

## The 2020-2024 Mid-term Defense Plan for Realizing “Strong Military” and “Responsible Defense”

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The ROK Ministry of National Defense (MND) announced its 2020-2024 Mid-term Defense Plan on August 14, 2019. The Mid-term Defense Plan serves as a blueprint for maintenance and development of the ROK Armed Forces over the next five years. The plan describe in detail a direction for future defense development determined by the Commander-in-Chief to effectively respond to current and future threats and potential changes in security environments.

The 2020-2024 Mid-term Defense Plan envisions what the ROK Armed Forces of the future will look like, as presented in the Defense Reform 2.0 Basic Plan: i) a military capable of actively responding to omnidirectional security threats, 2) an elite force using advanced technology, 3) a force as befitted a developed country. For the purpose of realizing vision of the ROK Armed Forces, a budget of KRW 290.5 trillion (with an average annual increase of 7.1 percent) has been allocated for the mid-term plan. Specifically, the budget for the force improvement programs (FIPs) expenses comes to KRW 103.8 trillion, with an average annual increase of 10.3 percent, and the budget for the force operating cost amounts to KRW 186.7 trillion, with an average annual increase of 5.3 percent.

## **Characteristics of the 2020-2024 Mid-term Defense Plan**

One of the most noticeable features of the 2020-2024 Mid-term Defense Plan is its budget size. Six years since the 2014-2018 Mid-term Defense Plan's five-year total budget reached KRW 214.5 trillion, the first it had ever surpassed the KRW 200 trillion, the budget has now amounted to nearly KRW 300 trillion. This is a result of various considerations reflective of current times called for such a big budget. In other words, this sizeable allocation demonstrates South Korea's strategic move to reinforce its national defense amid uncertain security environments, striving for constant development of national defense. In consequence, there is a greater demand for increased defense expenditure to establish a 'strong military that secures peace through strength.'

As such, there is a clear recent trend toward an enlargement of the defense budget size. The 2017 defense budget exceeded 40 trillion won for the first time, and it is expected to reach 50 trillion won in just three years. In 2018, the defense budget saw a year-on-year increase of 7 percent totaling KRW 43 trillion, while in 2019, the amount increased 8.2 percent to reach KRW 47 trillion. In 2020, the defense budget is expected to surpass KRW 50 trillion for the first time. Indeed, the KRW 290.5 trillion budget proposed by the 2020-2024 Mid-term Defense Plan reflects practical demands that call for an increased defense spending.

Second, the budget for the FIPs and the force operating costs constitutes a conspicuous feature of the plan. The 2019 FIPs expenses account for 32.9 percent of the total defense budget at KRW 15.4 trillion, and the force operating costs are 67.1 percent of the total budget at KRW 31.3 trillion. However, specifically for 2024, the final year of the 2020-2024 Mid-term Defense Plan, the FIPs expenses form 38.2 percent of the total defense budget at KRW 25.1 trillion, while force operating costs comprise 61.8 percent at KRW 40.6 trillion. That is, the plan pursues a defense budget structure with the added weight to the FIP expenses for defense build-up through acquisition and development of advanced weapons systems.

The ROK national defense is transforming itself to build an efficient elite military powered by advanced weapons systems and technology, moving from the existing manpower-oriented operation. To this end, the ROK will firmly implement the defense reform during the 2020-2024 period.

The third characteristic of the mid-term defense plan is a shift in constituent parts of the force operating costs. Funds allocated for the military pay for the 2020-24 period have increased 3.6 percent compared to those of the 2019-2023 period. Other components show sharp gains: an increase of 19.4 percent for reserve forces management (used for training and operating reserve forces), 17.1 percent for education and training, and 16.8 percent for national defense informatization (used for operating information systems and providing networks and communications infrastructure). On the strength of considerable investment, the defense management will proceed toward developing elite reserve forces, improving proficiency of regular troops through intensified education & training, and incorporating high-tech ICT into operation.

As the "demographic cliff" continues to strain available military human resources, utilizing reserve forces that are effectively trained will not only help supplement the shortage in the manpower, but also strengthen South Korea's war sustainment capability through a robust mobilization posture.

Where the shortening of the military service period is concerned, an important task is to improve proficiency of active-duty forces within a short term. Thus, the budget increase in education & training is aimed at improving their proficiency with advanced equipment, and thereby building an elite force.

National defense informatization is essential resource for building communication infrastructure necessary for management of forces and defense information systems that use the latest ICT. Therefore, appropriate investment in the national defense informatization area should be made.

