting troop strength and reducing the period of military service could compromise this arrangement.

The 12-30 plan envisages a large number of organizational changes in each branch of the military. The army will lose one of its eight corps as a result of troop cuts, but a mountain brigade will be newly established within the force. This brigade will likely be charged with cleanup operations in the event of incursions by North Korean guerilla forces in South Korea's mountainous eastern area. A submarine command will be established within the navy in 2015. In December 2012, the ROK announced that it would build two 3,000-ton class next-generation

submarines with a targeted completion date of 2022. Currently, the navy's largest submarines are 1,800-ton class vessels. An aircraft wing to be established within the marine corps will have its own utility helicopters and attack helicopters. Currently, the marine corps relies on the navy and US military for helicopters. An aviation intelligence squad and satellite monitoring and control unit will be established within the air force to handle unmanned reconnaissance aircraft and visual information in a bid to strengthen C4ISR capabilities. No details of the satellite monitoring and control unit have been released, but it is likely to have responsibility for space situational awareness, an area in which the United States has promised to strengthen cooperation with the ROK. Also mentioned is reinforcement of the cyber command.

Table 4.2. Personnel reductions planned for the ROK armed forces

	Total	Army	Navy	Marine Corps	Air Force
End-2012	636	500	40	28	65
2022	522	387	40	28	65

Unit: thousands

Note: Figures are rounded, so the reductions for all branches do not add up to the total listed.

Source: *Kookbang Ilbo* (Korea Defense Daily), August 30, 2012.