CLASH OF NATIONAL IDENTITIES:
China, Japan, and the East China Sea Territorial Dispute

EDITED BY
Tatsushi Arai, Shihoko Goto, and Zheng Wang
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Cover Photo: An aerial photo from Kyodo News shows Chinese ocean surveillance, fishery patrol ships and a Japan Coast Guard patrol ship (R and 2nd L) sailing about 27 km (17 miles) west from a group of disputed islands, known as Senkaku in Japan and Diaoyu in China, in the East China Sea in this September 18, 2012 file photograph taken by Kyodo. China’s naval and paramilitary ships are churning up the ocean around islands it disputes with Tokyo in what experts say is a strategy to overwhelm the numerically inferior Japanese forces that must sail out to detect and track the flotillas. © REUTERS/Kyodo/Files
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Preface

Rising tensions in Northeast Asia. Surveillance overflights triggering scrambled fighter jets. Trade boycotts and sometimes violent street protests. Dueling diplomatic demarches. Angry recriminations about history, colonialism, and national identity. An energized community of netizens and a blogosphere on steroids. Sadly, this is not the stuff of movie thrillers, but one aspect—today, an especially prominent aspect—of the frequently contentious and always complex relationship between the governments and the peoples of Japan and the People’s Republic of China.

Wait a minute, the various East Asian disputants might reply. How typical of westerners—specifically Americans—to simultaneously sensationalize and trivialize serious matters by conjuring up overwrought film images. At issue here, Chinese analysts contend, are unresolved issues of Japanese imperialism. To the contrary, many Japanese respond, the real issue is one of Chinese aggression and bullying.

These disputes and conflicting perspectives provide the backdrop for an extraordinary initiative by scholars from Japan and China worried about the escalating tensions between East Asia’s two giants.

The Woodrow Wilson Center’s Asia Program and George Mason University’s School for Conflict Analysis and Resolution (S-CAR) take great pleasure in joining forces with these scholars, led by Dr. Zheng Wang of Seton Hall University and Dr. Tatsushi Arai of S-CAR and the School for International Training Graduate Institute. Drs. Wang and Arai recruited U.S.-based scholars from China and Japan to exchange ideas and explore options on how their two countries might better manage their disagreements, including and especially the current conflict over the eight small scraps of rock in the East China Sea—in total not much more than 2 ½ square miles—known in China as the Diaoyu Islands and in Japan as the Senkaku Islands. (The Taiwanese also claim these islands, and call them Diaoyutai.) As difficult as it sometimes is for the foreign friends of these two countries to fathom, the Diaoyu/Senkaku dispute, if not handled wisely, could erupt into a truly dangerous situation holding the serious possibility for armed clashes.
The essays in this collection are one product of this engagement between these Japanese and Chinese scholars. Collectively they represent an effort to use the tools of history, political science, economics, and other disciplines to explore the roots and dynamics of the Diaoyu/Senkaku dispute, and to suggest how this conflict might be resolved not only peacefully, but in a manner that will help the two sides fruitfully deal with the other issues that stand in the way of genuine reconciliation between these two proud nations.

This, however, is not simply a matter that involves Japan and China; the United States is also something far more than merely a passive spectator here. True, in a legal sense the United States is not a party to this dispute—Washington takes no position on where ultimate sovereignty over the five islets and three rocks lies. But in fact, the United States has a real stake in seeing that events do not spin out of control in the East China Sea. Partly this is because the United States has an obvious interest in stability and prosperity in East Asia. But beyond that, the Obama administration has made it clear that the United States is bound by the terms of its mutual defense treaty with Tokyo to come to Japan’s aid should China use force to challenge the status quo in the Senkakus/Diaoyus. It does not need to be said that virtually no one in Washington would welcome the prospect of an armed clash with China. Nor would most Americans wish to see an escalation of U.S.-Chinese tensions even short of armed conflict; too many important American interests would be compromised should Washington and Beijing fail to keep their inevitable rivalry within bounds.

One can, then, hardly imagine a more timely initiative than this scholarly dialogue, or one with a greater potential payoff.

The manner in which a conversation occurs is frequently very relevant to its outcomes. A tense, public, and increasingly hostile environment breeds a tone of voice, an intensity of expressions, and a rigidity in the delivery that can be avoided when the exchange occurs in a welcoming, respectful, and relaxed atmosphere. This is what happened in the days before the public session that concluded this dialogue, through a series of meetings at a location, Point of View, that has been defined as a “private Camp David,” a place where it was possible to meet confidentially and explore options in a climate of mutual respect.

The Point of View process is part of the design, implementation, and purpose of the meetings and this report. It is not an empty promise, but a
commitment to explore responsibly areas of disagreement with an honest and open attitude. All of us are constantly co-authoring our trajectories. We define each other all the time; we can do that aggressively and disrespectfully, or cooperatively and effectively. Engagement requires patience and respect, competence and attention. The Point of View process has been so far very fruitful in this case, and we are grateful for this. We also feel the responsibility for what has to come.

S-CAR and the Wilson Center’s Asia Program have been gratified to have played a small role in bringing Drs. Wang and Arai’s initiative to fruition. Our two institutions are also pleased to acknowledge all those whose dedicated support has made this partnership possible. Heading that list, of course, are Tatsushi Arai and Zheng Wang, and the splendid group of scholars they recruited for this effort. The Wilson Center’s Asia Program also thanks Joshua Spooner for his able assistance in arranging the January 2013 Wilson Center forum where these scholars shared some of their conclusions and recommendations with a broader public. S-CAR is particularly grateful to the Lynch family, who made it possible for Point of View to be offered as a place in which thinking, cooperative alternatives could be fostered, and to the Center for Peacemaking Practice (CPP), which took this initiative under its auspices. Last, but surely not least, we take pleasure in recognizing Ms. Shihoko Goto, who worked with Drs. Arai and Wang and their team of scholars to shepherd this collection from conception to print.

Robert M. Hathaway
Woodrow Wilson Center

Andrea Bartoli
George Mason University
Introduction

SHIHOKO GOTO

Over 1,400 years have gone by since Japan sent its first mission of elites across the choppy waters of the East China Sea. The delegation’s objective: to learn about government, medicine, art, literature, and religion from China’s best minds. Since then, China and Japan share a cultural bond that has spanned over the centuries, in spite of their many wars and conflicts. Yet tensions between the two sides today over a handful of islets in the East China Sea are showing no signs of abating. In fact, so tense is the situation over ownership of the territories that some analysts fear an outbreak of war. Such a view may still be in the minority. Nevertheless, friction between two of Asia’s biggest powers is undoubtedly posing a threat to the Asia-Pacific region at large. Moreover, U.S. commitment to its security alliance with Japan has increased concerns that mounting friction between China and Japan could have global implications.

Ownership of the five uninhabited islands, located west of Japan’s Okinawa islands and east of China, came into the public limelight following the discovery of petroleum reserves in 1968. Still, sovereignty of the territories did not capture public attention on both sides until a Chinese fishing trawler collided with two Japanese Coast Guard vessels in September 2010. Since then, neither side has been able to agree on the ownership of the islands, known as Senkaku in Japan and Diaoyu in China. Chinese protests heated up further when the Japanese government purchased three of the five islands for $26.2 million from its private owners in September 2012.

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WHY DISPUTE NOW?

The question, though, is why has the territorial dispute flared up so suddenly over the past two years? If the conflict between China and Japan is indeed ultimately over fishing rights and natural resources, then tensions over the islands should have surged four decades ago when the oil and gas discoveries were first made.

One possible answer is that national pride has taken root in both countries in recent years. In the case of China, rapid economic expansion has led to a surge in patriotism as well as militarization. In the case of Japan, there is ever-growing fear of losing its position as an Asian power, and worries about its foothold in the international community slipping away. In both cases, claims to the disputed islands have become a point of rallying patriotism and reinforcing national identity.

It is, however, a dangerous game, especially as claiming ownership of the islands can potentially involve the United States. Japan remains the single most important, reliable U.S. ally in the Asia-Pacific region at a time when Washington is rebalancing its military capabilities toward the Asia-Pacific. The White House has not shied away from making its commitment to Japan clear. President Barack Obama said in concluding his meeting with Japanese Prime Minister Shinzo Abe in February that “the U.S.-Japan alliance is the central foundation for our regional security and so much of what we do in the Pacific region.” So while the United States has repeatedly stated that it remains an observer in the ongoing East China Sea dispute over sovereignty, it has sided with Tokyo in claiming that the Senkaku islands fall under the administrative control Japan. Under the U.S.-Japan security agreement, that means Washington would back Tokyo should Beijing attack the islands, which in turn could set off a chain reaction spanning across the Asia-Pacific and beyond.

Taiwan too is a player in the territorial dispute, as it claims the islands—which it refers to as Diaoyutai—were one of its provinces for centuries until 1895, following the end of the Sino-Japanese war. Beijing has actually supported Taipei’s claim, and has argued that since Taiwan is part of China, the islands too are part of China.
NO QUICK FIX IN SIGHT

As emotions run high over ownership of the barren rocks, a quick solution to the incendiary situation is unlikely. What is clear, though, is that there are more questions about the islands’ future than there are answers. Will Japan acknowledge that there is a dispute over the territories? How far will China push to make its claims over the islands, and is there a line that Washington will not tolerate Beijing crossing? How will Taiwan’s relations with China be affected if the ongoing conflict over ownership escalates still further?

This collection of essays is the result of a joint effort by the Woodrow Wilson International Center for Scholars and George Mason University’s School for Conflict Analysis and Resolution which brought together Japanese and Chinese scholars to explore methods of interactive conflict resolution in early 2013. The result is that this work goes beyond simply providing an academic analysis of how tensions between Japan and China were caused in the first place. Nor do the essays merely prescribe possible policies. Rather, the essays showcase how the ongoing dispute can be used as a starting point to examine the origins of political tensions. Moreover, they suggest possibilities on how to avert international crises more generally.

