

3. SECURITY AND RESILIENCE



Europe Should Learn from the Efficient Use of South Korea's Defence Budget

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Russia, whose economy is much weaker than Europe's, has been able to wage a full-scale war in Ukraine for more than two years, because it has set up a war economy, thanks to an oppressive political and economic system. The war in Ukraine has highlighted that Europeans, despite being among the world's biggest spenders on defence, do not have military power. This is why they are struggling to provide meaningful military support to Ukraine¹. European countries are not up to the military challenge that Russia poses to European security; they must find a way to translate their economic advantage into a military advantage. To correct this, South Korea can offer them useful lessons².

75 Years of the Korean War Have not Harmed South Korea's Development

Since 1950, South Korea has faced North Korea's aggressiveness. This one has a population of 26 million inhabitants, a gross domestic product (GDP) of only 40 billion €, i.e. barely 1,800 € per capita³, but it is the most militarised country in the world: its people's army is said to be 1,125,000 active soldiers and 5 to 10 million reservists, equipped notably with 3,800 battle tanks and 15,000 artillery pieces, provided during the Cold War by the Soviet Union and Communist China.

South Korea had the political will to counter this threat and to establish the economic and industrial bases to maintain a deterrent armed force. It has steadily increased its defence budget and modernized its armed forces even after the end of the Cold War, to be able to counter Pyongyang. The political stability due to the consensus between conservatives and liberals has been beneficial to the sustainability of defence plans and the ability of the defence industry to develop weapons systems in a cost-effective manner.



Source: <https://eastasiaforum.org/2021/12/22/putting-south-koreas-proactive-national-defence-strategy-in-perspective/>

¹Max Colchester, David Luhn and Bojan Pancevski, "Alarm Grows Over Weakened Militaries and Empty Arsenals in Europe" in *Wall Street Journal*, 11 December 2023.

²See Bence Nemeth, "South Korean Military Power" in *The RUSI Journal*, <https://rusi.tandfonline.com/doi/full/10.1080/03071847.2024.2355136>, 19/6/2024.

³Joseph H. Chung, Florian Gauthier, Éric Boulanger, Kim Jung-un's North Korea: Challenges and Opportunities, Université du Québec à Montréal, <https://ceim.uqam.ca/db/spip.php?article9829#:~:text=contre%20à%20peine%2040%20milliards,fois%20plus%20élevé%20au%20Sud,2015>.

At the origin not very industrialized and lacking significant natural and human resources, because in 1945 78% of its population was illiterate⁴, it seemed doomed to underdevelopment⁵, but it benefited from Western aid. In the 1960s and 1970s, it carried out accelerated industrialization in the steel industry, shipbuilding, and electronics. This allowed the South Korean economy to move closer to the West, but political and trade union freedoms remained limited⁶. It was not until the end of the Cold War that South Korea became a democratic country. It has remained competitive in many sectors, as South Koreans work longer hours than Europeans and South Korean companies invest heavily in new technologies, such as automation, to keep their costs low⁷.

In 2024, the 51.6 million South Koreans generate a GDP of €1,672 billion. With a GDP per capita of \$32,418, comparable to that of Italy and Spain, they are twenty times richer than their northern neighbours⁸. South Korea is the second largest shipbuilder after China, with a 25% share of the global market⁹. It is the second-largest producer of semiconductors after Taiwan¹⁰, the fourth-largest exporter of electronics¹¹, the fifth-largest auto producer, producing more cars than Germany¹², and the sixth-largest steel producer, producing nearly twice as much steel as Germany and five times as much as France¹³.

A Robust and Competitive Defence and Defence Industry

South Korea's defence budget is 2.8% of the GDP or 47 billion €. It is used rationally. One-third of South Korea's active military personnel, or 365,000 soldiers, including 29,000 marines¹⁴, 70,000 sailors and 65,000 air force personnel¹⁵, are professionals, two-thirds are conscripts who serve for 18 to 21 months, according to the service. They are much better equipped and have a much higher military readiness than European armies, which spend five times as much. NATO's largest military exercise since the Cold War took place in 2024. It brought together 90,000 military personnel from 32 countries¹⁶. South Korea holds annual drills that involve about 200,000 South Korean military personnel and 10,000 to 20,000 Americans¹⁷.

⁴Jun-kyung Kim and KS Kim, *2011 Modularization of Korea's Development Experience: Impact of Foreign Aid on Korea's Development*, Korea Development Institute School of Public Policy and Management, 2012, p. 41, https://archives.kdischool.ac.kr/bitstream/11125/41935/1/%282011%29%20Modularization%20of%20Korea%27s%20development%20experience_impact%20of%20foreign%20aid%20on%20Korea%27s%20development.PDF.

⁵Ramon Pacheco Pardo, *Shrimp to Whale: South Korea from the Forgotten War to K-Pop*, London: Hurst Publishers, 2022, p. 36–37.

