

# **Now the Major Security Concern of Beijing is Diaoyu Islands Dispute**

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## ***1. Introduction***

In East Asia, Beijing's security concern mainly referring to the following four challenges: the tension over Taiwan Strait, Korean Peninsula, Islands dispute in South China Sea, and the dispute on Diaoyu/Senkaku Islands (hereafter Diaoyu Islands) in East China Sea.

In most time of the past two decades, Taiwan issue occupied the major concern of Beijing. But since 2008, the situation over Taiwan Strait improved dramatically, and Beijing is not concerned Taiwan that much.

The Obama Administration's strategy of coming back to Asia/ Pivot to Asia / Rebalancing in Asia definitely led to some alertness in China, but since Taiwan is not directly involved in this strategy, China is not that angry and has kept quiet since 2010 when the coming back strategy came out..

Beijing believes that the tension on Korean Peninsula, and the Islands dispute in South China Sea can be put under control, so the only remaining security concern now is the dispute on Diaoyu Islands in East China Sea.

Beijing wants to cooperate with Taipei on Diaoyu issue, but Taipei refused to do that. Although disappointed, Beijing understands the difficulty of Taipei. So Beijing will deal with Japan on Diaoyu issue by her own resources.

From Beijing's perspective, the purchase of the Diaoyu Islands by the Japanese government in September 2012 represented a significant change in the status quo that had previously existed between China and Japan. The purchase in fact reflected a shift in Japanese policy that can be traced back to 2010. This more assertive stance by the Japanese government necessitated a reaction from China. Both sides need to try to avoid the dispute becoming overly politicised and allow professional diplomats to negotiate a solution.

## **2. Before nationalisation**

The Diaoyu Islands dispute enjoyed a relatively stable status quo from the time of the normalisation of bilateral relations between China and Japan in 1972 until recent years. The basic approach as articulated by Zhou Enlai and Deng Xiaoping was to acknowledge the existence of a sovereignty dispute between the two nations but to "shelf differences" and defer resolution of the dispute in order to prioritise the normalisation of relations.

The Japanese government's policy towards the Diaoyu Islands began to change in 2010. Firstly, Japanese ministers began to deny that the sovereignty of the Diaoyu Islands was disputed. The then foreign minister Seiji Maehara was the first senior government official to officially deny the existence of a sovereignty dispute;<sup>1</sup> prior to this there were no high level denials that sovereignty of the islands was contested. Maehara claimed that putting the dispute to the side and focussing on bilateral ties

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<sup>1</sup> Paul Jackson, Japan: What Island Dispute? *The Diplomat*, October 6, 2010, <http://thediplomat.com/tokyo-notes/2010/10/06/japan-what-island-dispute/>

had been China's unilateral initiative and that the Japanese government had never recognised it.<sup>2</sup> By the end of 2010, denial of the existence of the dispute was reflected as official policy.<sup>3</sup>

The detainment of a Chinese fishing captain by the Japanese coastguard in September 2010 after the fishing boat of which he was in charge and two Japanese coastguard vessels collided in waters near the Diaoyu Islands represented an attempt by Japan to unilaterally change the status quo. The captain's detention and prosecution under Japanese law was a violation of the 1997 bilateral fishing agreement that stipulated that the captain ought to have been returned to his home country and tried under domestic law.<sup>4</sup>

This unilateral attempt by Japan to change the status quo compelled China to react and Sino-Japanese relations deteriorated markedly during this period. Large protests targeting Japanese businesses and individuals broke out in a number of major cities across China, official visits were cancelled and tourism to Japan declined.<sup>5</sup> A 2008 agreement that had sought to enable joint exploration of hydrocarbon resources in the East China Sea was derailed by the incident.<sup>6</sup> Chinese maritime patrols and surveillance of the waters surrounding Diaoyu were also increased.