The authors may not agree with each other on all issues. Nevertheless, they are united in their respect for history, security, politics, economics, and above all, identity and perceptions of identity. All those factors can lead not just to conflict, but they can also offer solutions to rising tensions.

In “Perception Gas, Identity Clashes,” Zheng Wang examines how differences in the interpretation of history have contributed to existing tensions, and calls for greater dialogue to decrease some of those misunderstandings. Ming Wan, meanwhile, looks at how both Beijing and Tokyo need to take a longer-term view to reach a resolution to the current situation in “Causes and Prospects for Sino-Japanese Tensions: A Political Analysis”.

In “Can Japanese Democracy Cope With China’s Rise?”, Shinju Fujihira urges Japan not to fire the first shot when confronted by the Chinese at sea, and also not to politicize history. Quansheng Zhao’s essay, “No War in the East China Sea”, stresses the need to avoid military conflict and outlines a possible U.S. role in resolving the situation, Akihiko Kimijima calls for ASEAN to play a greater role in ensuring security in the region, and
for the United States to be part of the dialogue between Japan and China in his essay “From Power Politics to Common Security: The Asia Pacific’s Roadmap to Peace”.

Junhua Wu discusses the changing economic dynamics in bilateral relations in “Economics of the Territorial Disputes”, while Akio Takahara calls for the establishment of a bilateral fund to ensure human security as one way to reach a solution in “Putting the Senkaku Dispute Back Into Pandora’s Box: Toward a 2013 Consensus”.

In his essay, “Transforming the Territorial Dispute in the East China Sea: A Systems Approach”, Tatsushi Arai calls for more conciliatory gestures from both sides, including establishing a hotline and having joint peacekeeping, while “In “The Diaoyu/Senkaku Dispute as an Identity-Based Conflict: Toward Sino-Japan Reconciliation,” Arai and Wang jointly discuss the possibility of establishing a joint council to supplement existing mechanisms to encourage greater bilateral exchange.

There is no easy way to avert a possible crisis in the region. But avoiding further confrontation and pressing for more effective communication at all levels of society, and not just among government officials, is crucial. Each participant in the China-Japan dialogue remains committed to the mission of trying to seek an end to the ongoing conflict between two of Asia’s most formidable forces. Their words reflect their personal beliefs, rather than any institution with which they may be affiliated. May their aspirations be shared by all.

February 2013
Washington DC

NOTE

Perception Gaps, Identity Clashes

ZHENG WANG

SUMMARY

The ongoing turmoil in East Asia highlight that differences historical memory between nations lead to divergent perceptions, persistent security dilemmas and ongoing disputes over territory. The understanding of the past without doubt impacts the present, as well as the future. Interpretation of history therefore must be seen as a cause for conflict. That understanding must be the starting point to preempt further tensions, and prevent conflict and establishing a sustainable relationship in this region, particularly between China and Japan.

- China and Japan have different perceptions about how the islands in the East China Sea have come to dispute. The history may be the same, but there are two different stories to be told. What causes those perception gaps that lead to mutual distrust? This essay not only identifies the sources of animosity, but also provides recommendations to break through that cycle of mistrust.

- Both sides would agree that a huge perception gap exists between China and Japan. Both view themselves as the victim and the other as the aggressor. Each party sees itself as peaceful, while the other state is aggressive.

- Both mistrust the other’s intentions, and expect the other to be plotting against them. What it actually means is a clash of two very different interpretations of history and differences in identity. The clash is the result of two very different ways of teaching history.
In order to improve bilateral relations, both Japan and China need to take some time to replay the events of tension and gain perspective on the causes of tension. Without knowing exactly what the other side’s perspective is and reasoning behind the perspective, it is impossible to find a solution.

Scholars of two countries from different disciplines should conduct regular conferences and meetings. These dialogues should aim to bring the suppressed differences of perception to the surface. The media of the two countries should report the scholars’ findings to the general public.

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TENSIONS BETWEEN CHINA AND JAPAN are now at their highest level since 1972, when relations between the two countries were normalized. The dispute over a few, uninhabited small islands and rocks in the East China Sea is just one of the long list of grievances between the two Asian nations. What is worrisome is the hidden dangers resulting from the huge perception gaps of how one country sees the other. The other worry is a clash of identities between the two nations, and the different understandings of history and future objectives.

China and Japan both view themselves as the victim and the other as the aggressor. Each party sees itself as peaceful, while the other state is aggressive and revisionist. Both also have bubbled conspiracy theories against the other, placing doubt on the other’s intentions.

Understanding these perception gaps is critical as they play a key role in determining policy. Individual perceptions determine how they interpret incoming information and make decisions. Identifying the major differences in perception between the two sides by analyzing the sources behind the perception gaps is critical. Friction has been caused as a result of how history, especially of conflict, has been taught and has influenced peoples’ attitudes and perceptions.

GAP OF PERCEPTIONS

There is no doubt that the Chinese and Japanese public have diverging understandings about why ownership of the islands are in dispute in the first place. Varying interpretations of the same key events and issues can be identified through multiple sources. The dialogue programs between Chinese and Japanese participants as well as published academic articles, and news reports of the two countries during the period of time from August 2012 to February 2013, as well as the public opinion polls conducted in these two countries in the past two years have all contributed to sourcing research efforts.¹

Many scholars on both sides consider the 2010 fishing boat collision incident as a turning point of bilateral relations; however, they have quite different interpretations of this issue. In 2010, a Chinese fishing boat
collided with a Japanese official vessel. The Japanese arrested the fishing boat’s captain and intended to put him on trial.

In Japan, the incident was perceived as the beginning of China acting more aggressively over the Diaoyu/Senkaku issue. Some also suspected that this aggressive behavior was part of a long-term plan to change the status quo of the East China Sea.

In China, however, the captain’s arrest was seen as a sign that Japan had changed its policy toward the unwritten mutual understanding on the fishing in the Diaoyu/Senkaku area. China believed the two governments had this understanding that if a Chinese fishing boat entered within 12 nautical miles of the islands the Japanese would expel them, but not arrest them. Putting the captain on trial was seen by the Chinese as an aggressive change to the long-term practice.

Perception of the Japanese government’s decision to nationalize the Diaoyu/Senkaku Islands is another key issue in this tension. The Japanese government’s explanation of the national purchase was that it wanted mainly to prevent Tokyo governor Shintaro Ishihara from purchasing the islands. Ishihara claimed he would send people to the islands and construct a lighthouse. Such action could have provoked a strong response from China and created huge diplomatic problems between the two governments. The Japanese government believed nationalization was a preventive action.

China, however, did not accept the Japanese explanation. Since the Chinese believe the Diaoyu Islands belong to China, the nationalization by another country is unacceptable for a sovereign state. Some Chinese concluded that Japan wanted to move from de facto administrative control to a more de jure exercise of sovereignty. Many Chinese also viewed it as a conspiracy between Ishihara and the Japanese government to justify the national purchase. Bear in mind that it is difficult for the Chinese to believe that the central government cannot control or influence the provincial or local governments.

Japan’s nationalization of the islands led to anti-Japan demonstrations across China. The violence and crime that ensued shocked the Japanese, with many considering the Chinese response simply crazy and irrational. It was difficult for the Japanese to understand why the Chinese were so angry. Certainly, the intensity and breadth of the rage
was palpable over 100 cities across the country. But while the protests were sparked by Japan’s territorial claim, many Chinese scholars believed the demonstrations were a natural response to Japan’s wrongdoings for the past decades. Some considered them as patriotic reactions that simply got slightly part out of control.

Another perception gap is about the other side’s longer term plans for the Diaoyu/Senkaku Islands. Somehow, both sides suspect each other of having sophisticated master plans to change the status quo. The Chinese side speculates that Japan sees the islands as important for Japan, especially considering the natural resources in the area. It also thinks Japan wants to use the islands to claim the maritime territory between China and Japan. The Japanese harbor similar doubts about China.

Both sides also have conspiracy theories regarding each other’s policies and motivations. For example, some Chinese suspect that Japan wants to use the tension over the islands a reason to amend the Japanese constitution and remove the constitutional limits on military development. On the Japanese side, some suspect that China wants to increase tensions deliberately so it can challenge Japan’s current de facto administrative control over the islands.

Differences in political systems also contribute to the perception gap. As a democratic society, the Japanese have diverse opinions on almost every issue. Even the prime minister’s opinions are not necessarily representative of mainstream public opinion. In China, meanwhile, even as society has become more diverse, the basic political system and the ruling party decision making have not experienced any major change. It remains a strict top-down, authoritarian structure. As a result, even some seemingly objective scholars, sometimes cannot avoid using their own political and social experiences to interpret the other country’s opinions and behavior.

Both countries have a tendency to exaggerate or dwell on the impact domestic politics have in raising tensions. Many Japanese, including some senior officials, for instance, are confused about China’s reactions to the tensions, and try to link them to Chinese domestic politics to understand the puzzling behavior. Some view that Chinese actions have been pushed by domestic politics, or are being manipulated to serve the interests of internal political struggle.
In China, actions and comments by individual Japanese politicians have often been used by some Chinese scholars and media as evidence of Japan’s national policy and intentions. Many Chinese believe that some Japanese political figures have intentionally used China’s “irrational” behavior to mobilize people for the purpose of domestic politics and elections. Shintaro Ishihara is certainly one such example. His newly established Japan Restoration Party gained 54 seats in the December 2012 lower house elections, and emerged as the third-biggest party. As a result, both China and Japan believe the other side has a secret agenda or ulterior motive. Both countries often use the extreme comments from each side as evidence to support their speculations.