⁶Il-woo Lee and Alan Chong, "Curing National Insecurity through Developmental Authoritarianism in South Korea's Civil–Military Relations" in Alan Chong and Nicole Jenne (eds.), *Asian Military Evolutions: Civil–Military Relations in Asia*, Bristol, Bristol University Press, 2023, p. 255.

⁷Hanako Montgomery, "Asia's Most Overworked Country Wants to Improve Work-Life Balance—By Raising Work Hours" in *Vice*, 24 March 2023, <https://www.vice.com/en/article/wxjgyb/south-korea-69-hour-work-week>; Sam Kim, *South Korea's Robots Are Both Friends and Job Killers*, Bloomberg, 11 November 2019, <https://www.bloomberg.com/graphics/2019-new-economy-drivers-and-disrupters/south-korea.html>.

⁸International Monetary Fund, 'World Economic Outlook Database: April 2024', <https://www.imf.org/en/Publications/WEO/weo-database/2024/April/weo-report/>.

⁹Amanda Lee and Ralph Jennings, "China Becoming World's Go-to for Shipbuilding after "Boom of Overseas Orders", but Global De-risking Threatens to Rock the Boat" in *South China Morning Post*, <https://www.scmp.com/economy/global-economy/article/3225973/china-becoming-worlds-go-shipbuilding-after-boom-overseas-orders-global-de-risking-threatens-rock>, 12/7/2023.

¹⁰World Population Review, "Semiconductor Manufacturing by Country 2024", <https://worldpopulationreview.com/country-rankings/semiconductor-manufacturing-by-country>.

¹¹Seair Exim Solutions, *Top 10 Electronics Exporters by Country 2022–23*, 10/4/2023, <https://www.seair.co.in/blog/top-10-electronics-exporters-by-country-2022-23.aspx>.

¹²International Organization of Motor Vehicle Manufacturers, *2022 Production Statistics*, <https://www.oica.net/category/production-statistics/2022-statistics/>.

¹³World Steel Association, *World Steel in Figures 2023*, <https://worldsteel.org/steel-topics/statistics/world-steel-in-figures-2023/#major-steel-producing-countries-%3Cbr%3E-2021-and-2022>.

¹⁴IISS, *The Military Balance*, pp. 285, 287.

¹⁵*Ibid.*, p. 91, 96, 151, 285.

¹⁶Jonathan Beale, "Sweden and Finland join NATO's Biggest Military Exercise in Decades" in *BBC News*, 11/3/2024.

¹⁷Tong-Hyung Kim, "South Korea, US to Begin Expanded Military Drills Next Week" in *The Diplomat*, <https://thediplomat.com/2022/08/south-korea-us-to-begin-expanded-military-drills-next-week/>, 17/8/2022.

The South Korean Air Force has U.S. F-35, F-15 and F-16 combat aircrafts and indigenous FA-50s, which make up 60 percent of the fleet. The remaining 40% are made up of F-5s and F-4s, which are being replaced by KF-21s. In the army, half of the equipment and weapons systems date from the 1960s and 1970s. This makes it possible to maintain a mass significantly higher than those of the European armies, which are struggling to give Ukraine more than a few dozen howitzers and armoured vehicles¹⁸ and a limited amount of ammunition¹⁹.

The manufacture of weapons, including the M16 rifle, began in South Korea in the early 1970s, under US licenses, to reduce dependence on imports, reduce costs and achieve technology-intensive industrialization²⁰. In the 1980s and 1990s, South Korea switched to licensed production of U.S. combat aircrafts, first the old-design F-5, then the F-16, then German Type 209 and 214 submarines and Italian CM6614 armoured infantry carriers. It began research and development in the 1990s.²¹

In 2024, South Korea is the eighth largest arms exporter and aims to be the fourth largest by 2027²². It produces 80% of its armament. The size of an army allows economies of scale in maintenance and lowers the unit costs of armaments, provided that the organization is efficient. The K2 main battle tank is as good as the German Leopard 2.²³ The K9 155 mm tracked self-propelled howitzer is equipped with an automatic loading system for a high rate of fire. The K239 multiple launch rocket system competes with the American HIMARS²⁴. The KF-21 fighter aircraft is being developed in collaboration with Indonesia, and its serial production will begin in 2024²⁵. South Korea is becoming more and more self-sufficient in missile systems²⁶. It builds highly sophisticated warships, including submarines and amphibious ships²⁷. It is capable of producing on a large scale, quickly and cheaply, which is why the K9 howitzer, which costs less than half of its European equivalents²⁸, has been sold to Estonia, Finland, Norway, Poland and Turkey²⁹. Romania is considering its purchase in 2024³⁰. Germany will only be able to deliver a first batch of tanks and artillery systems to Poland in the early 2030s, Seoul did it in five months³¹. Poland will also purchase 48 FA-50 fighter jets, 672 K9s, 288 K239s and 180 K2 tanks, which will be delivered within three years. A further 800 K2s will be produced in Poland before 2030³².