As we have discussed above, the 2020-2024 Mid-term Defense Plan was formulated with an emphasis of realizing a strong military and dependable national defense. The overall size of the budget and the various constituent parts show distinguishing characteristics to fulfill goals of force build-up and defense management. Based on this understanding, the next section looks at emphasis of investment in the FIPs expenses and the force operating costs.

## **Emphasis of Investment in FIPs and Force Operating Costs**

The FIPs expenses focus on: i) achieving strategic deterrence and operational response capabilities against various threats, ii) securing response capabilities against transnational and non-military threats, and iii) strengthening the foundation of the domestic defense industry with increased defense R&D funds.

Firstly, for strategic deterrence and countermeasures against nuclear and WMD threats, there has been significant investment in reconnaissance assets. With this, the ROK Armed Forces will extend its independent surveillance capabilities and develop guided missile capabilities to strike strategic targets. In order to bolster defense capabilities of the Korea Air and Missile Defense (KAMD), much more resources will be committed to force build-up projects to dramatically enhance the KAMD's geographic coverage and interception capability.

Furthermore, the ROK Armed Forces aims to replace conventional weapons systems with high-tech weapons systems and to establish unmanned combat systems that include autonomous combat vehicles and reconnaissance robots. On the sea, enlargement and modernization of battleships and submarines will enhance ROK's maritime patrol capability. In the air, with an introduction of new generation fighter aircrafts, the ROK Air Force will improve capability to conduct aerial transport capability as well as space operations.

Under current environments of diversifying security threats and unstable peace, ROK's adoption of state-of-the-art weapons systems and defense build-up will shore up its efficient defense management. Consequently, the ROK Armed Forces will be empowered to conduct operations in various fields in a way that serve national interests.

The defense R&D budget and funds for strengthening competitiveness of the indigenous defense industry are important parts of the FIP expenses. The 2020-24 mid-term plan encourages active investment in basic/core technology development, as key defense, strategic technologies that would pioneer leading edge weapons system have been selected. In addition, much more financial resources were allocated for localization of key components of weapons systems. Furthermore, the mid-term defense plan affords resources for fostering small and medium-sized venture companies with competent technical capabilities in order that they can sharpen competitiveness of indigenous defense industry to facilitate a transition to an

export-oriented industrial structure. Besides, the plan secures resources to effectively support export companies that engage in development & modification of export-oriented weapons systems and test-operation for the military.

Investment in the defense R&D and consequent growth of the defense industry will help secure technological infrastructure, essential in building future defense capabilities. Such investment, in turn, will also help lead a scientific progress that will contribute to the national economy.

Meanwhile, the force operating costs focus on the following: i) ensuring a proper operation rate of military force and improving combat-related proficiency, ii) promoting Smart Defense Operation on the basis of advanced technology, iii) realizing productive barracks culture that does not isolate military personnel from society, and iv) recovering public trust by ensuring safety of soldiers and creating mutually beneficial conditions with local governments.

First, investment in logistics has increased in order to improve operation rate of advanced weapons and to make full use of core combat equipment. Adequate follow-up logistics support will be commensurate with the augmentation and acquisition of state-of-the-art equipment. On addition, the education & training field has been well-funded aimed at improving forces' proficiency through establishment of technology-powered training systems. Accordingly, much more resources have been allocated for building scientific combat training centers and utilization of augmented reality/virtual reality (AR/VR)-based simulation training systems.

Moreover, there has been a heavy investment in the national task, high tech-based Smart Defense Management (consists of three fields, eight tasks, 61 projects). Already, the MND has launched the Fourth Industrial Revolution (4IR) 'Smart Defense Innovation Promotion Group' in January, 2019 to encourage wide application of cutting-edge technologies to every area of defense sector.

Meanwhile, the mid-term defense plan has sought to improve service members' quality of life with additional investment in the necessities of life, to provide reasonable compensation for their service, and continuously carry out designated projects for making productive barrack life. The quality of military medical services will be improved with betterment of the system,

which has been falling short of public expectation. In addition, the mid-term defense plan has spared no expenses to protect military personnel from harmful environments or to create military facilities that can beneficially coexist with the surrounding local societies. Thereby, it affords the ROK favorable defense management conditions for defense build-up, more than just force maintenance.

As we've seen, the comprehensive 2020-2024 Mid-term Defense Plan spans across all areas of national defense. The MND will do utmost efforts to realize a "Strong Military" and "Responsible Defense" as demanded in contemporary times.