



## Online Series

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

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What President Trump clearly laid out in the inaugural address delivered on January 20<sup>th</sup>, 2017 is America First principle, a result of an isolationist policy. Trump also signed the executive order immediately after he took office allowing the US withdrawal from Trans-Pacific Partnership(TPP). A plenty of discussions have been put forth thus far on how US-Japan relations will unfold in the future considering that Trump announced his plan to withdraw from the TPP during the presidential campaign and that he raised an issue of military spending of the United States Forces Japan(USFJ). This paper sets out to provide insight into the prospects of US-Japan relations under the Trump era and their implications on the Korean Peninsula given the fact that our relations with Japan - a main partner for the US shaping policy on East Asia - could have a significant impact on the Trump administration's policy on the Korean Peninsula as well as the Korea-Japan relations.

### US-Japan Relations in the Trump Era: Bashing Japan?

The US-Japan relations have entered a phase of deepening uncertainty

with the Trump administration in office, unlike the year 2016 when a steadfast alliance was reaffirmed by then US President Barack Obama visiting Hiroshima and Japanese Prime Minister Shinzo Abe paying a visit to Pearl Harbor. During the presidential campaign, Trump raised an issue of the need for Tokyo to increase its share of defense spending for USFJ, thereby stirring up confusion within Japan. And unsettling feelings over Trump's foreign policy still remain in Japan even after the Trump administration took office. A nation-wide survey, conducted immediately after Trump took office by Yomiuri Shimbun, suggests that 70% of Japanese people predict the US-Japan relations to be "tumultuous" in the future. And they also believe that the Trump's foreign policy will have a negative impact on the Japanese economy. Both figures were up 12% compared to a survey carried out right after the US presidential election from 12<sup>th</sup> to 13<sup>th</sup> November, 2016.

Trump vowed sweeping changes to the US trade policy in the inaugural address amid growing uncertainty over the future of US-Japan relations. For example, Trump has adopted a series of Japan-bashing strategy starting with the signing of the executive order to withdraw from the TPP right after he took the oath of office; he raised an issue over automobile trade between the US and Japan by criticizing "Japan's unfair car trade practices"; and he pointed out a currency policy of the Abe administration, largely known for its "weaker yen" policy. In fact, Trump emphasized that Abenomics designed to induce a lower yen has actually been counterproductive to America resulting in the expansion of the US trade deficit. Abe delivered a policy speech on January 20<sup>th</sup> at the National Diet, in which he stressed the importance of "free trade," calling for the TPP to come into effect early, and made his intention clear to keep persuading the Trump administration while avoiding the U.S.-Japan conflicts in the future. The speech reflected Abe's strong will to make the TPP a new driving force for growth, allowing the continuous success of Abenomics - the largest pillar sustaining the Abe administration. In an effort to build trust with Trump, Abe proposed a way to forge an economic cooperation at US-Japan Summit Meeting on February 10<sup>th</sup> by creating the US market worth \$450

billion and 700,000 jobs with an infrastructure investment - a method much touted by Trump. However, as a joint statement contained the phrase “noting that the US has withdrawn from the TPP,” Trump seems to have hinted his intention that he will focus on the US-Japan bilateral trade agreement in the future rather than the multi-lateral trade agreement while continuing to impose the economic pressure on Japan.

In the meantime, America is urging its allies to pay “their fair share of defense spending” on the security front. In particular, Trump demanded on the campaign trail that Japan pick up the entire bill of the US protection - military spending of US forces stationed in Japan while associating the US-Japan trade with security matter between Washington and Tokyo. He also hinted the possible withdrawal of US troops deployed in Japan if Japan refuses to accommodate his demands. The Japanese government maintains that the US-Japan alliance is not structured to benefit only one side and that it is important for Washington and Tokyo to arrive at an agreement on the appropriate portion of the defense spending of US military operated on the Japanese soil. Above all, what Abe tries to sell to Trump is the meaning and importance of “the US-Japan alliance.” The official stance of the Japanese government suggests that “the US-Japan alliance lays the foundation for its foreign and security policy” and that it strives to continue to strengthen the US-Japan bond(Kizuna) with the Trump administration by further solidifying the US-Japan alliance. In fact, Tokyo views the emergence of Trump as the beginning of great transitional period after the end of the Cold War in shaping its foreign and security policy. In other words, Japan is concerned that the US-Japan alliance - symbolized by over 60 years of long-standing presence of USFJ - might be shaken by some possible changes.

