Analyzing South Korea’s Defense Reform 2020

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Abstract

South Korea’s defense reform plan aims to transform its defense from manpower-intensive to technology-intensive, from military-dominated to civilian-dominated, and from a service-oriented force structure to a jointness-oriented force structure with a long-term vision until 2020. To achieve this goal, the defense ministry drafted a defense reform basic law, which is awaiting the National Assembly’s approval. Since military transformation is not only fashionable in the era of information and globalization, but also necessary to resolve five-decade-long problems existing in South Korea’s defense force. The defense ministry divided its overarching tasks into five categories: reducing military manpower and correcting service composition of manpower, civilianization of the defense ministry, strengthening the Joint Chiefs of Staff system, securing long-term defense budget, and maintaining and developing the Korea-U.S. alliance within the framework of a cooperative, self-reliant security policy. In this paper, the aforementioned five major issues are analyzed to discover potential problems and propose alternatives to the discovered problems for a successful defense reform. To achieve success in the long-term defense reform, it is necessary for the government to obtain nationwide political support and legalize the specific policy measures to implement the reform consistently, to finance the reform plan with a stable and steady increase of defense budget, and to coordinate and closely cooperate with the United States on the impact of the defense reform on both Korea’s defense reform and the division of roles in the alliance.
Introduction

In December 2005, the Ministry of National Defense (MND) submitted the Defense Reform Basic Law draft to the National Assembly. The Defense Reform Law is epoch-making in terms of its aim, content, time span, and required budgets. The draft bill aims to transform Korea’s defense from a manpower-intensive military force to a capability-oriented military force, from a short-term-based force to a long-term-based force, a military-dominated defense ministry to a civilian-dominated defense ministry, a service-oriented force structure to the Joint Chiefs of Staff-centered force structure. Indeed, Korea’s defense reform through 2020 is one of the most ambitious and comprehensive defense reform plans ever, in and around the Korean peninsula.

Korea’s long-range defense reform plan has been contemplated for the past three years since the advent of the Roh Moo-hyun administration. As early as March 2004, the National Security Council indicated the president’s determination to pursue comprehensive defense reform in the National Security Strategy Report of the Republic of Korea, which was actually titled, “The Participatory Government’s Security Policy Framework.”1 In April 2005, President Roh Moo-hyun ordered Defense Minister Yoon Kwang-ung, to launch defense reform by scrupulously examining the successful case of the French defense reform. At the same time, the National Security Council organized the Presidential Advisory Committee on Defense Reform by recruiting 16 members nationwide, comprising defense experts, relevant scholars, former generals, and NGO leaders. The defense ministry also organized a taskforce whose mission was to draft the reform bill by collecting ideas from inside and outside of the ministry and to report the drafted bill to the Presidential committee on defense reform. On September 13, the defense minister announced the defense reform plan as the Defense Reform Basic Law and commenced the legislative process.

If the bill passes through the National Assembly, South Korea will start to overhaul the defense ministry and force structure with a com-

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prehensive and long-term plan. The aim of South Korea’s defense reform is not only to resolve old problems in the defense but also to keep up with the global trends toward military transformation. The contemporary world is the age of military transformation, which has been led by the United States and to be followed by other advanced Western countries since the end of Cold War. Recently, China and Russia bandwagoned the global trend of military transformation.

Against this backdrop, this paper intends to put Korea’s defense reform bill in a broad perspective by examining the evolution of the defense reform issue historically, to summarize major characteristics of the defense reform bill, and to analyze the major issues that need to be resolved in order to bring about a successful defense reform and to provide policy suggestions on those issues.

The Historical Evolution of Korea’s Defense Reform

South Korea’s defense reform traces back to the early 1970s when the then President Park Chung Hee proposed a self-reliant defense in order to build South Korea’s indigenous defense industrial base to fill the gap that was created by the U.S. troop reduction in 1971. The purpose of the defense reform was to strengthen defense capabilities, to build appropriate forces and create an elite force, to establish a self-reliant defense system through building South Korea’s own defense industries. The range of the defense reform was so comprehensive that it seemed as if the President himself had staked the fate of the nation on the success of the defense reform.

The first-ever defense reform accomplished remarkable success due to President Park’s strong will and massive financial support from the government and from the people. President Park mobilized nationwide participation with the lawmaking efforts. The laws and presidential actions to accomplish the defense reform included: Law on Defense Industry (1973), Force Improvement Plan for the Build-up of ROK Armed Forces (1974), Law on Establishing Reserve Forces (1968), Presidential

Regulation on Agency for Defense Development (1970), Defense Tax Law (1975), etc. The first defense reform launched the Force Improvement Plan from 1974 to 1981, thus having met the basic requirements of locally-manufactured weapons and equipment.