### **3. Nationalisation of the islands by Japan**

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<sup>2</sup> **People's Daily, Sept. 7, 2010.**

<sup>3</sup> Recent Developments in Japan-China Relations – Basic Facts on the Senkaku Islands and the Recent Incident, Ministry of Foreign Affairs of Japan, October 2010, page 10, <http://www.mofa.go.jp/region/asia-paci/china/pdfs/facts1010.pdf>

<sup>4</sup> Article 5(2) of the Sino-Japanese Fisheries Agreement 1997 – NEED LINK TO AGREEMENT.

<sup>5</sup> Bao Daozu, China Warns Japan of Strong Response, *China Daily*, 20 September 2010, [http://www.chinadaily.com.cn/china/2010-09/20/content\\_11325545.htm](http://www.chinadaily.com.cn/china/2010-09/20/content_11325545.htm)

<sup>6</sup> Paul J. Smith, The Senkaku/Diaoyu Island controversy: a crisis postponed, *Naval War College Review*, Spring 2013, Vol. 66, No. 2, page 28.

The purchase of the islands by the Japanese government in September 2012 followed months of threats by the ultra-nationalist former mayor of Tokyo Shintaro Ishihara to purchase the islands and develop them. At one level, the Chinese government understands that the Japanese government's actions prevented Ishihara from doing so and thereby avoided what could have been a far worse scenario. At the same time however, the government's purchase must be seen in light of the events of the preceding two years. The Japanese government's purchase of the Diaoyu Islands was consistent with its more assertive approach to the dispute from 2010.

### ***3.1 Drivers of Japan's actions***

The actions of the Japanese government are being driven by both its domestic politics and its response to the changing strategic balance in the region.

The nature of partisan politics in Japan makes the issue of the Diaoyu Islands a useful issue for politicians to bolster their domestic support. This environment also makes it more difficult for political leaders to adopt a balanced approach to the dispute without compromising their political career prospects. More balanced Japanese voices on the Diaoyu Islands tend to come from individuals who have already retired from public life.

After two decades of economic stagnation there is a strong orientation towards conservatism in Japanese society. This in turn leads to very strong nationalism and a desire for strong leadership. This reflected in the “coming back” strategy of the Abe administration, and the desire to amend Japan's pacifist constitution and “normalise” Japan. In 2010 China's GDP overtook that of Japan, making China the second largest economy in the world and the largest in the East Asian region.

Japan's declining relative position in the region reinforces support for nationalist policies. A core objective of the Abe government's diplomatic strategy is to reinvigorate Japan's status as a big power not only economically but also politically and militarily. The Diaoyu Islands dispute provides Japan with an ideal opportunity to realise these goals. This also helps to explain why Japan has simultaneously intensified conflicts with China, Russia and South Korea in recent years.

The third major factor influencing Japan's actions over the Diaoyu Islands is the impact of the United States' support for Japan. The unresolved sovereignty question over the Diaoyu Islands was in large part a by-product of the *San Francisco Peace Treaty* between the United States and Japan in 1951 (which was itself in violation of the *Potsdam Proclamation*). While on the one hand the United States continues to maintain its neutrality on the sovereignty of the Diaoyu Islands, on the other it has included the islands under the auspices of the US-Japan alliance. This was most clearly articulated by former Secretary of State Hillary Clinton at a joint press conference with the then Japanese foreign minister Seiji Maehara in October 2010 where she said that the islands "fall within the scope of Article 5 of the 1960 US-Japan Treaty of Mutual Cooperation and Security".<sup>7</sup> This support, combined with the United States' pivot strategy, has emboldened Japan to take more provocative action against China.

### **3.2 Factors behind China's tough reaction**

The re-emergence of the Diaoyu Islands dispute does not serve the interests of the Chinese government. However the Japanese government's purchase and more assertive policy represented such a significant change in the status quo that China

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<sup>7</sup> Joint Press Availability with Japanese Foreign Minister Seiji Maehara, Hillary Rodham Clinton, Secretary of State, October 27, 2010 <http://www.state.gov/secretary/rm/2010/10/150110.htm>

has felt compelled to react. Both government and popular opinion within China considers China the victim of Japan's unilateral action.

There are three major factors influencing China's recent actions on the Diaoyu Islands: the recent leadership transition, increasing social pressures and the influence of special interest groups.

