



# TOUGH TIMES AHEAD?

## ESCALATING TENSIONS BETWEEN JAPAN AND CHINA: DUAL PERSPECTIVES

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*Fallout from the September 8 arrest of a Chinese trawler captain, by the Japanese Coast Guard, has gradually escalated, inflaming Japanese-Chinese relations. The trawler, suspected of illegal fishing, collided with two Japanese coast guard ships in disputed waters in the East China Sea. These events coincided on September 18 with the anniversary of the 1931 Japanese occupation of Northeastern China, which saw nationwide anti-Japanese protests marking the occasion.*

### Disputed Islands

The recent escalation of tensions between Japan and China is centered on a territorial dispute involving a group of eight uninhabited islands that lie between Taiwan and Okinawa. Known in Japan as the Senkaku Islands, and in China as Diaoyutai, they are claimed by Japan, China, and Taiwan. The islands were incorporated into Japan in 1895 after the first Sino-Japanese War (1894–1895) and were administered by the United States from 1945 until 1972 when they were returned to Japan along with the rest of Okinawa Prefecture. The islands have remained under Japanese jurisdiction ever since.

In 1969, the United Nations Economic Commission for Asia and the Far East (ECAFE) released a study indicating the possibility of large reserves of oil and natural gas under the seabed, and thus, the existence of energy resources in the area has further exacerbated the dispute.

China first laid claims to the islets in 1971 and in his visit to Japan in 1978 Deng Xiaoping adopted a low profile in an attempt to improve relations with Japan: “We believe that we should set the issue aside if we cannot reach agreement on it. It is not an urgent issue and can wait for a while. If our generation do not have enough wisdom to resolve this issue, the next generation will have more wisdom, and I am sure that they can find a way acceptable to both sides to settle this issue.”

China has, in fact, already begun drilling for gas, in direct infringement of what Japan considers to be its Exclusive Economic Zone (EEZ). Both Japan and China claim an EEZ of 200 nautical miles from their respective coasts. However, the

width of the East China Sea is only 360 nautical miles creating an overlap. International law under the UN Convention on the Law of the Sea (UNCLOS) stipulates that when a dispute of this nature arises, involved parties should refrain from actions that could prevent the conclusion of a mutually amicable agreement. The possibility of further Chinese drilling in the Shirakaba/Chunxiao gas field is considered by Japan to be just such an action and became a point of contention in 2003 resulting in a joint agreement on mutual development signed in 2008. Currently, negotiations are scheduled to continue over the joint Japanese-Chinese project but have been postponed as a direct result of the recent tensions.

### Why Does China Care about the Islands?

The importance to China of the islands could be understood through China’s three core interests listed by Dai Bingguo in 2009. The core interests are, firstly, “[...] the survival of China’s ‘fundamental system’ [the government and communist party] and national security; second, the safeguarding of China’s sovereignty and territorial integrity; and third, continued stable economic growth and social development.”

(1) National security. The islands have great strategic importance as China believes that given the relatively short distance from both mainland China and Taiwan (120 nautical miles northeast of Taiwan and 230 nautical miles east of China mainland). In Chinese eyes losing the Diaoyutai would pose a threat to national security.

(2) Sovereignty and territorial integrity. If China would let the Diaoyutai islands go, it could be taken weakness on



the part of the government and its incapability of holding the country together. This could cause a domino effect, swiftly spreading to other restive regions, such as Xinjiang and Tibet, and ultimately threaten the stability and integrity of China.

(3) Economic growth. The Diaoyutai is a resource rich area. In 1969, a report by the UN Economic Commission for Asia and the Far East suggested that there are large oil and natural gas deposit in the seabed off of the islands. Both China and Japan have an ever increasing need for raw materials and energy sources. Economic gains are often a source of conflicts, and this is no exception.

## Incursions in the Area

Incursions in the area by Chinese warships, oil and gas exploration vessels and fishing boats has increased since Japan declared an EEZ of 200 nautical miles in 1996. Fishing boats frequently venture into Japanese territorial waters although incidents like the most current one are a rarity. Late at night on September 7, a Chinese fishing trawler in disputed waters collided with a Japanese coast guard vessel. It quickly fled the scene until later the same night when it rammed into another coast guard ship in pursuit of the trawler. The fourteen crew members have since been released and returned to China but the captain, Zhan Qixiong, is being held for further questioning. Zhan may face possible criminal charges after a Japanese district court ruled he was guilty of obstructing the work of public officials.

The resulting tensions caused by the arrest have seen Chinese-Japanese relations reach their lowest point since 2001–6 when then Prime Minister Koizumi Junichiro enraged China by repeatedly visiting the controversial Yasukuni Shrine in Tokyo, where Japanese war dead including 14 convicted Class-A war criminals are enshrined, to mark the anniversary of the end of the Second World War.