The second major defense reform began in May 1988 when President Roh Tae Woo directed the Defense Ministry to study the defense reform issue. The purpose was to prepare for the “Koreanization” of Korea’s defense in the 21st century. The 818 Research Commission was organized so as to develop the Defense Posture Development Direction. After this, the Commission recommended the reform plan to the President. Its major contents included organizing a unified command structure by creating the Headquarters of Defense General Staffs; defining a self-reliant military strategy; building military forces to be able to conduct a self-reliant military strategy effectively, and; developing a unified command structure on the basis of balancing three military services.

However, the second defense reform faced a serious challenge in the National Assembly in which opposition parties were in the majority and the ruling party in the minority. Opposition parties raised the issue of power concentration in the Chief of Defense General Staff because they were worried about the recurrence of a military coup d’etat. As a compromise, the plan to organize the Defense General Staff was abandoned and a new plan to organize the Joint Chiefs of Staff (JCS) was introduced and got approval from the National Assembly. The plan to create a more balanced force structure was also abandoned because it was not clearly specified in the law. The problems that the second defense reform tried to tackle have remained unresolved until now.

There were two minor attempts at defense reform. Hereby, “minor” signifies that defense reform was conceived and implemented within the defense ministry level, meaning that the President did not intervene directly in the defense reform process. In 1993, after a democratic power transfer from the former military government, President Kim Young Sam forced all the generals who belonged to the Hanahoe faction to resign to prevent recurrence of a military coup. Meanwhile, Defense Minister Kwon organized the 21st Century Defense Study Commission within the ministry to conduct research on the 21st Century Defense Posture. The Research Commission comprised colonels and
commanders who had advanced academic degrees. The research results were not adopted because of frequent changes of ministers.

In 1998, after President Kim Dae-jung came to power, Defense Minister Chun established the Defense Reform Promotion Committee to draft a five-year Defense Reform Plan, some parts of which were adopted by the President and incorporated in a bill whose main features were to consolidate defense education institutions. A proposal to merge the 1st Army and the 3rd Army faced a grave challenge from both the South Korean military and the U.S.-ROK combined forces command, being rejected in the defense reform law. Since President Kim Dae-jung did not intervene directly in the defense reform, the result was hardly a success.

Therefore, the 2005 defense reform gearing toward 2020 is the third major defense reform effort, which comes 15 years after the August 1990 defense reform, envisioning the year 2020. Reformist leaders in the defense ministry and JCS are incidentally those who had been working-level officers dealing with the 1990 defense reform. Since these reform leaders are receiving strong political support from the President, the defense reform plan 2020 has better chances of success. At the same time, President Roh directed the defense minister to benchmark the French law-making process and defense reform plans, in order to ensure that Korea’s defense reform plan be planned and implemented consistently and systematically with nationwide support.3

Comparing three major defense reform cases and two minor reform efforts, the following distinctive observations can be made. First, for defense reform to succeed in Korea, the President should intervene with a strong will in the reform process, consistently from the beginning to the end. Second, the defense ministry should have an articulated and strategic plan to make it a law to garner majority support from the National Assembly and public support as widely as possible. Third, the defense ministry should obtain financial support from the

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President and government budget office, while reaching a consensus and informing the public as to the need for reform.

*Korea’s Defense Reform 2020 Plan*

On presenting the Defense Reform 2020 plan, the Defense Minister Yoon mentioned the following guiding principles for the defense reform to succeed:

- Launching the defense reform now, rather than later, because it is a pressing task
- Creating a military force that sees further, moves faster, and strikes more precisely, to cope with rapidly changing modern warfare environments
- Making the defense management system more efficient, accountable, and responsive to the people
- Building an economic force that is low-cost and highly-efficient
- Implementing the reform gradually along the three distinctive phases until 2020
- Conducting the reform within the law to be approved by the National Assembly
- The reform will be pursued with a firm ROK-U.S. combined defense posture
- The reform process will be transparent to the public and the international community

At the same time, the defense ministry presented a detailed program to accomplish the reform objectives successfully. Herein, four major items are reorganized as follows by the author, to be more concise and concrete:

With regard to force structure:
- The present forces of 680,000 will be reduced to an elite force of 500,000 by the year 2020. The 548,000-strong army will be reduced to 371,000, whereas the 68,000-strong navy will be reduced to 64,000, while the 65,000-strong air force will remain the same.

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• The total force in 2020 will not only be strengthened, but force shortages resulting from manpower reduction will also be filled by the acquisition of state-of-the-art weapon systems.
• The defense ministry will strengthen intelligence, surveillance and command & control (C2) capability and enhance mobility and precision strike capability.
• The defense ministry will reduce the reserve forces by half to 1.5 million, and improve training of reserves

With regard to the civilianization of the defense ministry:
• The ratio of civil servants in MND will increase from 52 percent of the total number of positions in MND to 71 percent by 2009. To enhance their expertise, civil servants will attend education programs that will be newly established at the National Defense University.
• MND will introduce confirmation hearings in the National Assembly on the political appointees and Chairman of JCS.