The purchase of the Diaoyu Islands by the Japanese government occurred just prior to the once-a-decade leadership transition in the Chinese government. This was a particularly sensitive time for the Chinese government and the timing of Japan's actions was interpreted by China as deliberate. During the period of leadership transition both incoming and outgoing leaders are inclined to appear very tough on issues of national sovereignty in order to establish their support bases and to shore up their positions.

The Chinese government is facing similar societal pressures as the Japanese government. After three decades of reform China has moved from having a strong state and weak society to a relatively strong state and an increasingly strong society. Blogs and social media such as Weibo are transforming the government's relationship with society and, to an extent, are reducing the elitist nature of Chinese politics. At the same time, they are making the government's decision making environment more complicated. These energetic netizens tend to support nationalist causes and apply strong nationalist pressure on the government. This is a new domestic political context for Chinese foreign policy making and applies to almost all foreign policy issues. As Robert Putnam (1988) has described, much like in Western countries Chinese policy makers now face a double bargaining process both with outside counterparts and special interest groups within China.<sup>8</sup>

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<sup>8</sup> Robert Putnam, "Diplomacy and Domestic Politics: The Logic of Two-Level Games", *International Organizations*, Vol.42, No.3. (Summer 1988), pp. 427-460.

The continued relevancy of the long-held policy established by Deng Xiaoping of deferring decisions on contentious issues is increasingly questioned by some netizens. Many argue that the future time for resolving disputes of which Deng spoke has arrived. Most Chinese political elites consider that time remains on China's side, short of some serious economic, political or strategic mistake. In the coming years China will overtake the United States in terms of GDP and this will improve its negotiating position. While support for the policy of deferral is not universal within China, it does appear to remain the government's preferred approach. This was reflected in the speech of Deputy Chief of Staff Qi Jianguo (戚建国) at the recent Shangri-La Dialogue, where he reiterated support for the policy.<sup>9</sup>

Special interest groups on marine issues have a significant influence on China's actions in the East China Sea. Many coastal groups pressure the central government to pay more attention to maritime issues. The State Oceanic Administration (海洋局 (SOA)), as well as the navy, local government and executives of energy companies all influence China's policies and actions relating to contested areas of the East and South China Seas. For example, the Hainan government has had a large impact on China's policy in the South China Sea. The provincial government first proposed the idea of Sansha city (三沙市) as early as 1998 but it was always rejected by the top leadership, until the Scarborough Shoal incident convinced the central government to agree to its creation.

Some special interest groups consist of activists who take it upon themselves to draw attention to the Diaoyu dispute and pressure government to take a hard line. This

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<sup>9</sup> Lieutenant General Qi Jianguo, Deputy Chief of the General Staff, People's Liberation Army, New Trends in Asia-Pacific Security, Speech at the Shangri-La Dialogue 2013 Fourth Plenary Session, 02 June 2013 (English translation by IISS)  
<http://www.iiss.org/en/events/shangri-la%20dialogue/archive/shangri-la-dialogue-2013-c890/fourth-plenary-session-0217/qi-jianguo-a156>

has been evident in the approach of activist groups such as the Hong Kong based Action Committee for Defending the Diaoyu Islands that has sailed to the Diaoyu Islands a number of times in recent years.<sup>10</sup> On the whole these different types of special interest groups are becoming more active and the Chinese government has less control over them than previously.

The central government has set about increasing coordination and the involvement of top central government leaders in maritime policy. During the summer of 2012, the Politburo set up a team headed by Xi Jinping to deal with maritime issues, the Leading Small Group on Maritime Rights (中央海洋权益工作领导小组). The creation of the National Oceanic Commission, which reports to the State Council, in March 2013 will enable China to develop its first comprehensive maritime strategy maritime rights, the maritime economy and naval capabilities.<sup>11</sup> The SOA, reorganised in March 2013, has integrated maritime governance by combining four of the five maritime law enforcement agencies. It is hoped that the SOA restructure will increase the efficiency of maritime governance and help to reduce the competing voices on maritime policy. However, while these maritime organisations are now unified in name, in practice a unified marine law enforcement unit is yet to be achieved. The new SOA structure is also unlikely to result in substantial changes in maritime policy as major decisions will continue to be made at higher levels of government. Furthermore, the SOA lacks an enforcement plan which is likely to seriously undermine its effectiveness.<sup>12</sup>