**CLASH OF HISTORIES**

The divergent perceptions between the two nations can be first explained as a clash of two very different “senses of history”—people of the two countries have quite different attitudes and approaches towards history. One important reason for Chinese emotionality is that many people connected the current issue with historical grievance. The current issue reactivated the Chinese memory of the wars and invasions this country has suffered many years ago. However, in Japan, many Japanese believe the past wars belonged to the ancestors of both countries, and current people have no control over the historical issue. So the Japanese naturally do not connect the current issue with history.

On a deeper level, the different senses of history between the two sides are in fact the products of two very different approaches to and systems of history education. In the Chinese classroom, for example, the curriculum is heavily loaded with the contents of China’s traumatic national experience from the First Opium War (1839–1842) through the end of the Sino-Japanese War in 1945. A state-run national patriotic education is conducted from kindergarten through college. In many Chinese cities, there are numerous museums, monuments, and historical sites that were established in memory of this war. All these sources of memory have made forgetting impossible.
Without understanding this background, we cannot understand why over sixty years after the end of the conflict the ghosts of war still haunt Chinese–Japanese relations. For the generation who received an education in China, the war between China and Japan has never finished. From history textbooks, public media, and popular culture, the “memory” of a war they never experienced is very fresh. Their attitude towards Japan can be easily “reactivated” by Japan’s current “aggressive” behavior, such as putting the fishing boat’s captain on trial and the action of nationalization of the islands.

However, in Japan, history education contains very little information on World War II, so the younger generations do not know much about that part of history if they do not intentionally seek more information themselves. Compared with the Chinese youth who received a top-down “patriotic education,” there are probably “generations of no history education” in Japan.

For example, one of the most debated historical issues between China and Japan is the Nanjing Massacre. In China, the official middle school history textbook uses many photos, statistics tables, eyewitness accounts, and personal anecdotes to recount this incident. It provides very detailed accounts of how people were executed on a massive scale at various execution sites and how their bodies were disposed of by the Japanese military. Numerous films, novels, historical books, and newspaper articles about the “Rape of Nanjing” have been produced in China, especially in the 1990s after the patriotic education campaign began.

However, in the 2005 edition of a junior high school textbook New History Textbook (Atarashii Rekishi Kyōkasho), published by the Japanese Society for History Textbook Reform, there is no mention of the “Nanjing Massacre” or “Nanjing Incident.” Indeed, there is only one sentence that refers to this event: “they [the Japanese troops] occupied that city in December.” According to a Japanese scholar’s research, only two of the seven middle school textbooks used in Japan in 2002 gave numbers for the controversial death toll of the Nanjing Massacre, while others used more ambiguous terms, such as “many” and “massive” to describe the casualties. In 2005, the Japanese Education Ministry’s approval of this version of New History Textbook actually ignited immediate outrage and large scale demonstrations in several Asian countries, especially China and South Korea.
For people of the two countries, the brutal war and this part of history have left many sensitive historical symbols between the two countries. These symbols can be “reactivated” deliberately or unintentionally, and can cause major tensions or even conflicts between the two countries. This has been the fundamental reason why the bilateral relations have always been fragile and dangerous. Indeed, historical issues and interpretations of the past have been the major barriers for a real reconciliation between the two neighbors.

CLASH OF DREAMS

From another perspective, the clash of perception between the two countries can be seen as a clash of national identities and national “dreams.” In Japan, the name of the Shintaro Ishihara’s political party is Japan Restoration Party. The kanji for restoration is ishin (維新). In China, the Chinese Communist Party and new leader Xi Jinping have repeatedly emphasized the main objective of the government of rejuvenation, fuxing (复兴), of the Chinese nation. Xi calls it the Chinese Dream. The meanings of these two words are very similar. Both restoration and rejuvenation refer to a return to a former position. Even though the English translations of these words differ slightly, the meanings in Chinese are almost the same.

We can say that many in China and Japan actually share a common motivation; that is to bring their country back to its former position and glory. However, the content of this motivation is quite different in these two countries. For China, the most important part of rejuvenation is for the country to grow stronger and richer, returning to its central position in the world, free from foreign bullying or interference. As for the Japan Restoration Party, the meanings of “restoration” include writing a new Constitution to replace the current war-renouncing Constitution that was drafted by the United States after World War II., strengthening maritime defense capabilities, as well as abolishing the virtual cap of 1 percent of gross domestic product on defense expenditures. Even though the Japan Restoration Party is still a minority party in Japan, it has already been tied with new Japanese nationalism, some of its policy claims are also popular among some Japanese.
As we can see, both the discourses of rejuvenation and restoration are closely related with history. They both want to get rid of the historical shadows. However, the dreams’ varying contents could make this a clash of dreams. In particular, a real danger of a clash of dreams may include both sides blaming the other as being an obstacle in the path to rejuvenation or restoration. For examples, some Japanese may say that China wants to block Japan’s process to become a normal state, such as becoming a permanent member of the Security Council. Some Chinese also say that China’s rejuvenation should be based on receiving historical justice.

For a long time, the concepts of historical memory are theoretically and empirically among the least developed questions in “mainstream” international relations. What happened during the recent months in East Asia have once again suggested that historical memory (and its expression in nationalism and history education) is a key source of divergent perceptions, persistent security dilemmas and ongoing disputes over territory. Historical memory is not just a psychological issue or something only related to perception and attitude. It is actually the key elements of constructing national identity. History and memory are rarely the direct causes of conflict, but the lens of historical memory helps both the masses and the elites interpret the present and decide on future policies.

However, no country should be a prisoner of its past. As Johan Galtung commented, “we are not handcuffed to history, but a high level of consciousness about the nature of those handcuffs is needed, as well as a willingness to become liberated.” If both countries see each other as a barrier for their dream, then unfortunately conflict will become inevitable between the two neighbors. Conversely, if the two countries could see each other as a partner for their common needs and shared interest of prosperity and peace, then we can expect a new Asian miracle of peace and development.

Without knowing the root cause, relationship issues cannot be repaired. China and Japan should be able to bring these suppressed differences of perception to the surface. Both should at least know what the other country’s perspective is and reasoning behind the perspective. Even though it is quite difficult for both to agree, they should recognize the main differences and reasons behind the other’s claims.
addressing this deep source and tough obstacle, it would be impossible for preventing conflict and establishing a sustainable relationship between the two neighbors.

NOTES

1. Such as the Genron NPO and the China Daily joint annual survey on Chinese and Japanese peoples’ attitudes toward each other’s countries, and on bilateral ties.
History: From Dispute to Dialogue

DAQING YANG

SUMMARY

The legitimacy of territorial claims is inevitably bound with history, or rather, the interpretations of history. A comparison of the official Chinese and Japanese narratives over the Diaoyu/Senkaku Islands points to opposing views of history. Whereas China sees Japan’s annexation of the islands in early 1895 as an intrinsic part of the modern history of Japanese aggression against China, Japan defends the 1895 annexation as a lawful territorial consolidation of *terra nullis* (land without owners), unrelated from its ongoing war against Qing China. Underlying this dispute is the changing perceptions of sovereignty and territorial boundaries from traditional to modern East Asia, a process accompanied by the evolving international regime over territorial waters and resources.

In addition, the current dispute between the People’s Republic of China (PRC) and Japan is fueled by a disagreement as to whether there was a tacit agreement between their leaders in the 1970s to shelve the dispute over the islands. Japan presently denies its existence, whereas China insists there was and considers Japan’s denial a blatant breach of trust.

POLICY RECOMMENDATIONS

- Credible scholars from China and Japan should engage in academic dialogue and collaborative studies of the conflicting historical claims related to the disputed islands. They should aim at clarifying the changing perceptions of sovereignty and
territorial boundary in East Asia, as well as providing alternative perspectives for understanding their entangled history.

- Non-governmental institutions in the United States and Europe can play a significant role by encouraging and supporting such constructive dialogues.

- A broadly based historical reconciliation involving both state and society actors must become a long-term goal among all East Asian countries.

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THE DISPUTE OVER the Diaoyu/Senkaku Islands first erupted in 1970. Recent United Nations-sponsored geological surveys had revealed the prospect of large oil deposit under the continental shelf in East China Sea. Subsequently, Republic of China (hereafter Taiwan) contracted American firms to conduct test drilling, as did South Korea and Japan. The Japanese government objected to Taiwan’s planned exploration around those islands, while Taiwan declared them to be Chinese territory since ancient times. Around this time, the U.S. government announced the intention to return Okinawa and adjacent islands—including the Senkaku/Diaoyu Islands—to Japan. Overseas Chinese in the United States and Hong Kong launched a “Defend Diaoyu” movement. In 1971, the U.S. government stated that it took a neutral position regarding the competing sovereignty claims over the islands.

Like other international disputes, disputes over territory are often supposed to be a matter of international law. Yet the legitimacy of territorial claims is inevitably bound with history, or rather, the interpretations of history: who first discovered the territory in question? What was the nature and circumstances of the territorial annexation? Moreover, the history of the countries involved as well as their bilateral relations holds the key to understanding why the dispute has risen at particular moments.

What is the current dispute over the islands about? While economic interest, identity, security, domestic politics have all played a role, perhaps even a dominant one, at its core, the dispute between China and Japan boils down to two fundamental issues. Firstly, both China and Taiwan as well as Japan claim Diaoyu/Senkaku Islands as their inherent sovereign territory. Secondly, Japan and China disagree whether there was a tacit agreement between their leaders in the 1970s to shelve the dispute.

