



## Online Series

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# Prospects for US-China Relations in the Trump Era and Implications on the Korean Peninsula

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Donald J. Trump was inaugurated as the 45<sup>th</sup> president of the United States, promising to put “America First.” While with the Trump administration in office, the international community’s take on the US internal and external policy direction remains quite controversial, uncertainty in the international circumstances is expected to deepen into the future. Given the fact that president Trump has set the new isolationism and protectionism as a national priority based on “America First” principle, significant changes between the U.S. and China are expected to follow. At this critical juncture, we are confronted with a question of how the US-China relations - a major factor in shaping Korea’s policy on unification and North Korea - will unfold in the face of “Trump variables.” Although estimating the future prospects is not an easy task, this paper attempts to predict the US-China relations and its implications on the Korean Peninsula by analyzing Trump’s statements, the inauguration address, and the tone of the foreign and security policy.

## US-China Relations Under the Trump Era: Deepening Uncertainty and

## Fierce Competition in Pursuit of Interests

Strategic posture of exploring and keeping China in check has already been deployed, although it will take some time for the Trump administration to decide on the strategy in East Asia and policy on China. Trump, as then president-elect, had a congratulatory call from Taiwanese president, Tsai Ing-wen on December, 2016 and by doing so he touched upon the “China’s most sensitive issue of Taiwan.” And he had an interview with the Wall Street Journal on January 13th, 2017 making it known that everything, including “One China” policy, is under negotiation. He is also considering to leverage an economic card for keeping a check on China, such as accusing China of currency manipulation and hinting the possibility of imposing import taxes on products originated from China. In the security sector, Mr Trump probably would attempt to contain China by strengthening relations with America’s allies, and therefore has appointed mostly hawkish figures to the decision-making positions for foreign and security policy - those who have put an emphasis on containment and intervention in China. As a series of steps taken so far indicate, the Trump administration is expected to primarily seek the US national interests by leveraging various strategic cards and containing and pressuring the Chinese government with the strengthened military build-up. Such possibility is also being reflected in the basic tone of the foreign and security policy, announced right after he was sworn in. Out of all the other basic tone of the foreign and security policy, “America First Foreign Policy” indicates that “the US endeavors to forge a foreign policy in pursuit of its national interests and security,” and that it will maintain a strong military dominance by “making its military strong again” with an increase in its defense budget. These two basic principles could trigger conflicts between the US and China since they reaffirm the much-emphasized “peace through strength” by Trump and argue for putting a containment on China at the same time.

On the other hand, the Chinese government has both expectations and concerns for how the U.S.-China relations will play out after the Trump administration took office.

The Xi Jinping administration has made it clear that it will never give up on its core interest that it rightly deserves while avoiding unnecessary tensions and conflicts with the U.S. so that the tone of the external strategy – “peaceful development” – can be maintained. In New Year’s Address, president Xi Jinping emphasized to defend “territorial sovereignty” and “maritime rights” – a move seen as criticizing America for its engagement in the territorial dispute in South China Sea. He went on to fiercely criticize the US’s attempt to leverage “Taiwan card” to its advantage, declaring it a violation to the U.S.-China agreement on “One China” principle. China’s White Paper on Asia Pacific Security Cooperation, released by the Chinese government for the first time earlier this year, strongly bashed the U.S. decision to deploy Terminal High Altitude Area Defense (THAAD) on the Korean Peninsula. In the meantime, the Republic of China (ROC) is expecting its regional economic influence to be expanded after Trump announced a withdrawal from the Trans Pacific Partnership (TPP), since the ROC has viewed the U.S.-led TPP as a way to besiege China.

At the end of the day, the U.S.-China relations in the early days of the Trump administration with its primary emphasis on American national interests, will be marked more by “competition” rather than by “cooperation,” thereby giving a rise to factors that could create conflicts. However, Trump’s policy on China could also go through some changes if his grand strategic cards used for containing and intervening in China – Taiwanese issues and retaliatory measures on trade – failed to make tangible results. In fact, it is not easy to achieve the intended goal with “One China” card – a card used by Trump to contain China – since Taiwanese issues are considered China’s “core interests,” which can never be the subject of compromise even at the risk of economic loss for China. And given the fact that the U.S. and China are already closely interconnected in terms of economic interdependence and vulnerability, labeling China as a currency manipulator or imposing high taxes on Chinese goods could bring about a real damage to both countries. What is more important is that two major powers urgently need to address

domestic economic issues first. Therefore, the U.S.-China relations in 2017 are likely to go back into the normal track after “US-China Strategic and Economic Dialogue” and a “summit meeting” scheduled for 2017 and earlier this year, respectively.