## Anti-Japanese Protests

September 18 marked the 79th anniversary of the Manchurian Incident which was the opening act in the Japanese invasion and occupation of China (1937–45). Lingering sentiment among Chinese, regarding the wartime past, is easily inflamed by territorial disputes and other existing disagreements with Japan. While far from the level of the violent 2005 anti-Japanese demonstrations that rocked cities across China, a number of

minor protests around the country still took place. Protestors holding placards shouted, “Get out of Diaoyu,” “Kick out the Japanese barbarians,” and “Never forget 9.18.” This time, however, the Chinese authorities moved quickly to quell any signs of possible escalation in order to prevent the kind of negative international repercussions Beijing faced after the 2005 rioting. No injuries or property damage was reported.

## A Challenge to Sino-Japanese Relations

As the incident remains unsolved, it is stirring up nationalistic sentiments not only in mainland China, but also in Hong Kong and Taiwan. It will worsen the already tense Sino-Japan relationship by reminding the Chinese that Japan is still seen as a threat to China’s national security and territorial integrity.

On the Japanese side, in comparison with fast growing China, the stagnating Japanese economy has raised concerns over China as a potential threat to Japan. China’s recent purchase of Japanese government bonds has already been the source of conspiracy theories, suggesting sinister plans behind the purchase. It is presumed that China is trying to destroy the Japanese economy by firstly jacking up its currency and then damaging its export industries. This incident will make the situation go from bad to worse.

## An Opportunity for Greater China Unity

On the other hand, this event seems to be an opportunity for better cross-strait relations and greater China unity. Taiwanese fishermen have long been victims of the territorial dispute. Their fishing boats have frequently been rammed or seized by Japanese coast guard patrol boats. In the face of the current dispute, non-governmental organizations from mainland China, Taiwan and Hong Kong have planned protests and are planning to sail to the islands to assert territorial claims. Taiwan’s president Ma Ying-jeou is a nationalist and Diaoyutai island activist, who personally participated in many protests against Japan’s occupation of the islands when he was in his 20s, and even wrote his doctoral thesis discussing the Diaoyutai islands issue. It was announced on September 12 that a joint maritime rescue drill will be conducted by Taiwan’s Coast Guard Administration and China’s Maritime Search and Rescue Center; the first drill between the two government’s coast guards. This event has opened a window for further cross-strait cooperation on issues other than the Economic Cooperation



Framework Agreement. It is in the Chinese government's best interest to maintain the status quo, since this territorial dispute is one of the few matters that could unite mainland China and Taiwan. Moreover, nationalist sentiment could be advantageous, when domestic issues get out of hand.

## Immediate Ramifications and Future Outlook

China has already summoned the Japanese ambassador several times to lodge formal protests over the arrest and has demanded that the captain be released immediately. Japan's newly appointed Foreign Minister, Maehara Seiji, a foreign policy hawk, has already lived up to that image stating that the case will be handled strictly according to Japanese law; a stance that displays a lack of willingness to compromise. He has further expressed "that no territorial disputes exist in the area."

In recent years both sides have put major hurdles to the furthering of relations in the background, preferring to wait for a more opportune time when a mutually beneficial agreement could be reached. As a result they have continued to focus on economic rather than political or social development. However, no major negotiations to resolve the dispute have ever been undertaken.

High-level talks between the two governments have been suspended and on September 19 China ceased all ministerial-level contact with Japan. The Chinese Foreign Ministry has rescinded 1,000 invitations for Japanese youth to visit the Shanghai Expo and a number of Chinese companies have also taken action, including a Beijing based medical manufacturing company that has canceled a trip to Japan for 10,000 of its employees. Tensions are hindering tourism and the growth of bilateral relations between the two regional powers.

Should tensions continue to escalate, regional security will become a concern. Yet, former U.S. Deputy Secretary of State, Richard Armitage, has said that China is simply "testing" Japan and that the current row between Japan and China should serve as a warning to other countries China has territorial disputes with. As China's rapid economic growth continues, the country has become gradually more assertive and similar incidents could be on the horizon for neighbors such as Vietnam, Taiwan, and the Philippines. A comment made in 2005 after the anti-Japanese riots in China by Ian Bremmer, head of the Eurasia Group, provides a very interesting critique of the situation. Bremmer observed that "there were reportedly some

47,000 demonstrations in China [in 2005]. Nearly all took place outside Shanghai and Beijing and were aimed at local – not central – authorities. China's provincial officials therefore have good reason to capitalize on anti-Japanese sentiment and to channel growing social discontent toward Tokyo."

Any armed conflict as a result of the Senkaku/Diaoyutai dispute would no doubt involve the United States due to the 1960 U.S.-Japan Mutual Security Treaty. Nevertheless, open conflict remains unlikely, if nothing else due to the importance of bilateral trade between Japan and China. Yet, in the meantime the U.S. remains neutral in territorial disputes involving Japan and China.

The perceived incentives that hegemony over the islands brings have so far prevented the conclusion of an agreement. This dispute underscores concerns on both sides of the East China Sea about the future intensions and economic ambitions of Japan and China. The desire to exert leadership by both parties has wide ranging but also dangerous implications. Therefore it may be time to realize the urgent need to come to a mediated resolution once and for all.

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*The opinions expressed in this Policy Brief are those of the author and do not necessarily reflect the views of the Institute for Security and Development Policy or its sponsors.*

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