DISPUTE OVER SOVEREIGNTY: HISTORY BEFORE 1970

It is true that in addition to basing their claims on history and law, China also emphasizes geography and geology: these islands are situated on the continental shelf extending from China and strong currents along the Okinawa Trough to the east have served as a natural border between China and the Ryūkyū Kingdom, present-day Okinawa. It is also true that the two sides
have different interpretations of several major international agreements such as the 1951 San Francisco Peace Treaty. As it is clear from reviewing the prehistory of the dispute, however, the differences between China and Japan are fundamentally a difference over history.

The prehistory of the dispute can be roughly divided into four phases. In phase one, at least beginning from the early 15th century, these islands frequently appeared in Chinese records under Chinese names, largely serving as navigation aids for periodic official Chinese missions to the Ryûkyû Kingdom, a tributary state to China and later to Japan. These Chinese records served as the source of knowledge of the islands in Ryûkyû and Japan, although seafarers from Ryûkyû likely knew the islands independently. Phase two begins from the 1870s, when Japan reduced Ryûkyû Kingdom to a feudal domain (han) and then annexed it completely, and ends with the Japanese cabinet decision to annex the islands in January 1895. Although the Japanese government once offered the southernmost group of Ryûkyû Islands to Qing China around 1880, a move that would have made the later dispute moot, the latter did not accept it. Private Japanese explorations of the islands began in the 1880s but the central government in Tokyo refrained from annexing them as Japanese territory for fear of complications with China until 1895. In phase three, Japan administered the islands as part of Okinawa prefecture. Around the turn of the 20th century they came to be known in Japanese as Senkaku, which was a direct translation of the name Pinnacle Islands, initially given to some of the islands by the British Navy in the mid-19th century. The Japanese government leased several islands to a Japanese businessman who built a fish packing factory on one of them until 1940. In phase four, following Japan’s surrender in World War II in August 1945, these islands were placed under the U.S. administration, along with Okinawa and other Japanese islands until they were handed over to Japan in 1972.

A comparison of the official Chinese and Japanese narratives shows some key differences. Japan’s position is that it legally annexed the islands in early 1895 based on the principle of terra nullius (land without owners) in modern international law. Japan states that sovereignty has resided with it ever since, even when they were under U.S. administration before their return in 1972. Japan argues too that China (whether Qing, ROC, or
PRC) did not raise any objections until 1970, a year after prospects of oil and gas deposits were announced. On the other hand, similar to Taiwan, China argues that firstly, the islands have been Chinese territory since the Ming Dynasty based on Chinese historical records. Secondly, Beijing argues that Japan illegally annexed the islands in the midst of war with China in early 1895. Lastly, Beijing insists that the islands should have been returned to China after World War II on the basis of the Potsdam Declaration of 1945, which reiterated the 1943 Cairo Declaration that territories stolen from China should be returned. The two sides thus differ sharply over the meaning of discovery and ownership; they also have different emphasis within the prehistory. Whereas China attaches great importance to phase one of Chinese initial discovery, Japan places emphasis on phase three of unchallenged Japanese administration.

There are at least two underlying themes behind what is obviously a complicated situation:

First, there are diametrically opposite views of history underlying these official narratives. In the Chinese view, the history since the late 19th century was unrelenting Japanese expansion at its own expense. It began with Japan’s annexation of the Ryûkyû Kingdom: after Japan severed the centuries-old tributary ties between China and Ryûkyû in 1875, those islands in between that had long served as navigation signposts rarely appeared in Chinese records. China considers the islands to be “stolen” by Japan during the 1894-1895 war and should be returned to China after World War II, since the Cairo Declaration of 1943, later reaffirmed by the Potsdam Declaration of 1945, stipulated that Japan would be expelled from all other territories which she has taken by violence and greed.

On the other hand, Japan views developments in the late 19th century such as its annexation of Ryûkyû (called Ryûkyû Settlement Ryûkyû shobun), Bonin Islands as well as the islands later named Senkaku to be lawful territorial consolidation unrelated to its overseas military ventures or colonial expansion. In fact, the Japanese government website makes no mention of the ongoing war with China which had gone in Japan’s favor at the time of the cabinet decision to annex the islands in early 1895, similar to Japan’s de-linking the Russo-Japanese War with its annexation of Dokdo/Takeshima. Needless to say, Japan differs over the applicability of the Cairo
and Potsdam Declarations. Instead, Japan considers the San Francisco Peace Treaty, signed between Japan and the major allied countries in 1951, to have reaffirmed Japan’s sovereignty over the islands.

The dispute is also exacerbated by the different and evolving views of sovereignty and territorial boundary. Studies have shown that the traditional East Asian international regime that existed until the late 19th century had very different perceptions of sovereignty and territorial boundaries from the modern Westphalian system. The Ryūkyū Kingdom had been paying tribute to China since the Ming Dynasty and continued to do so after the Satsuma han of Japan established control through force in 1609. Similarly, the need to demarcate maritime boundaries and to establish internationally recognized markers was not universally recognized in the region until the late 19th century. Moreover, the evolving international maritime regime, including the 1982 United Nations Conventions on Law of the Sea, also has raised the stakes of the disputes among neighboring countries with overlapping claims.

China considers its far longer, documented knowledge of the islands dating back to the 15th century to be a key component of its claim. In contrast, Japanese government justifies its annexation of the islands in terms of the modern international legal principle of terra nullis. Thus Japanese leaders in the Meiji era insisted that those islands were without traces of Chinese administration even as they acknowledged their presence in earlier Chinese records. In any case, these leaders certainly believed legal territorial claims worked the best from a position of undisputed strength, which Japan clearly established vis-à-vis China at the beginning of 1895 when its troops were poised to advance toward China’s capital and to occupy Taiwan.

**POST-1972: DISPUTE OVER “TACIT AGREEMENT”**

The dispute over the islands first erupted on the eve of major international realignment in East Asia. In 1970, the PRC replaced ROC as the representative of China at the United Nations. Following U.S. President Richard Nixon’s visit to PRC in 1971, Japan and PRC embarked on the negotiation that led to the establishment of diplomatic relations between the two countries and the severance of Japan’s formal ties with
ROC in 1972. China has insisted that there was a tacit agreement between Japanese Prime Minister Tanaka Kakuei and Premier Zhou Enlai during the normalization talks to shelve the island issue. Chinese supreme leader Deng Xiaoping publicly confirmed this at a press conference in Japan in late 1978 and suggested that the next generations would be wise enough to find good solutions satisfactory to all. On the other hand, in recent years Tokyo has reversed its silence on the matter and publicly denied that such tacit agreement with PRC over the islands ever existed. In turn, Beijing views Japan’s denial as a “complete breach of trust.” However, many Japanese business leaders, politicians, and others believe that the Japanese government should acknowledge that a diplomatic dispute in fact does exist over the islands and the two governments should discuss it.

While a definitive analysis of this issue has to wait till all relevant records on both sides are open, there are possible causes for such a discrepant understanding. The nature of a tacit agreement often requires it to be unspoken in order to maintain the delicate balance between appearance and substance. An unwritten agreement also depends on the trust between the involved parties as well as institutional memories on both sides. When the participants are long gone, that agreement can only survive thanks to the institutional memory within each government. In the absence of subsequent bilateral affirmation, actions or statement by one party may be seen by the other as a breach of the tacit agreement.

Moreover, as it has become known recently, the different records of the 1972 talks may have exacerbated different impressions and interpretations whether there was an “agreement” in the first place. According to declassified Japanese records, the two leaders engaged in one brief round of conversation concerning the islands before moving on to other issues: After Japanese Prime Minister Tanaka Kakuei made an inquiry of China’s position on the islands, Chinese Premier Zhou Enlai simply indicated that he was not willing to discuss it this time, arguing it was Taiwan and the United States that made it an issue after the discovery of petroleum in its vicinity. In October 2012, however, an article published in the official Chinese newspaper People’s Daily quoted, for the first time, from the Chinese records of the same conversation between Tanaka and Zhou. If the excerpt is authentic, the Chinese record
shows a longer discussion between the two and that the Chinese side considers the island to be an issue that should be deferred for the sake of the more urgent task of diplomatic normalization. Tanaka did not object. Thus, the Chinese record leaves a greater impression of a tacit agreement or understanding between the two leaders. (A partial transcript of the Zhou-Tanaka talks is available in the appendix that follows.)

POLICY RECOMMENDATIONS

While other contributing factors need to be taken into consideration, the different views of history have long exacerbated the current dispute over the islands and can be used to justify unilateral actions. Left unattended, the consequence is stark. Fortunately, there are now a number of mechanisms of addressing disputes over history through dialogue even though none promises perfect solutions. In fact, apart from similar endeavors by private scholars, the Chinese and Japanese governments sponsored a joint commission for historical study from 2006 to 2010. Two teams of leading historians, one from each country, surveyed the entire history of China-Japan relations under a common framework agreed upon in advance. Although this joint historical study did not meet all its goals, it at least temporarily de-linked the contentious history issues from overall bilateral relations, affirmed areas of substantial agreement, and narrowed the difference over some issues while clarifying many remaining ones.

Leading scholars from China and Japan should initiate a new phase for the joint commission for historical study. Participating as independent scholars instead of national spokespersons, the members will engage in collaborative work to study the conflicting historical claims related to the disputed islands and produce a common set of relevant historical documents, similar to the one made between Japan and Russia in 1992. Equally important, the Commission should clarify the changing perceptions of sovereignty and territorial boundary as well as introduce new perspectives for understanding the past other than diplomatic and political history centered on the nation-state. It will sponsor academic conferences that are open to scholars from other countries. The findings of these joint studies should be
made public. The Chinese and Japanese governments should endeavor to make available all relevant official records.