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<sup>10</sup> For example see Simpson Cheung and Amy Nip, HK activists vow to set sail anew for Diaoyu isles, *South China Morning Post*, 15 September 2012, <http://www.scmp.com/news/china/article/1037224/hk-activists-vow-set-sail-anew-diaoyu-isles>

<sup>11</sup> 凶险水域：中日关系触礁, International Crisis Group, 8 April 2013, <http://www.crisisgroup.org/~media/Files/asia/north-east-asia/Chinese/245-dangerous-waters-china-japan-relations-on-the-rocks-chinese.pdf>

<sup>12</sup> As per Linda's comments the other day. Can remove if you'd prefer.



#### **4. Conclusions**

It is worth noting that for most of the countries of East Asia the process of nation building remains unfinished. While the boundaries of European nations are largely settled, many nations in East Asia are yet to resolve questions over their national borders. In China's case, with the exceptions of India and Bhutan, its land borders are now largely resolved. Now then is the time to address the question of its maritime boundaries. The European experience of resolving border disputes often involved war and self-destruction, and as such it does not provide a useful model for Asian nations to follow. East Asia must develop its own principles and find its own ways to resolve these questions.

There are contradictions in the Chinese government's approach to the Diaoyu Islands dispute: on the one hand it is seeking to resolve maritime boundary issues while on the other it continues to want to defer their resolution. While Chinese elites generally consider that time is on China's side, unless it makes a significant mistake, Beijing does have some anxiety over the conservative and nationalist movement in Japan. It is a matter of balancing these competing views.

There are a number of schools of thought on the best means of resolving territorial issues. Some academics tend to advocate resolution of such conflicts via military means while others favour more liberal approaches such as win-win solutions and mutually beneficial solutions. China's future policies will largely be influenced by which school dominates elite level thinking in the future.

Given that the policy to defer resolution of the dispute remains the preferred approach of China's central government, what is China seeking from Japan? Fundamentally, China wants the Japanese government to recognise that a dispute over the sovereignty of the Diaoyu Islands exists. Once this has occurred, the Chinese

government is keen for both sides to put the dispute to one side for future generations to solve and to focus on cooperation. This would enable governments on both sides to focus on the domestic problems that each is facing.

Of course, the issue of Japan's recent unilateral changes to the status quo needs to be addressed. Beijing is looking for positive signs from Tokyo in this regard. Now that the 2013 upper house elections in Japan have been held it is time for Prime Minister Abe to show a positive signal to China over the dispute. Such a move would help to get the dispute under control and reduce tensions in the East China Sea.

Achieving these objectives requires a two-fold approach on China's part encompassing both a hard and a soft side. The harder side of the approach ought to include routine patrols of the region and more publications reiterating China's stance. There is also the potential for economic pressure to be applied to Japan, as occurred following the detainment of the Chinese fishing captain in 2010.

The softer side of China's response includes continued engagement at the level of high officials and technocrats. Despite the tensions over the Diaoyu Islands, free trade agreement negotiations have continued among Chinese and Japanese technocrats, and the bilateral economic relationship remains critical to the economic prosperity of both countries and the broader region.

Both sides need to leave the dispute in the hands of professional diplomats to resolve, and seek to avoid it becoming too "hot". The more attention the dispute receives in the traditional media and among netizens of both countries the more difficult it becomes to reach agreement or resolution. While social media like Weibo has made Chinese politics less elitist, it also makes handling foreign policy issues like this more complicated for the government.

Crisis management needs to be better handled and this means that foreign ministries and military offices should establish effective hotlines. Given the potential for the Diaoyu dispute to unintentionally escalate, management of the conflicts requires the attention and involvement of the highest level officials on both sides.

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