Strategic conflicts and cooperation on regional and other various issues in pursuit of the national interests will be witnessed more often in our everyday life with the mutual “strategic distrust” prevalent in the U.S.-China relations in the Trump era. In short, there will be pre-dominantly strategic cooperation between America and China for global issues, such as terrorism, environmental issues, global economy, but for bilateral issues, including issues on Taiwan, trade-commerce, and cyber security, strategic conflicts will prevail. Strategic competition and conflicts between two major powers will unfold more fiercely in East Asia. The U.S. will focus more on building relations with its traditional allies, including Japan and Korea, to contain China from extending its regional influence, and will operate “Air-Sea Battle(ASB)” strategy at more in-depth level in response to China’s “Anti-Access Areal Denial(A2AD)” strategy. For the time being, China is expected to vie for the expansion of influence in East Asia, as opposed to bluntly challenging the current US-led international order.

### **Deepening Strategic Competition between the US and China and its Implications on the Korean Peninsula**

What should be noted is that with the Trump administration in Oval Office, the US and China will scramble to induce regional countries, including Korea, on their sides, in the midst of seeking power competition and pursuing the expansion of influence in East Asia. Mr Trump thinks that China has failed to take up the responsibility to resolve North Korea’s nuclear issues and expresses his discomfort at China’s attempt to create its military bases in East China Sea. He also tries to set the U.S.-China trade relations right by pointing out Chinese unfair trade practices. To that end, America will attempt to reinforce its regional alliances to contain China.

The ROC will wait and see how president Trump crafts the policy on East Asia and China while emphasizing that forging a cooperation with the U.S. is also at the best interests of China. However, should the Trump's radical policy toward China continue, the Xi Jinping leadership is likely to put pressure on neighboring countries, leveraging its economic advantage and diplomatic influence, rather than resorting to a direct military confrontation with the U.S. This hints a heightened possibility that under the Trump era, both countries could force a strategic choice on Korea regarding regional security and current economic issues, such as South China Sea issues, North Korea's nuclear advancement, and trade-commerce.

North Korea's nuclear issues are likely to unfold in a whole new level in the face of "Trump variables." Addressing Pyongyang's nuclear issues might be put into the back burner in the US. President Trump considers IS and other radical islamic terrorist groups to be the imminent threat that poses a direct danger to America's national security and therefore, he believes that in line with "America First Policy," those issues should be tackled first. He also declared his willingness to develop the state-of-the art missile defense system in response to the nuclear and missile threats posed by North Korea and Iran so that the U.S. can meet the its basic principle of "making its military strong." Those two basic principals suggest that although the Trump administration is going to give more weight to addressing issues in the Middle East, it is very likely to more actively intervene in North Korea, if Pyongyang's nuclear and missiles pose an increasingly direct threat to the US national security. What is at stake here is that America would probably require Korea's expanded participation and role in its pursuit of developing a new missile defense system in response to nuclear advancement of North Korea, which will inevitably become a new source of conflicts in the U.S.-China relations, thereby affecting Korea's strategic choices.

The ROK government should put forth efforts to minimize the negative impacts that strategic competition and conflicts between America and China under the Trump

era will have on the Korean Peninsula so that Korea could achieve a goal of “denuclearization on the peninsula” and ultimately lay the foundation for a peaceful unification on the Korean Peninsula. To that end, the ROK government should, first, set the national interests priority encompassing issues like unification, diplomacy, defense, and economy, based on an objective and realistic analysis on “internal and external threats.” Second, it should set the foreign policy principle and direction toward America and China and apply it in building external relations in a coherent manner. Especially, the government should propose its position in advance, leading to an increase in Korea’s strategic value, as opposed to having too much expectations for the theory of “China taking up a certain role” in addressing nuclear and other issues of the North. Third, the government’s efforts should be backed up by the multi-layered efforts from the private and economic sectors so that the Trump administration can put the issues of the Korean Peninsula in the front burner in crafting the policy on East Asia and the Peninsula. Lastly, sophisticated and close strategic communications are necessary to induce the U.S. shape the policy on the North in a direction that is not only in the best interests of America, as emphasized by Trump, but also in the mutual best interests of both Korea and the U.S. ©KINU 2016

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