While direct mediation by a third party may be unrealistic for resolving the dispute, academic institutions and civil society in the United States and Europe can play a positive role by encouraging and supporting constructive dialogues between Japan and China. They can host academic and policy discussions, and participate in joint history projects between Japan and China as observers.

Ultimately, territorial disputes rooted in history and identity will continue to fester unless there is “thick” or deep reconciliation in East Asia. As part of a multi-front endeavor aimed at achieving this goal, China and Japan should further expand scholarly exchanges including the studies of history. Just as important, the two countries should publicize their collaborative work among museum curators, history educators as well as journalists and opinion leaders so as to narrow gaps in historical understanding among the general public. The historical reconciliation must also be a regional endeavor beyond China and Japan. It is time for a regional East Asian reconciliation fund mandated to facilitate historical reconciliation. The Seoul-based Trilateral Cooperation Secretariat, established in 2011 as the first inter-governmental organization in Northeast Asia, should also undertake historical reconciliation as one of its goals.

APPENDIX:

Unofficial translation of partial transcripts of the 1972 Chinese-Japanese normalization talks

[Japanese Record]²

Prime Minister Tanaka: What do you think about the Senkaku Islands? Some (in Japan—translator) are saying all kinds of things to me.

Premier Zhou: I don’t want to talk about the Senkaku Islands issue this time. It is not a good idea to talk about it now. It has become an issue after oil is found. If oil is not there, neither Taiwan nor America would make it into an issue.
[Chinese record]3

Prime Minister Tanaka: I would like to use this opportunity to ask what you think of the Diaoyu Islands (Japanese call it Senkaku—in original).

Premier Zhou: I would rather not talk about this issue this time. There is no benefit talking about it now.

Prime Minister Tanaka: Since I’ve come to Beijing, if I don’t even bring up this matter, I may face some trouble at home.

Premier Zhou: Yes. Because oil is found under the water, Taiwan makes a big deal out of it; now America will also turn it into a big issue.

Prime Minister Tanaka: Fine. We need not talk about it any more. Let’s discuss it in the future.

Premier Zhou: Let’s discuss in the future. This time let us solve the big fundamental issues that can be solved, such as the normalization of diplomatic relations. It is not that other issues are not big. What is urgent now is the diplomatic normalization. Some issues require the passage of time for us to discuss.

Prime Minister Tanaka: Once diplomatic normalized is realized, I am sure other issues can be solved.

NOTES

1. The Chinese and Japanese names of the disputed island group are used in no specific order. Given their almost identical historical claims, most references are to China’s position despite the fact that Taiwan was the main protagonist in the early 1970s.
Causes and Prospects for Sino-Japanese Tensions: A Political Analysis

MING WAN

SUMMARY

Recent tensions between China and Japan have resulted crucially from political reasons, specifically the failure of the two governments to manage the relationship facing tough domestic politics. The Japanese government failed to anticipate strong negative Chinese response to what they viewed as reasonable policy choices and the Chinese government overreacted assuming the worst from the Japanese side. The prospects for improved bilateral relationship are not good because the two governments are part of the problem. Policy implications of these observations include the following:

- Japan and China need to exercise leadership taking a longer view rather than simply reacting to policy expediency and emotional domestic constituencies.

- Both governments need to explain to their citizens why compromise from their own side is necessary and justified. Both governments made diplomatic compromises to make their relationship work after 1972 and rightly so. But they did not sufficiently explain to their citizens what compromises they had made and why they were the right things to do. As a result, the nationalists now feel angry both at the other side for treachery and at their own government for supposedly weak diplomacy.

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WHY TENSIONS IN SINO-JAPANESE RELATIONS?

When it comes to Sino-Japanese relations, politics has failed. While there are structural reasons such as a shifting balance of power and differences in political system, mismanagement by the two governments has been the more important reason for tensions. The origins of the tensions, namely history and territorial disputes, go back several decades. The Japanese ultranationalists have been consistent throughout the postwar Japanese history to rewrite history whether Japan is rising or declining relatively. The Chinese government reacted to the history issue emotionally in the 1980s when it needed Japan’s economic assistance the most. The Chinese government enacted a territorial law in 1992 when it was internationally vulnerable. And a balance of power between China and Japan is only one piece of the puzzle in East Asian international relations. Some in both China and Japan have argued that the reason for tensions lies in the fact that a mountain does not allow two tigers to coexist. But Asia has other tigers, and the biggest one has been the United States.

The political regime argument is even weaker. Sino-Japanese relations experienced a honeymoon period in the 1970s when China had a totalitarian regime and a socialist planned economy. In the end, the Sino-Japanese relationship has its own logic and dynamic. While a shift in the balance of power and diverging political systems have played a role in Sino-Japanese tensions, they are not as crucial as they are sometimes made to be.

When politicians talk so much about structural reasons, one should be alarmed because they are essentially shifting the responsibility of conflict to the circumstances beyond their control. It is largely up to the governments and their people to decide how this relationship will evolve. If something tragic happens, the governments should be held accountable.

FAILED POLITICS

The politics of Sino-Japanese relations has failed. One may imagine a construction of Sino-Japanese relations rebuilt in the early 1970s after decades of war and diplomatic separation. Politics commanded in the initial construction.
The political pillars for that construct have collapsed one by one. Earlier studies of Sino-Japanese relations focused on the political foundation of the relationship, but much of that is now gone. There used to be influential leaders such as Tanaka Kakuei and Zhou Enlai on both sides who saw improving the bilateral relationship as important and used their political capital and connections to smooth over problems. There were also so-called pipes, or people with networks of influential people, in both countries. Over time, these pipes narrowed and disappeared.

How did that happen? One straightforward explanation is a generational change. The old leaders with war experience have largely died out. Younger leaders have different life experience. The older generations actually consciously sought to socialize their next generation to Sino-Japanese friendship, but things do change with time. Furthermore, the past disputes have left wounds and made it difficult to take a moderate position for leaders in both countries. Like politicians elsewhere, the Chinese and Japanese politicians worry about their own political survival before giving considerations to foreign countries.

Once diplomatic relations were restored in 1972, the two governments established official communications channels. Some commentators argued then that it is better to have government channels than less formal political pipes. Indeed, the bureaucratic channels sustained the relationship for a while but the bureaucrats themselves were also weakened eventually. As a case in point, the Japanese Foreign Ministry knew well that the Japanese government had a “tacit understanding” (anmoku no ryôkai) that the Senkakus dispute was being shelved in the 1972 Zhou-Tanaka talk and the 1978 Deng Xiaoping-Fukuda Takeo talk, which means that a territorial dispute exists. Essentially, both governments sought to keep the issue out of public attention.

On the Japanese side, after the bubble burst in the early 1990s, there was greater criticism of the bureaucracy, including the foreign ministry. And the politicians have championed reforms partly about putting the bureaucrats in their place. Thus, some Democratic Party of Japan (DPJ) leaders denied the existing of an understanding of shelving the territorial dispute during the Chinese fishing boat collision incident in September 2010, which eroded Beijing’s trust in the Japanese government.
On the Chinese side, ironically, while China is rising, the Chinese foreign ministry has become weaker politically. The Chinese system does not have as clear a difference between political appointees and civil servants as in a democracy. But the country does have a civil service. China’s recent foreign ministers have risen within the foreign service but are typically only a member of the Chinese Communist Party Central Committee, thus often not even among the top one hundred leaders in the country. Fundamentally, the Chinese foreign policy only implements foreign policy. There have been several prominent Japanese-speaking Chinese diplomats in recent years, but they are not in a position to make that much difference.

**CHANGES IN CHINA AND JAPAN**

Looking at the dismal state of the bilateral relationship, some observers in China and Japan argue that the Sino-Japanese construct was not done right in the first place. They of course argue from the viewpoint of their perceived national interests. The critics from the Japanese side often argue that Japan should not have apologized for the past, which put their country in a humiliating position and allowed the Chinese government to beat up on Japan, and that Japan should have been firmer on the territorial issue. The Chinese critics argue the opposite.

The previous generation of leaders did a great service under difficult circumstances. It is unrealistic for any leaders to solve all problems for eternity. The current problem results not from the legacies of the past overachievers but from the failure of the current underperformers.

The previous generation hoped for reconciliation. But as we can see, a lack of genuine historical reconciliation is the root problem for the current tensions including the territorial disputes. Why cannot the two nations reconcile then? Fundamentally, this is because neither country is liberal.

On the Chinese side, the patriotic education emphasized after the early 1990s has had its intended effect as nationalist sentiments rise. China’s own rise in the global arena has also contributed to this nationalist tide. Because China is not a democracy, it is difficult to counter that even though most people are arguably not that nationalistic. The Chinese
government periodically uses anti-Japanese sentiment as a safety valve for the disgruntled public to vent their frustration, revealed in the fact that the government allows anti-Japan demonstrations to take place but not demonstrations for other reasons. The government also seeks actively to shape the public opinion.

The Japanese increasingly feel that they have already apologized enough. Adding to some other trends such as economic stagnation, aging society and a greater inward-looking tendency among the young, the Japanese society is becoming more conservative and less willing to listen. As a case in point, of the top three political parties from the December 2012 lower house elections were all conservative, the Liberal Democratic Party (LDP) and the Japan Restoration Party (JRP) compete over who is more conservative. The Democratic Party of Japan (DPJ) has a strong conservative wing. They were joined by some other small conservative parties. The conservative nature of the parliament reflects the political preferences of the Japanese voters. As a democracy, Japan has freedom of speech. But there is also strong social conformity, particularly when it comes to Japan versus foreign countries. Dissent to the mainstream views gets marginalized and those who challenge the group consensus pay some price. That is not a good environment for dealing with diplomatic challenges. The government is constrained. To make things worse, some Japanese politicians share nationalistic views and are sometimes ahead of the curve.