With regard to strengthening the JCS system:
• Establishing a JCS-centric operational execution system
• Leveling the service representation in JCS with the ratio of 2 (army): 1 (navy): 1 (air force)
• Chairman and Vice Chairman of JCS shall come from different services
• Designating positions for joint specialties in JCS and Combined Forces Command and assigning them to the positions after appropriate training for jointness

With regard to securing defense budgets necessary for the defense reform:
• The defense reform plan shall be financed at a total cost of 621 trillion won: comprising operation and management costs (349 trillion won) and investment costs (272 trillion won)
• The defense budget will increase at a rate of 9.9 percent per annum between 2006 and 2010, at 7.8 percent between 2011 and 2015, followed by 1.0 percent between 2016 and 2020.
Related Issues

Five major issues were raised for a national debate and in the preparation process for the final law draft: (1) Why and how to transform a manpower-intensive force structure to a technology-intensive force structure; (2) why and how to change from a military-dominated defense ministry to a civilian-dominated defense ministry; (3) why and how to strengthen JCS; (4) how to secure defense budgets necessary to make the reform successful during the 15-year period; and; (5) how to coordinate the tradeoff between a self-reliant defense policy and alliance policy and strengthen the alliance.

Herein, each issue is examined from various perspectives and problems associated with each issue will be analyzed to provide effective and specific policy alternatives to solve the problems. The order of discussion does not necessarily reflect the importance order of the issues.

From Manpower-Intensive to Technology-Intensive Force Structure

South Korea plans to reduce military manpower from the current 681,000 to 500,000 by 2020. To make up for the manpower reduction, military capabilities will be increased. This is a natural evolution for Korea, given the changes in the nature of the North Korean military threat as well as given the economic growth, technological advancements and socio-political developments in the ROK. In light of a radically decreasing population in the male-youth cohort due to a low fertility rate, reduction of military manpower is inevitable. Increasing emphasis on technology is a politically, socially and economically rational adjustment strategy. This move also keeps abreast with changes taking place in the world. Like the United States and other advanced countries, reducing manpower to achieve an overall increase in capabilities is on a right track for military transformation. Just as the United States shifted emphasis from numbers to capabilities, from a fixed and slow military to a rapidly deployable force, and from a threat-based to a capability-based force, so does South Korea need to adjust to the

5 Donald H. Rumsfeld, “Remarks as Prepared for Delivery by Secretary of
changes stemming from the U.S. global posture review. Thus, South Korea’s increase in technology and decrease in overall manpower actually mirror the transformations of many liberal democratic countries like the United States and France.

The manpower reduction will take place disproportionately in each military service. In the past, the Korean army numbered 548,000 as opposed to 68,000 in the navy and 65,000 in the air force. It was inevitable for the army’s numerical superiority, because of North Korea’s army-dominated force structure that also maintained an army of more than one million. To cope with North Korea’s surprise attack strategy to be executed with a massive concentration of ground forces in the front, there was no option for South Korea but to maintain a massive army. The relative change of service ratio reflects the global trend and growing importance of navy and air force in the modern and future warfare.

However, the reduction of manpower was met with immediate domestic opposition. Proponents of the troop reduction demanded more cuts for two reasons. Some argued that South Korea should cut more troops to accelerate and, at least, not to hinder the inter-Korean reconciliation and cooperation process.\(^6\) Others argued that downsizing the military manpower by 180,000 within 15 years would not assist in building the nation’s military capabilities as it would mean saving less money than would otherwise have been the case.\(^7\)

Opponents of the manpower reduction criticized the plan because

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\(^6\) South Korean NGOs, comprising mainly anti-defense civil organizations, criticized the government for increasing defense budgets vis-à-vis a small reduction of military manpower. The Peace Network, for example, insisted on more manpower reduction to 300,000 and less defense budget increase, available at http://www.ohmynews.com/cp/newswire/news (accessed on Sept. 14, 2005).

\(^7\) National Assembly lawmaker, Song Young-sun denounced the troop reduction because she felt more cuts to the level of 350,000 would be needed to save defense costs and for the saved money to be used to buy more advanced weapons, *Korea Times*, Sept. 14, 2005. Dong Joon-hwang, “Directions Toward Defense Reform (Korean),” *Security Management Institute Issue and Report*, Aug. 15, 2005. Dr. Hwang proposed a deeper cut to 300,000 to build a more high-tech, speedy, and information-intensive force.
it did not properly address problems associated with the unchanging North Korean military threat and ongoing nuclear crisis. A U.S. defense expert joined in the critique on the bold reduction because the reduction plan did not seem to address various situations where North Korea may experience domestic instability that might require South Korea’s stabilization intervention with more forces than 500,000.