The primary purpose of strengthening US-Japan relations lies in deterring China from using its military build-up in advancing into the East China Sea and South China Sea. Trump reaffirmed at the US-Japan Summit that “Article V of the U.S.-Japan

Treaty of Mutual Cooperation and Security covers the Senkaku Islands,” which is also specified in the US-Japan joint statement. Given the fact that the Abe government has continuously called for “the Senkaku Islands(Diaoyudao Islands in Chinese) to be subject to the U.S.-Japan Treaty of Mutual Cooperation and Security” – something that can symbolically show the significance of US-Japan alliance, now the Trump administration – which is at odds with China – has become more engaged in issues over the Senkaku Islands with an emphasis placed on close US-Japan alliance. And United States Secretary of Defense James Mattis made a remark on an issue over defense spending of USFJ on his visit to Japan on February 3<sup>rd</sup> saying that “Japan sharing more of the military spending for the US protection will be something that other countries will look up to.” Judging by the combined statements of Trump and James Mattis, the US policy on East Asia seems to have its root grounded on the US-Japan alliance to some extent.

At a press conference held after the US-Japan Summit Meeting, Trump stressed the importance of tri-lateral coordination of Korea-US-Japan in the face of North Korea’s threat noting that “North Korea’s nuclear and missile threats are very high on our priority.” Besides, Trump gave a weight to Abe’s statement of condemning the North for its provocation at the press conference, promptly organized as a result of Pyongyang launching the ballistic missile a day after the summit meeting, saying that “Japan has my full-support on North Korean issues.” The importance of US-Japan alliance in response to North Korean threats will continue to be emphasized under the Trump administration since Trump has recognized the severity of North Korea’s nuclear/missile issues and at the same time alleviated Japan’s concerns to some extent.

As illustrated above, Trump is expected to maintain his policy line reinforcing the US-Japan alliance on the security front while imposing an economic pressure on Japan to address the US trade deficit issues, just like what the Obama administration did in the past. In response to this, the Abe administration will externally deal with

North Korea's nuclear/missile threats by strengthening the US-Japan alliance and building up its own defense capabilities under the banner of "proactive pacifism." And internally, it will endeavor to cooperate with Trump on the economic policy to successfully pull off Abenomics. The Japanese government views China and North as uncertain "variables" given the security environment in East Asia. It also believes that uncertainty in East Asia will further rise if the US-Japan security structure, too, becomes "variables" with the emergence of Trump. The Abe government is expected to independently pursue its foreign and security strategy and at the same time persuade Trump with this logic that American interests gained through Asia's stability is not contradictory to its "America First Policy" in the broader context. In other words, seeking a "soft landing" of the US-Japan alliance is Abe's remaining task in the area of diplomacy.

### **Prospects of US-Japan Relations and their Implications on the Korean Peninsula**

How US-Japan relations develop with Trump's emergence will have a significant impact on crafting Korea's foreign policy in the future. Korea will face a myriad of economic and security challenges especially when China-Japan relations are highly likely to collide over economic interests and when the US and Japan keep their confrontational postures against China on the security front. The prospects for US-Japan relations, therefore, have the following implications on the Korean Peninsula.

First, Korea should closely keep an eye on how the strategic relations among US, China, and Japan will unfold in the East Asian regional order. Although the current US-Japan relationship has a possible source of economic conflicts, it basically maintains the current cooperative security structure. At the end of the day, however, the Abe government will be highly likely to be cooperative toward the US since Japan plans to utilize the US-Japan cooperation in bearing the fruits of the continued

implementation of Abenomics and responding to China's military aggression. This could result in the worsening confrontational phase between China and the US and Japan in East Asia, which could also force Korea to make a choice. The South Korean government, should primarily consider its national interests and at the same time seek a strategic and practical diplomacy so that the worst case scenario could be averted, in which Korea would be driven to make a choice by force.

Second, Korea should continue to maintain a strategic cooperation with Japan on North Korean issues. Especially given the fact that Seoul and Tokyo should have the Korea-US-Japan security cooperation in the face of common threats originating from North Korea, the ROK should leverage the reinforced US-Japan alliance – a result of Trump's claim for increasing "fair share" of defense spending, in our defense against North Korea. However, one should note that if Japan's increased role in security becomes a threat to China or the concerns over Japan's attempt at historical revisionism remain unresolved, the security cooperation between Korea and Japan could trigger Korean antipathy towards Japan. In short, it should be noted that Japan's enhanced security role, following the strengthened US-Japan alliance, could intensify conflicts between China and Japan, thereby having a negative impact on the unification process on the Korean Peninsula. To that end, a strategic cooperation between Korea and Japan should be strengthened in the context of deterrence against the North. And Seoul and Tokyo should primarily hold a plenty of discussions on how to share the role with the US.

Third, Korea should explore various policy options in response to the US announcement to withdraw from the TPP. Japan is expected to continue to persuade the US for the sake of Abenomics in spite of its decision to pull out of the TPP. Korea should also be prepared for the possible re-implementation of new forms of multilateral negotiations, such as multilateral free trade agreement, noting that multilateral trade agreements could bring about some advantages, including the enhanced cooperation with neighboring countries. To that end, leaders of both Korea



and Japan should persuade Trump into recognizing the importance of free trade structure. And mutual efforts should be put forth for the multilateral economic cooperation, such as striking a FTA deal among Korea, China and Japan. ©KINU 2016

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