GOVERNMENT MISMANAGEMENT

For the mounting tensions between China and Japan since the middle of 2010, the DPJ government’s miscalculation and mismanagement were a big part of the problem, with their handling of the fishing boat incident in 2010 and the nationalization of the disputed islands in 2012 as examples. Questions arise as to how aware both Japan and China are about furthering their longer-term objectives.²

China too had a missed opportunity. They did not reciprocate when both Prime Minister Hatoyama and President Obama were so positive toward Beijing. Hatoyama sought to build an East Asian community

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that does not include the United States. Obama made great efforts to set U.S.-China relations on a positive tone from start, breaking the recent pattern of a new president experiencing tensions with Beijing in the first year or so before settling into more manageable relations. More broadly, when the Chinese government acts, it is often over the top. It is counterproductive. While they may blame the DPJ government for provoking them, the Chinese government had also taken actions long before the fishing boat incident that could be perceived by the Japanese side as provocative.

There has been a leadership transition in China as well as Japan at about the same time. In China, however, it is safe to assume that there will not be political reform or liberalization in the country any time soon. As a result, China’s domestic politics will not be conducive to a better relationship with Japan. The same dynamic as in the previous decade will remain.

It is difficult to know what the Chinese government has in mind when it comes to the dispute over the Diaoyu/Senkaku Islands. They have sent some feelers that they want to stabilize the relationship. But they continue to send government ships and occasionally jet fighters to the disputed areas. One may thus infer that the Chinese government is forcing a new normal of both sides patrolling the disputed areas or no one does. That would end Japan’s actual control of the islands. That is a dangerous game to play.

In Japan, the LDP won a landslide electoral victory in December 2012. Disputes with China were part of the reason that the Japanese public had become so disillusioned with the DPJ. Shinzo Abe used strong rhetoric during his leadership bid, but whether he remains as hard right remains to be seen. Japanese voters were primarily worried about the economy. And the twisted Diet continues. Abe needs to win the senate election scheduled for July (half of the 244 seats up for reelection). So there were reasons to believe that the Abe government would exercise caution. One lesson from the DPJ handling of China is that the Japanese government should think carefully before acting. They were punished in domestic politics because they started fights that they could not finish to Japanese voters’ satisfaction.

But the Abe government cannot significantly improve relations with Beijing. Japanese politics has become far more conservative than before and China is an important reason for that shift. Abe now cannot do what he

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did in 2006 when he visited Beijing after several years of tension under Prime Minister Koizumi Junichiro. I doubt Abe himself wants to repeat his 2006 efforts anyway because he shares those anti-China views, as revealed in his interview with the *Washington Post* prior to his visit to Washington in February 2013.\(^3\)

Abe’s approach so far seems to be two-pronged. One is that Japan should shore up alliances and make new strategic friends to gain a strategic advantage over China. The other is to ensure economic gains from China without compromising on the territorial issues. That basic strategy was expected. The real issue is how one goes about doing it. Abe is sending very strong signals. The Abe government is becoming tougher also because of the rising tensions near the Diaoyu/Senkaku Islands with Chinese patrol boats and occasionally planes. We can thus argue that Abe is also reacting to the Chinese actions.

One reason to be pessimistic about the politics of Sino-Japanese relations is that both the Chinese and Japanese governments have somehow managed to make decisions that are particularly damaging to the bilateral relationship.

**LOOKING AHEAD**

Sino-Japanese relationship is not all negative in the longer-term. Granted, the strong economic and personal ties between the two countries have not been adequate enough to shift the tide of hostility, and security concerns are now paramount. But at some point, all this past investment in economic ties and human relationships should come to exert some positive influence in the long run. The question then is how to live through the here-and-now.

The Sino-Japanese relationship is currently in a danger zone and the two countries are one accident away from another round of high tensions. What the two sides can shoot for at this point is crisis management and prevention.

Some other contributors to this project are proposing conflict resolution measures. This chapter will only point out that no one can truly win in military conflicts in the world of ours. Countries sometimes have clashing interests. At the very least, the two governments should watch
how they fight. The two sides should have manners even in conflict. They will need to reconcile at some point in the future. Burning bridges does no one any favors.

NOTES


Can Japanese Democracy Cope with China’s Rise?

SHINJU FUJIHIRA

SUMMARY

Intense politicization and increased militarization of the Senkaku/ Diaoyu islands dispute was shaped in part by increasing political competition and uncertainty in Japanese democracy. The Democratic Party of Japan’s (DPJ) landslide victory in the House of Representatives in August 2009 generated uncertainties in the U.S.-Japan-China strategic triangle. Prime Minister Naoto Kan’s response to the trawler collision incident in 2010 and his successor Yoshihiko Noda’s decision to purchase three of the five islands in 2012 reflected DPJ’s conflicting foreign policy orientation and its competition with other political parties prior to the House of Representatives election in December 2012. Given such findings, this article proposes that Japan must:

- Construct an inter-party consensus on its policy toward the islands, which would take into consideration the overall importance of Japan-China relations and would ensure that the change of Prime Minister or the political party in power would not significantly change Japan’s China policy.

- Take the initiative for a new diplomatic settlement with China, which makes both governments acknowledge each other’s position on the islands and commit to a peaceful resolution of this issue in the long run.

- Ensure that its Self-Defense Forces and Japan Coast Guard do not to fire the first shot when confronted by their Chinese counterparts in the East China Sea.
Continue to promote bilateral cooperation and communication with China on maritime issues, involving the two countries’ officials from defense and foreign ministries, maritime agencies, and other relevant organizations.

Commit not to politicize its “history problem” regarding its imperial past, which would further hamper its efforts to depoliticize and demilitarize the islands dispute.

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THE CONTEMPORARY STANDBOFF OVER the Senkaku/Diaoyu islands threatens to exacerbate Japan-China relations in the long run. Despite their disagreement over the islands’ sovereignty, the two governments had successfully depoliticized the issue for nearly four decades since their diplomatic normalization in 1972. The islands issue became politicized after the collision between a Chinese trawler and the Japan Coast Guard in 2010, and has become increasingly militarized after the Japanese government’s purchase of three of the five islands from their private owner in 2012. China has boosted its civilian and military presence in maritime and airspace around the islands, confronting their Japanese counterparts regularly and raising the risk of an armed conflict which potentially involves the United States. What caused the intense politicization and increasing militarization of the Senkaku/Diaoyu islands dispute? What are the pragmatic steps which the two governments can take to depoliticize, demilitarize, and deescalate the current situation?

This is an attempt to answer these questions by focusing on the contemporary developments in Japanese democracy. While the strategic, economic, and identity variables are critical, Japan’s domestic politics played an important role in the politicization and militarization of the islands dispute in two ways. First, the ongoing political transition—characterized by the end of the Liberal Democratic Party’s (LDP) stable rule since the 1990s, the nature of the Democratic Party of Japan (DPJ) government during 2009–2012, and the emergence of the conservative political parties ahead of House of Representatives election in December 2012—increased the uncertainty and unpredictability in Japan’s policy toward China. Second, Japan’s political transition led China to misread Japan’s intentions and actions, and contributed to its decisions to respond with harsh retaliatory and coercive measures. A domestic consensus in Japan over the disputed islands is needed to break through the bilateral conflict.

THE TRAWLER TRIGGER

On September 7, 2010, a Chinese crawler collided with two Japan Coast Guard (JCG) ships in the waters near the Senkaku/Diaoyu islands, an
incident which erupted in the midst of Japan’s ongoing political transition. One year earlier, in August 2009, the DPJ had won a landslide victory against the LDP in the House of Representatives election. Newly appointed Prime Minister Yukio Hatoyama promised a sharp break from the LDP’s policies and policymaking processes. In terms of foreign policy, Hatoyama strained Japan’s relations with the U.S. by promising to relocate the U.S. Marine Corps Air Station in Futenma outside of the Okinawa prefecture. In addition, Hatoyama’s foreign policy also tilted toward China, as he emphasized the building of the East Asian Community and then DPJ Secretary General Ichiro Ozawa took a large delegation to Beijing in December. In terms of policymaking, the Hatoyama government advocated the “politicians-led [seiji shudo]” process, and vowed to subordinate the bureaucrats to DPJ politicians. Most consequentially, the Hatoyama administration abolished the Administrative Vice Ministers’ meetings, which had brought together top bureaucratic officials and played an important role in policy coordination. Facing increasing criticisms of his handling of the Futenma issue and Ozawa’s political funding scandal, Hatoyama resigned in June 2010. At the time of the crawler collision incident, Prime Minister Naoto Kan had been in power for only three months.

The collision incident was unprecedented, marking the first time a Chinese ship defied JCG’s warnings and collided with its ships in the waters near the Senkaku/Diaoyu islands. Until then, Chinese fishing boats typically left the waters in and around the islands after being warned by JCG ships. When past activists from Taiwan, Hong Kong, and mainland China landed on the islands, the Japanese government swiftly returned them, as cases of forced repatriation. From the Kan government’s perspective, an unprecedented incident warranted an unprecedented response. It arrested and detained the crawler captain, Zhan Qixiong, on the charge of “obstruction in the execution of public duty [koumu shikkou bougai].” As Kan faced Ozawa in the DPJ presidential election in one week, he delegated this matter to Chief Cabinet Secretary (CCS), Yoshito Sengoku, and the Minister of Land, Infrastructure, Transport and Tourism (MLIT), Seiji Maehara. Sengoku and Maehara repeatedly stated their intent to “solemnly handle this matter according to the domestic law [shukushuku to kokunaihou wo tekiyou suru],” and that “there is no territorial problem [ryodo mondai wa
sonzai shinai).” Such a language left little room for political discretion in managing the crisis in the overall context of Japan-China relations. In addition, the Hatoyama government’s abolition of the Administrative Vice Ministers’ meetings hampered inter-ministerial coordination and marginalized Japan’s Ministry of Foreign Affairs (MOFA). Finally, while the Kan government emphasized the “politicians-led” process, it assigned considerable responsibility to the Naha District Public Prosecutors Office in handling Zhan’s detention.