A deliberate consideration was paid to the problems indicated during the preparation process for the defense reform act. Given North Korea’s massive military manpower, the defense ministry will undertake a three-phased reduction of the nation’s military manpower. During the first phase between 2006 and 2010, 60,000 privates in the army will be cut back and 20,000 NCOs (non-commissioned officers) will be added to fill the shortage of skilled privates. In the following phase between 2011 and 2015, an additional 60,000 troops will be reduced, to be followed by downsizing of an additional 80,000, leaving a total of 500,000. The gradual manpower reduction will address North Korea’s challenges appropriately.

Moreover, the defense ministry is well aware of the point that manpower reduction will not save the money necessary for the build-up of military capabilities. Actually, more money will be needed to replace 60,000 privates with 20,000 NCOs in terms of manpower costs. The rising costs for a qualitative force-buildup poses a dilemma because reducing military manpower does not provide noticeable cost-savings to enable force buildup. Therefore, the defense ministry is requesting an increase in the defense budget, which will be discussed in more detail in the following section.

**Civilianization of the Defense Ministry**

The Defense Ministry has presented a plan for its civilianization. Since civilian government officials, as of December 2005, filled 52 percent of the total positions in the ministry, it proposed a plan to replace

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the positions filled by the military personnel with civilian officials so as to reach 71 percent of all positions available in MND by the year 2009.

The rationale for the civilianization of the defense ministry results from the democratization process. In a democratic society, the defense ministry and the military should obey the orders of the elected political leadership. Defense policymaking and deliberating missions can be better served by civilian public servants, instead of the military.\(^{10}\) In the past, the South Korean defense ministry has been dominated by the military, let alone defense ministers being appointed as soon as they retired as generals. High- and middle-level positions of the defense ministry were occupied by the military, who tended to serve for less than three years in MND. For their frequent turnovers, defense policy decision-making and implementation could not guarantee quality and consistency of policies. Ex-generals who were appointed as defense ministers right after the completion of military service could hardly make defense policies independently and neutrally owing to their allegiance to their former service. Since presidents during the military government came from the military, defense ministers could not exert full authority in defense policymaking. The defense ministry had been run for the sake of military interests rather than for national interests. There had been no such cushion between people and the military, so the military had to take the political heat whenever military issues became hot issues. These factors have long demanded the civilianization of the defense ministry in accordance with the democratic constitution and process.

As a benchmark for the civilianization of the defense ministry, South Korea referred to the ratios of civilians to military uniforms in the defense ministries of advanced countries. For example, the ratio of civilian officials to uniforms in the U.S. Defense Department is approximately 84 percent, whereas the French example shows 70 percent.\(^{11}\) The Japanese self-defense agency retains almost 100 percent civilians.


It is, however, crucial to the success of defense reform to keep in mind that a civilian-led Defense Ministry will be significantly different from the past, when the military dominated the Defense Ministry. Such a civilian-controlled Defense Ministry will be expected to be more expertise-oriented because of their longer stay in MND, more flexible and more acceptable of political advice than the military, thereby making the defense ministry more professional in policymaking and implementing policy. On the other hand, the civilianization could result in instability in the defense policymaking process if the process ends up frustrating militaries laving the MND by merely replacing them with civilians within a short time.

In this regard, three caveats can be identified in the civilianization process of the Defense Ministry. First, one could easily find a problem of the lack of civilian defense experts within the Ministry of Defense. Since more than two-thirds of higher positions at the director-general level in the Korean Defense Ministry had been filled by Army generals, it will not be easy to find competent substitutes in the short-term. Therefore, the Korean Defense Ministry put forward a realistic mid-term plan to gradually replace higher positions with civilian equivalents within four years. The ROK leadership needs to invest time, money and resources in careful planning and implementing a career system to cultivate conscientious and competent civilian professionals who have the ability to responsibly manage military affairs in pursuit of national strategic objectives. To this end, the Defense Ministry has a plan to establish education and drill programs in the National Defense University, not to speak of the plans to recruit relevant civilian experts through outsourcing.

The second problem could be raised by outgoing militaries because they could resist the loss of their jobs. This problem necessitates that the Ministry of Defense find ways to provide jobs to the outgoing militaries. Hence, the South Korean Defense Ministry is going to open

more jobs at JCS in the way of strengthening the Korea’s JCS.

A third problem will arise in the civilianization process when the civilians and the military compete to control issues and decisions. If the process is dominated by constant and institutional struggles for power and influence, the conflict may paralyze the organization, leaving no time for real work. To avoid such conflicts, it is important to have a clear organizational structure and reach a consensus view of why the civilianization process is needed and how the transition is being made manageable.