¹⁸Kiel Institute for the World Economy, "Number of Disclosed Artillery, Mortar, and Multiple Rocket Launcher (MRL) Units Committed to Ukraine as of January 2024, by Type Donor Country" in Statista, 16/2/2024, <https://www.statista.com/statistics/1314456/ukraine-military-aid-artillery/>.

¹⁹Grace Eliza Goodwin, "Ukraine's Unending Demand for Artillery Shells to Fight Russia is Tapping Out Critical Western Ammo Stockpiles, which officials say are almost empty" in Business Insider, 4/10/2023, <https://www.businessinsider.com/ukraines-demand-for-artillery-is-drying-out-western-stockpiles-2023-10?r=US&IR=T>

²⁰Richard A. Bitzinger, "The Defense Industry of the Republic of Korea", *op. cit. op. cit.*, p. 378.

²¹*Ibid.*, p. 379–80.

²²*sn.*, "Meet the World's New Arms Dealers" in *The Economist*, 19 September 2023, <https://www.economist.com/international/2023/09/19/meet-the-worlds-new-arms-dealers>.

²³Blake Herzinger, "South Korea Could Sweep Up Europe's Tank Market" in *Foreign Policy*, 30/1/2023, <https://foreignpolicy.com/2023/01/30/south-korea-europe-k2-tanks-defense-partnerships-germany/>.

²⁴Sakshi Tiwari, "Cheaper & Readily Available, South Korea's K239 Chunmoo MLRS is Giving HIMARS a Run for Its Money" in *EurAsian Times*, <https://www.eurasiantimes.com/cheaper-readily-available-south-koreas-chunmoo-mlrs-is-giving/>, 28/7/2023.

²⁵Seung-woo Kang, "Korea to Start Mass Production of KF-21 in 2024" in *Korea Times*, 23/3/2023, https://www.koreatimes.co.kr/www/nation/2023/10/113_347689.html.

²⁶Richard A. Bitzinger, "The Defense Industry of the Republic of Korea", *op. cit. cit.*, p. 380.

²⁷*sn.*, 2022 Defense White Paper, Seoul, National Defense Strategy Division, p. 327–328.

²⁸Kyung-jin Kim and So-yeon Yoon, "Korea Defense Exports: More Bang for the Buck" in *Korea JoongAng Daily*, <https://koreajoongangdaily.joins.com/2022/05/23/business/industry/Korea-defense-K9/20220523094919087.html>, 23/5/2022.

²⁹*sn.*, "Hanwha Defense Signs 2.4 Billion Contract to Supply K9 Self-Propelled Howitzers to Poland" in *EDR On-Line*, <https://www.edrmagazine.eu/hanwha-defense-signs-2-4-billion-contract-to-supply-k9-self-propelled-howitzers-to-poland>, 29/8/2022.

³⁰Hyung-Kyu Kim, "Hanwha Expected to Sign \$751 Million Howitzer Deal with Romania" in *Korea Economic Daily*, <https://www.kedglobal.com/aerospace-defense/newsView/ked202402260005>.

³¹Seung-woo Kang, "First Batch of K2, K9 Arrives in Poland" in *Korea Times*, https://www.koreatimes.co.kr/www/nation/2023/10/113_341288.html, 7/12/2022.

³²Saeme Kim and Bence Nemeth, "South Korea: An Emerging NATO Partner" in Zeno Leoni, Maeve Ryan and Gesine Weber (eds.), *War in Ukraine: One Year On* (London: King's College, 2023), p. 46, <https://www.kcl.ac.uk/warstudies/assets/war-in-ukraine-one-year-on.pdf>.

Conclusion

South Korea has shown us the importance for a country to apply the basic principles of political science when developing its defence policy and defence industrial policy. The sustainability of political plays a crucial role. It is the only way to set relevant, therefore consensual, therefore stable, priorities. Only a state organization allows this. Coalitions of states, associations of states and confederations bring together only disparate and fluctuating wills. They do not allow the general interest to take precedence over individual interests.

Europe is prosperous enough to still maintain in 2024 an impressive mass of more than one million active military personnel, but they absorb the bulk of defence budgets. European weapons systems are now produced in small numbers, making them more expensive to acquire, implement and maintain. Our military is therefore for the most part poorly equipped and undertrained. NATO's recommended resumption of investment, if sustained in the long term, will lead to economies of scale, provided that the increase in spending is not limited to the increase in waste induced by the multiplicity of decision-makers.

The global geopolitical situation and the internal tensions between very antagonistic political tendencies require Europeans to study the example of South Korea to relearn these basic principles. It is very urgent. Europe can draw inspiration from this to finally equip itself with an efficient defence and to develop its defence industry. To do this, Europe should become a federal state, capable of establishing its priorities, setting its defence plans and its defence industrial policy.

Europe must put an end to 75 years of military weakness, but also stop its scientific, technological, and industrial decline. It still has an industrial sector including, for example, steel, automotive and micro-electronics activities, which will help our defence industry to keep the costs of defence products and services low, reduce our dependence on imports, make our supply chains safer, increase our competitiveness and achieve a technology-intensive reindustrialisation of Europe.