The DPJ government’s legalistic approach and the prolonged detention of Zhan surprised and infuriated the Chinese government. Given the record of the Hatoyama administration, the Chinese government appears to have expected the Kan government to be sympathetic to its position and release Zhan after a few days. Instead, China realized that Sengoku and Maehara’s politician-led and legalistic approaches made it inflexible and unpredictable. The crisis took a dramatic turn on September 19, when the Naha District Public Prosecutors Office extended Zhang’s detention for ten more days. In response, the Chinese government imposed a series of coercive measures, which included the embargo of rare earth metals exports to Japan; arrest of four Japanese employees of the Fujita Corporation for entering a military zone without authorization; and cancellations of cultural and exchange programs. On September 24, the Naha District Public Prosecutors Office announced its decision to release Zhan, citing his detention’s negative impact on the overall Japan-China relations. While Kan denied any political interference, the decision exposed the DPJ government’s contradictions in advocating the “politicians-led” approach while compelling the Naha District Public Prosecutors Office to make a legal decision with big diplomatic impact. Even after Zhan’s release, the dispute continued as China demanded an apology and compensation from Japan, anti-Japanese protests in China erupted in October, and a video of the collision was released on YouTube by a Japan Coast Guard navigator unconnected to the incident. The DPJ government’s “politicians-led” and legalistic approaches were an important factor which contributed to China’s crisis escalation during the crawler collision incident in 2010.
“NATIONALIZATION” OF THE ISLANDS IN 2012

The Japanese government’s purchase of the disputed islands in 2012 was also shaped by the developments in Japanese democracy. Kunioki Kurihara, the owner of three out of the five islands, reportedly had a debt of over 4 billion yen, and was determined to sell them before the expiration of his lease to the government in March 2013. He distrusted the left-leaning Democratic Part of Japan (DPJ) government, and was introduced to Tokyo Governor Shintaro Ishihara through a House of Councilor (upper house) member, Akiko Santo. Ishihara is a well-known nationalist, and had begun to raise his national political profile by supporting the founding of the Sunrise Party of Japan in 2010. In April 2012, Ishihara announced that his Tokyo government would purchase the islands, and began collecting private donations. Having gained national attention, Ishihara resigned his Tokyo Governor post in October, only 18 months after he began his fourth term. In November, Ishihara’s Sunrise Party merged with the Japan Restoration Party, led by Osaka mayor Toru Hashimoto, with the intent to lead the “third pole” in the upcoming House of Representatives election. The politicization of the Senkaku/Diaoyu islands dispute was tied closely to Ishihara’s national political ambition and his efforts to discredit the incumbent DPJ government.

Ishihara’s announcement posed a major political challenge for Prime Minister Yoshihiko Noda. If the Tokyo government purchased the islands, Ishihara might have built installations and promoted the use of the islands. While Noda belonged to the same party as Hatoyama and Kan, his political instincts were conservative and he disliked being attacked by Ishihara and rightwing nationalists. In addition, DPJ incumbents feared that the LDP and other conservative political parties would attack them for failing to defend Japan’s territories in the upcoming election campaign. After consulting with his foreign policy advisor, Akihisa Nagashima, Noda instructed officials to start negotiating with Kurihara to have the central government purchase the islands. Noda revealed the government’s intent to purchase the islands on July 7, which was the 75th anniversary of the Marco Polo Bridge incident and was deeply problematic in the overall context of Japan-China relations. On September 11,
Noda announced the completion of the government’s purchase with the whopping price of 2.05 billion yen. The Noda government maintained that this was a commercial transaction which changed ownership from private to public hands, and did not change the status quo. It also justified its decision on the grounds that the central government would manage the islands issue more responsibly than Governor Ishihara. Finally, Noda reasoned that he wanted to complete the purchase prior to the start of the next Chinese administration, led by Xi Jinping.

Noda’s decision to have Japan’s central government purchase the islands drew fierce criticisms from China’s leaders, and led to popular violence against Japanese businesses and factories. The Chinese government maintained that the “nationalization” of the islands strengthened the Japanese government’s control over the islands, and would fundamentally change the status quo. At the Asia Pacific Economic Cooperation (APEC) summit in Vladivostok on September 9, President Hu Jintao told Noda that Japan’s decision to purchase the islands was “illegal” and “invalid.” Noda’s announcement of the completion of the purchase was made two days after Hu’s remarks, and it was perceived as insensitive and insulting in China. In addition, the 2012 crisis took place in the context of China’s domestic leadership transition prior to the the 18th National Congress of the Communist Party of China later in the fall. On September 15 and 16, estimated 1.5 million protested in over 100 Chinese cities against Japan’s decision. The following weeks also saw cancellation of the 40th anniversary ceremony of Japan-China relations in People’s Great Hall, further boycotts and destruction of Japanese businesses, and a major decline in bilateral trade and tourism.

Since last fall, China has intensified its coercive and military pressure on Japan in the maritime and airspace in the East China Sea. The China Maritime Surveillance (CMS; Haijian) and Fishery Law Enforcement Command (FLEC; Yuzheng) have increased their presence in and around the waters of the Senkaku/Diaoyu islands. On December 13, 2012, CMS’s aircraft entered Japan’s airspace around the islands for the first time. On January 10, 2013, China’s and Japan’s military fighter jets scrambled against one another in the airspace near the islands. And in early February, the Japanese government revealed that China’s naval ships had locked their weapon-targeting radar twice in the East China Sea, on
Japan’s naval helicopter (on January 19) and a naval destroyer (on January 30). From the perspective of Japanese officials and analysts, China’s current strategy is to regularize and normalize its maritime and air presence around the islands, demonstrate that Japan no longer exercises effective administrative control, and test Japan’s coast guard and military officials in crisis situations.

CONCLUSION

In light of Japan’s domestic politics, what are the policy prescriptions for depoliticizing, demilitarizing, and deescalating the current crisis over the Senkaku/Diaoyu islands? The single most important step would be to develop an inter-party political consensus on the policy toward islands. Noda’s argument about the central government’s responsible management of the islands is credible only if subsequent administrations keep the same commitment to leave them untouched and uninhabited. Building a harbor or stationing public officials on the islands—as suggested by the current Prime Minister Shinzo Abe and his Liberal Democratic Party—will validate China’s criticisms and will further escalate the conflict.

Secondly, the Japanese government should propose a diplomatic settlement with China, in exchange for gradually reducing China’s military presence in and around the islands and promoting economic cooperation in the East China Sea. The Japanese government can insist that the islands are Japan’s territory, and still acknowledge the existence of China’s position that they are China’s territory. Such a settlement—which is explained in detail in the Arai and Zheng paper in this volume—would also enable Japan to test China’s willingness to demilitarize and deescalate the islands dispute.

Third, when confronted by China’s presence in its airspace and territorial waters, Japan’s Self-Defense Forces and Coast Guard officials must never fire the first shot. That would enable China to blame Japan for crisis escalation and further escalate the current conflict.

Japan and China must also make an effort to increase communication between its civilian and military forces. In May 2012, a bilateral maritime consultation took place in Hangzhou, which involved officials from the
two countries’ foreign and defense ministries and maritime agencies. The second meeting has been suspended, and must be restarted in order to minimize the outbreak of violence.

Finally, Japan’s political leaders must make every effort not to reignite its “history problem” with China, which would hinder conflict resolution over the Senkaku/Diaoyu islands. Abe recently indicated his intent to re-examine the Kono statement in 1993, which acknowledged the wartime Japanese government’s responsibility in the recruitment and stationing of the “comfort women.” In addition, Abe may decide to visit the Yasukuni Shrine, given his nationalist political instincts and regret for not doing so in his first term.4 If Abe can stay in power for longer than his predecessors, he must choose to resist the pressure and temptation to advance his revisionist view of Japan’s imperial past. As the architect of the “mutually beneficial, strategic relationship” with China in his first term, Abe has the political opportunity to delink the islands dispute with Japan’s “history problem.” Abe’s political choice on the “history problem” will shape Japan’s capacity to reconstruct Japan-China relations in the long run.

NOTES

1. The following account on the 2010 incident is based on: Hiroyuki Akita, Nihon Keizai Shimbun, September 28, 2010; Asahi Shimbun, September 30, 2010; Atsushi Ijuin, Nihon Keizai Shimbun, October 1, 2010; Nihon Keizai Shimbun, October 6, 2010; Yoichi Kato, Asahi Shimbun, October 6, 2010; “Nicchu ‘Senkaku Mitsuyaku’ Atta.” AERA, October 25, 2010; and comments by Jiro Ono, former Secretary to Prime Minister Koizumi and House of Councilor member in Nihon Keizai Shimbun, November 11, 2010.

2. The following account of the Japanese government’s purchase of the islands in 2012 is based on: Yomiuri Shimbun, April 18, 2012; July 7, 2012; July 8 (morning and evening editions), 2012; and Asahi Shimbun, September 26, 2012.

3. The following account is based on Hiroyuki Akita, Nihon Keizai Shimbun, November 10, 2012, and January 18, 2013; Asahi Shimbun, February 6 and 7, 2013; and Nihon Keizai Shimbun, February 6 and 7, 2013.