**Strengthening the Joint Chiefs of Staff**

In the past, the Korean armed forces comprised three separate military services. The army’s predominance, however, was so great that defense and military decision-making has been dominated by the army. Such army-dominated and inter-service rivalry rendered the force balance skewed in favor of the army, thereby hindering the conduct of joint warfare that has become fashionable in the contemporary world.

In the August 1990 defense reform, steps to remedy the unbalanced force structure had been taken with no avail. Inter-service rivalry became more conspicuous, resulting in distorted resource allocation decisions favoring the army vis-à-vis the navy and the air force disproportionately. As the navy and the air force assumed greater importance in modern warfare, the negative impact of such distortion began to be realized to such an extent that actions were often taken to correct such negative impacts on the overall force structure, but with no substantial success. The problem was also recognized by U.S. generals who worked for the ROK-U.S. combined forces, so they recommended that South Korea should create a joint headquarters and achieve the integration of forces and jointness, in order to be able to modernize its armed forces, and not just by purchasing new weapon systems. Therefore,

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the time was ripe for a command structure overhaul through the 2005 defense reform initiative.

While preparing the Defense Reform Plan 2020, the Korean Defense Ministry benchmarked the U.S. Goldwater-Nichols Department of Defense Reorganization Act of 1986, which strengthened JCS in order to enhance jointness of military services and regional commands.\textsuperscript{15} As it is known that the U.S. example of enhancing jointness by strengthening the JCS resulted in such a great success that the United States could execute joint warfare in the 1991 Gulf War and more successfully in the 2003 Iraqi War, the South Korean Defense Ministry began to search options to empower the JCS by resolving the problems stemming from the unbalanced force structure. The plan intends to increase the proportion of the navy and air force in the total military manpower in order to achieve approximately a 74:13:13 ratio among the army, navy, and air force. To enable JCS to plan and execute joint warfare doctrine, the authority of the Chairman of the Joint Chiefs of Staff should be strengthened, which requires that each military service delegate the operational command and control authority to the Chairman of JCS. The proposed defense reform draft law stipulates that the Chairman and Vice Chairman of JCS shall be appointed from different services and one of them be army; and the ratio of higher ranking officers and generals should be amended to achieve a 2:1:1 ratio among army, navy, and air force. The clearly stated law on the ratio reflected the failed attempt of 1990 to organize a JCS-centered and joint force structure. In a similar vein, heads of 15 units and agencies directly under the Defense Ministry—for example, the president of National Defense University—will be allocated to each military service so as to achieve a ratio of 3:1:1, corrected from the present ratio of 9:1:1.

However, it was pointed out that a strictly regulated ratio among the three different military services as stipulated in the draft law does not guarantee the integration of services to execute joint warfare. It led to heated debate during the review process within and without the


Three major problems were identified: First, increasing the joint service representation at JCS seems to be reasonable, but the current number of colonels and generals in each military service does not provide a sufficient pool of high-ranking officers for the JCS to achieve a 2:1:1 ratio immediately. In particular, the number of colonels and generals in the air and naval forces is inadequate. Even if the army is reduced to 370,000, it will still comprise over 70 percent of the active-duty force. Without a significant increase of navy and air force colonels and generals, a 2:1:1 ratio is far beyond reach. Therefore, this goal will need to be met on a mid-term basis, with a reduction in the army and an increase in the navy and air force.

Second, simply changing the representation risks skewing JCS planning, policy, and overall organizational efficiency disproportionately in favor of the navy and air force, thus weakening the army. Cultural issues in Korea and a half century of dominance by the U.S. military command structure will hamper the Korean JCS to achieve the anticipated outcome unless appropriate actions are taken with due consideration given to all pertinent factors. A move to jointness can be achieved only if proper education for jointness is given, a joint warfare environment is intentionally provided, a joint warfare strategy and doctrine is developed, and self-reliant command and control ability is cultivated. Therefore, steps were taken to separate the Joint Staff College from National Defense University in order to bring it under the authority of the Chairman of JCS, who would be able to train and educate students of the Joint Staff College to think of and conduct joint warfare for more than six months during their education. At the same time, regaining operational control authority from the commander of the ROK-U.S. combined forces will be completed in the mid-term after sufficient and satisfactory consultation has been carried out between Seoul and Washington.

Third, it is not certain to what extent a newly organized JCS with a 2:1:1 ratio will function to enable the Korean armed forces to conduct a joint warfare doctrine. To accomplish a stated goal, carefully pre-planned follow-up actions are needed. Like the American JCS example, the joint specialty and joint positions in the Korean armed forces need to be created. Thus, a new draft law stipulates that MND, JCS, and
Combined Forces Command should designate specific positions as joint positions, and assign the joint specialty military officers to such positions.

**Expanding the Defense Budget to Achieve Technology-Centered Force**

South Korea needs to increase its defense budget to build a technology-centered force. The defense reform 2020 plan includes ambitious acquisition and procurement programs to strengthen command and control capabilities, surveillance and reconnaissance capabilities, and precision-guided strike capabilities across the military services. It was estimated that the defense reform plan would require a budget increase of 11 percent annually from 2006 to 2015. For the rest of the defense reform from 2016 to 2020, the annual increase of defense budget was estimated to be 7 percent. Throughout the entire defense reform period, South Korea needs to spend approximately 680 trillion won, including 289 trillion won for procuring state-of-the-art weapon systems until 2020.\(^{16}\) The budget estimates aroused national debate because of the sheer size and the higher annual budget growth rate than the nation’s economic growth can ensure.

The seemingly expensive defense budget increase drew nationwide attention, and some groups showed strong opposition. The main argument was that the defense budget increase is simply unaffordable, and would thus hinder the economy.\(^{17}\) It was pointed out that the estimated defense budget increase is unrealistic, because a real economic growth rate of just 5 percent per annum was assumed to continue until 2015. It was also questionable whether the government and people would support an 11 percent of the annual growth of defense budget. Given the 2006 defense budget increased by 9.8 percent from the 2005 defense budget, MND accordingly had to readjust an 11 percent increase of defense budget.

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17 National Assemblyman, Im Jong-in of the ruling Uri Party said that the increase in defense budget would become a serious burden to the economy, *Korea Times*, Sept. 14, 2005.
After taking into account public reaction to the originally projected defense budget, the defense ministry moderated its defense budget projections.\(^\text{18}\) The total budget during the entire defense reform period will be 621 trillion won, instead of 680 trillion won, including 272 trillion won of force investment programs and the annual growth rate was corrected to be more realistic—like 9.9 percent between 2006 and 2010, 7.8 percent between 2011 and 2015, and 1 percent between 2016 and 2020. The true increase due to the defense reform was estimated to be only 67 trillion won. Thus, the fraction of GDP for defense is projected to increase from 2.7 percent to 3.0 percent between 2008 and 2014, and then to decrease from 2.9 percent to 2.3 percent between 2016 and 2020. The annual defense budget beyond 2015 will remain almost constant at 52 trillion won.

The Defense Ministry argued that although considerable amounts of money will be needed to pursue reform goals, it is essential to carry out the reform now rather than later, adding that the increased defense budget projections would be met with a modest and affordable budget increase.\(^\text{19}\) Since it is important to remind ourselves in a democratic society that people should be willing to pay in order to have a strong military force, the defense ministry revealed a long-term budget plan to inform the Korean people. It is, however, equally important to bear in mind that simply increasing defense budget does not necessarily produce an increase in military capability. Therefore, three cautions need to be noted if the defense system is to be made more efficient, more accountable, and more professional.

To enhance efficiency and transparency in the defense acquisition and procurement process, the defense ministry established the Defense Acquisition Program Administration (DAPA) by consolidating eight organizations related to procurement and technology research and development, which had been dispersed earlier in the defense ministry, procurement headquarters, and each military service. The DAPA Law

\(^{18}\) At the first presentation of the defense reform plan, Defense Minister Yoon stated that the annual increase of defense budget at 11 percent would be affordable, *Korea Herald*, Sept. 14, 2005. Later, in October 2005, the ROK Defense Ministry announced a moderate defense budget forecasted at 621 trillion won.

\(^{19}\) Ibid.
has been thoroughly examined between 2004 and 2005 by the nationally organized review committee under the supervision of the Prime Minister and passed by the National Assembly in 2005. It is expected to enhance efficiency and transparency in its arms acquisition projects. It remains uncertain whether DAPA would perform its missions up to the expectation mandated from the law.

Second, the stable financing of acquisition programs is crucial to the success of the defense reform. It is true that there had been program curtailments, procrastinations, and schedule slippages in the past mid-term acquisition programs. Growing competition for the government budget from various sectors of society—in particular, from education and social welfare—made it increasingly difficult to secure an appropriately-sized defense budget. Therefore, the defense ministry put forward the long-term defense budget proposals during serious discussions attended by the President, officials in NSC, and relevant ministers to secure general consensus on the need for a steady and modest increase of defense budget at an annual growth rate of 9.9 percent until 2010, and 7.8 percent until 2015. In addition, the defense ministry explained the long-term budget and acquisition plans to its United States counterparts, because it was important to obtain the full understanding of its ally, the United States. The U.S. government has actually encouraged expansion of the defense budget in line with its earlier action to increase military spending of US$11 billion for the upgrading of the U.S. Forces in Korea at the time of applying the Global Posture Review to the Korean peninsula. However, by not being included in the law, like the French defense reform plan that had specified budget for the five year period of the defense reform plan, it is uncertain whether the Defense Reform 2020 plan will secure budget for a long-term as expected.

Third, it is essential that the actual use of the defense budget should be carefully planned and be spent efficiently. The defense ministry is required both to enhance transparency and openness and to be strictly overseen by the government and the National Assembly on its use of finances. Scandals that arose in connection with the past defense procure-

ment practices fermented distrust regarding the use of defense budget in the minds of the Korean people. The defense ministry took actions to enhance public confidence in this regard—for example, by bringing in civilian budget experts to the defense ministry from the government budget office and by letting the budget plan be known to the public, the media and NGO leaders through press conferences, seminars, and the Internet. To raise efficiency of the utilization of the defense budget, the building of military facilities will be conducted by civilian contractors on the basis of the BTL (build-transfer-lease) system.

### From an Alliance-Dominated Defense to a Cooperative Self-Reliant Defense

The Rho Moo-hyun administration showed a clear vision on how to transform the past alliance-dominated defense policy to one of cooperative self-reliant defense. The cooperative self-reliant defense can be divided into two parts. Being self-reliant signifies that South Korea will take the initiative in deterring war and defending the country with self-reliant defense capabilities. Being cooperative means that South Korea will promote the ROK-U.S. alliance from a future-oriented perspective and at the same time, will proactively pursue multilateral security cooperation with various countries, except for the United States.²¹ The cooperative self-reliant defense policy is reflected in the Defense Reform 2020 plan, so that South Korea can conduct a defense and deterrence strategy against North Korea by strengthening her military capabilities, while maintaining and strengthening the Korea-U.S. alliance in the future.

To reach a clear understanding about the cooperative self-reliant defense policy, the Roh administration and the Bush administration were engaged in close consultations from March 2003 to January 2006. Three major differences were identified for the two allies to come to a common understanding of the alliance, while incorporating South Korea’s pursuit of a self-reliant, more autonomous defense, on the one hand, and the U.S. pursuit of Global Posture Review on the other.

In 2003–04, the perception gap regarding North Korea’s threat

loomed large. In Seoul, those who favored the continuation and development of the “Sunshine Policy” argued that the United States and the South Korean defense community have exaggerated the North Korean threat, conventional and nuclear alike. By contrast, U.S. officials asserted that the North Korean threat has neither diminished nor disappeared, apparently increasing in light of Pyongyang’s continuous nuclear weapons development. This perception gap may have caused the United States to misinterpret South Korea’s Defense Reform 2020 plan as not appropriately addressing North Korea’s threat, and accelerating a large drawdown of South Korean forces. On the other hand, Seoul tended to regard Washington’s North Korea policy as not seeming to be improving vis-a-vis North Korea’s nuclear policy, from the “Axis-of-Evil” speech to the “Outpost-of-Tyranny” speech. As of January 2006, the debate on North Korea’s threat has been submerged due to the September 2005 joint statement on the North Korean nuclear issue at the Six-Party Talks. However, it will depend on North Korea’s future responses to the Six-Party Talks whether the North Korean military threat issue will resurface to test the cohesiveness of the Korea-U.S. alliance.

Regarding the trade-off between a self-reliant defense and an alliance-dependent defense, South Korea has voiced entrapment fears that South Korea may be dragged into a war, including the Iraqi war or a regional war. Because of Seoul’s long subservience to the United States, progressive groups inside Korea also pushed for Seoul’s autonomy from Washington. By contrast, Washington not only interpreted Seoul’s quest for autonomy as neglecting the past sacrifices that the United States made for South Korea, but also thought Seoul was trying to distance itself from the United States in a way to get closer to China.

After bilateral and multi-level policy consultations, South Korea and the United States came to a common understanding that the two allies should maintain and develop the alliance for a comprehensive, dynamic, and mutually beneficial alliance. The range of alliance broadened and deepened to develop the alliance from a military-centered

23 U.S. Senator Hillary Clinton’s speech, as reported in Korea Times, Oct. 26, 2005.
alliance to a comprehensive alliance that will promote democratic and market-oriented values, and fight terrorism, to observe and implement cooperation to prevent proliferation of weapons of mass destruction. This seems to end the dispute on the range of alliance and provides a new text for cooperation.24

There were differences between Seoul and Washington in interpreting and accepting the concept of strategic flexibility by the United States. The United States wanted to transform its alliances by connecting all the military assets across national borders to ensure the free flow of its forces into and out of a specific country, which amounted to the free movement of U.S. forces in Korea abroad and U.S. forces abroad to Korea without South Korea’s intervention. Since the flexibility is an essential part of the new U.S. global military strategy, the United States did not want to be hindered by South Korea. In contrast, South Korea, in the interests of its long-term security policy, did not want the ROK-U.S. alliance to play a negative role in terms of regional security at a time when South Korea is pursuing peace and prosperity for Northeast Asia. Given recent developments where South Korea’s political and economic ties with China are improving and its relationship with Japan is becoming soured due to Japan’s growing nationalism and territorial disputes, South Korea did not want to be drawn into a regional conflict by any U.S. interventions by its mobilizing of U.S. forces in Korea—say, for example, in the event of a future Taiwan Straits contingency. This debate posed a potential for division between the two allies.

After the first ROK-U.S. strategic consultation for allied partnership, on January 19, 2006, Korean Foreign Minister Ban and U.S. Secretary of State Rice confirmed the understanding of both governments as follows: The ROK, as an ally, fully understands the rationale for the transformation of the U.S. global military strategy, and respects the necessity for strategic flexibility of the U.S. forces in the ROK. In the implementation of strategic flexibility, the U.S. respects the ROK position that it shall not be involved in a regional conflict in Northeast Asia against the will of the Korean people.25 The issue of the U.S. strategic

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flexibility has been resolved to a mutual satisfaction.

Three diverging issues between South Korea and the United States do not affect the alliance negatively because the positions of the two allies came to a common understanding after full consultations. Thus, there is no big difference between Seoul and Washington on the rationale and plans of South Korea’s defense reform.

None of these five transition issues need impact the ROK-U.S. solidarity. South Korea’s planned initiatives to strengthen its defense capabilities actually model the U.S. military’s transformation in many ways. They therefore should not in and of themselves create friction or discord between the alliance partners. However, South Korea’s reform initiative requires close consultation and coordination because it would be better off if it could learn from the U.S. transformation experience, not to speak of experiences of its joint and network-centric warfare.

If closely coordinated and collaboratively implemented, South Korea’s defense reform should have the overall effect of strengthening ROK-U.S. solidarity. Bilateral coordination and collaboration will ensure ROK-U.S. strategic and tactical compatibility for several decades to come. If Seoul were to proceed with its initiatives in a unilateral manner and without regard for U.S. strategic interests and obligations to Northeast Asian security, the ensuing developments certainly contain the seeds of incompatibility, discord, and potential enmity between the two alliance partners. Therefore, South Korea needs to inform and discuss the detailed plans of defense reform, not only to achieve success in the defense reform per se, but also to ensure regional stability and peace in Northeast Asia with U.S. cooperation.

**Conclusion**

Korea’s Defense Reform 2020 plan is, indeed, an overall defense transformation in its aim, content, time span, and resources necessary for the reform. Since the United States initiated its full-scale global defense transformation, and France achieved success in defense reform within the legal framework on a mid-term basis, these set wonderful
precedents for Seoul to follow. In addition, the United States and France have welcomed the development of Korea’s defense reform plans because this effort perfectly matches their precedents and reform policies. Within South Korea, efforts to launch a defense reform are nothing new. The 2005 defense reform in fact is the third such reform initiative since the first defense reform of the 1970s and the second defense reform in the late 1980s and 1990.

This analysis reveals that to ensure the success of the defense reform, three things need to be taken care of. First, strong and nationwide political support from the President and National Assembly is an essential requirement, because the defense reform should be guided by laws and ongoing supplemental measures to supervise and intervene in the implementation process consistently and closely until it accomplishes the original goal. Merely gaining the support of the ruling Uri party and Democratic Labor Party is not enough, and the government must thus secure the support of opposition parties such as the Grand National Party and Democratic Party, because the defense reform needs to be conducted across future administrations to follow. If people have a strong sense of participation during the congressional hearings on the Defense Reform Basic Law, they are going to support the defense reform plan throughout the reform period. With five major issues discussed herein in mind, the Defense Ministry would be wise to design an effective strategy to garner political support as widely as possible.

Second, the government should finance the defense reform plan sufficiently, because it entails acquisition and procurement of expensive high-tech weapons and defense equipment. To do so, the defense ministry launched massive public relations efforts to explain and ultimately obtain nationwide understanding and support for the reform plan. Though failing to secure official and legal pledges from the budget related departments of the government on the long-term defense budget, the Defense Ministry needs to double its efforts to educate insiders in the defense ministry and community to equip them with consistent knowledge and strategy to persuade the relevant people continuously. Moreover, the defense ministry should update efforts to manage the defense policymaking and implementing process in such a way as to make it more efficient and accountable.
Third, close coordination and consultation is needed between Seoul and Washington because Washington is succeeding in its military transformation, possessing a great deal of information and assistance that it could provide South Korea. To do so, Korean security and defense policymakers must pay appropriate attention to potential problem areas that could undermine the alliance, unless identified early and attended to with discretion.