No War in the East China Sea

QUANSHENG ZHAO

SUMMARY

The Diaoyu/Senkaku dispute dates back to the 1970’s, but the recent Japanese nationalization of the islands has strained relations between China and Japan. As maritime tensions around the islands rise while both countries increase their surveillance and naval presence, diplomatic outreach over the issue has begun. Nevertheless, tensions remain high over this territorial dispute steeped in regional history and pride. Amidst this, the United States made it clear that the US-Japan alliance will apply to the Diaoyu/Senkaku, but remain neutral in terms eventual sovereignty, balancing relations between Japan and China.

- All parties involved—China, Japan, and the U.S.—should strive to avoid war at all costs.
- China and Japan must maintain open communications at both high and low levels to resolve the dispute and prevent reactionary miscalculation that could lead to armed conflict.
- The United States should work to facilitate bilateral and tri-lateral talks with Japan and China in an effort to resolve the dispute peacefully.
- To resolve the dispute, China and Japan may need to move beyond exclusive territorial claims over the island.
- In the interest of restoring mutual trust, talks between China and Japan should also include efforts to cooperate on restoring mutually beneficial political and economic relations.

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THE DIAOYU/SENKAKU DISPUTE between China and Japan in the East China Sea is not new. As early as the late 1960’s and early 1970’s, particularly during the time when the United States returned Okinawa to Japan, Beijing and Taipei protested Japanese claims to the island chain. The dispute did not, however, prevent normalization of relations between China and Japan in 1972, primarily because there were other, higher strategic and political considerations within both countries. The leaders at that time—Mao Zedong and Zhou Enlai (and later Deng Xiaoping) in China, Tanaka Kakuei and Ohira Masayoshi in Japan, and Richard Nixon and Henry Kissinger in the United States—all had a keen sense of what each country’s strategic priorities were. The historical records indicate that it is best to put the Diaoyu/Senkaku issue aside and leave it to the “next generation” (as Deng suggested), and both Japan and the United States tacitly accepted this arrangement. Such “temporary” arrangements effectively prevented potentially catastrophic military conflict between China and Japan (and also likely the United States), as well as facilitating China’s rapid modernization and its peaceful rise for the next four decades. Though more than forty years have passed since the normalization of relations between China and Japan, the issue has once again erupted, drawing both countries closer to the edge of war.

Two major strategic trends define the security situation in the Asia Pacific today. The first is the rise of China. As China augments its economic and military capabilities, relations between China and Japan can be understood from the perspective of “power transition”: China is now the world’s number two economy by GDP and continues to rise despite the global slowdown, while Japan is now in its third decade of economic stagnation. More significantly, China’s growing economic and security interests around the world ensure that China is transitioning from a continental actor to a global, maritime power. China continues to define its growth as a “peaceful rise.”

The second major strategic trend is the Obama administration’s pivot to Asia. As the United States seeks to rebalance its capabilities from the Middle East to the Asia Pacific and secure its strategic role in the region, it is virtually impossible for the United States to function militarily in the region without its security alliance with Japan. At the same time, the United States will emphasize regional stability and search for workable relations
with China. While China and Japan are the primary actors in the dispute, the United States and other major players have a stake in the outcome, especially since Washington used to administer the disputed islands before handing them over to Japan in 1971.

CURRENT CRISIS

The current dispute over the Diaoyu/Senkaku Islands arose from a longstanding disagreement between China and Japan about each country's respective historical claim to the islands. Recent developments inflamed the issue and increased nationalist responses in both China and Japan. Chinese and Japanese leaders, activists, and media outlets have all promulgated inflexible rhetoric, with each side contesting the legitimacy of the other's claims. In April 2012, then-Tokyo governor Shintaro Ishihara reignited the issue by proposing to buy the islands, which triggered a new round of civilian actions of Chinese and Japanese activists by taking fishing or other types of civilian boats to the islands.

On September 11, 2012, then-prime minister of Japan Yoshihiko Noda announced a plan to nationalize the islands, despite Hu Jintao's strong personal opposition to the policy in a meeting just a few days before. While Noda felt that nationalization was a necessary step to prevent Governor Ishihara from buying the islands and using them as a staging ground for provocative actions, China saw it as an extremely provocative act aimed at perpetuating Japanese occupation. The controversy over Japan's nationalization of the islands marked a troubling turning point in the dispute. It is widely reported that China-Japan relations took a sharp downturn: bilateral trade and travel were again undercut, as factories suspended production, boycotts were enacted, and demonstrators protested, sometimes violently, in both countries. More severe developments took place in the security dimension—whereas only civilian fishing boats entered the area before, official military vessels and airplanes from both sides started to become involved in the row. Though both sides have conducted aerial surveillance missions since the beginning of the most recent flare-up, the aircraft initially involved were most likely unarmed drones. However, on December 13, Japan scrambled eight F-15 fighter jets

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to intimidate a surveillance plane dispatched by the Chinese State Oceanic Administration. Similar events occurred at least three other times during the month of December. In February 2013, Chinese vessels allegedly trained military radar used to direct weapons against a Japanese naval vessel and military helicopter, prompting Japan to lodge a formal protest and warn that any miscalculations could lead to conflict;¹ this accusation was denied by the Chinese side and, up to the time of writing this paper, there are no clear-cut answers to the incident. As the drama continues to unfold, there are reasons for observers to worry about the recent escalation leading to an actual military conflict.

**ESCALATION IN A BROADER CONTEXT**

It is also necessary to put the escalation of the dispute in a larger context. Both Japan and China have been engaging in an extended arms race, a troubling trend that is likely to continue. As China continues to reap the massive economic benefits of reform and opening its doors, it has more resources to invest in military technology, weapon systems, infrastructure, and other costly projects that will help it achieve its growing strategic ambitions. As a result, Beijing’s defense budget has been growing annually at a double-digit rate. Experts have estimated that China’s military budget has increased more than six-fold in the decade since 2002. Moreover, China has successfully developed its first aircraft carrier, the Liaoning, and is also developing two new stealth aircraft and anti-ship ballistic that are capable of destroying U.S. aircraft carriers, should the United States officially enter the conflict, all of which will give the Peoples Liberation Army considerably greater power projection.

At the same time Japan confronts the reality of its declining economic power and China’s rise, nationalist impulses will increase and conservative elements in Japanese politics will push for a more assertive security stance. Under the leadership of Prime Minister Abe Shinzo, Japan is also trying to bolster its military capabilities. This year will mark the first increase in the country’s defense budget since 2003. Though much less than what a Liberal Democratic Party committee recommended earlier this year, the 2013 budget will increase by $386 million, or 0.8
percent, to $52 billion. As a result, the Japanese Coast Guard, which is at the forefront of the Diaoyu/Senkaku dispute, will receive a 2 percent increase in funding to buy new ships and build new bases. Other defense developments include improvements in aerial surveillance, Japan’s Aegis missile defense system, anti-ballistic missiles, and a new helicopter destroyer. Finally, Japan’s domestic mood has become more conservative, triggering greater calls from Japanese politicians for revising its constitution, including Article 9, and upgrading Japan’s Self Defense Forces to a “National Defense Army.”

Even if more advanced military capabilities are not designed to be used specifically against the other side per se, for example, Japan’s AEGIS system may be targeted to counter threats from North Korea more so than China, the trends in military spending on both sides of the East China Sea suggest an even more tense posture for Beijing and Tokyo.

**IMPLICATIONS FOR THE REGION AND BEYOND**

While Japan and China are the primary actors in the Diaoyu/Senkaku Islands dispute, conflict in the East China Sea would have far-ranging implications for the United States and other players. The ability of China, Japan, and the United States to peacefully resolve the dispute impacts regional stability and sets a precedent for resolving other maritime/territorial disputes in the Asia Pacific, including China’s disputes with several Southeast Asian countries in the South China Sea and Japan’s disputes with South Korea and Russia.

**United States**

Washington has repeatedly confirmed its commitment to the U.S.-Japan Alliance and has made clear that it does not want to see changes to the status quo. At the same time, the United States officially takes no sides on the ultimate sovereignty of the disputed islands, according to Leon Panetta, Hillary Clinton, and other officials. The Obama administration is currently walking a tightrope between supporting its longtime ally in Tokyo and
maintaining positive relations with Beijing, whose cooperation is needed on pressing issues such as the global economic downturn, climate change, and the flashpoints in the Middle East and Korean Peninsula. The U.S.-Japan alliance is a key foundation of the U.S. pivot strategy. The United States therefore supports Japan’s administrative control of the islands, while encouraging Japan and China to negotiate a peaceful resolution of the ultimate sovereignty dispute. The U.S. carefully discourages any provocative actions because a war between Japan and China is undesirable, particularly if it drags in the United States. As China continues to rise and the Asia Pacific undergoes a power transition, the United States must be prepared if the situation changes unexpectedly. This way, Washington has tried its best to put itself in a “no-lose” position.

Regional Implications

As the Diaoyu/Senkaku dispute plays out, the major question on the mind of other regional actors is how it will affect other maritime disputes, especially those countries that are involved with either China (in the case of the South China Sea) or Japan (in the case of South Korea and Russia). As all these disputes continue to develop, not only have tensions intensified but it may trigger a new arms race. All of this will damage the international environment which is conducive to China’s peaceful rise, as well as Japan’s smooth economic recovery.

CONFLICT MANAGEMENT AND PREVENTION

China and Japan bear the primary responsibility for crafting a peaceful resolution to the Diaoyu/Senkaku islands dispute and ensuring that tensions do not escalate into conflict. At the same time, the United States is also a key party and can play a constructive role. Recent high-level visits by Japanese politicians to China increase hope that new lines of communication between China and Japan will emerge. These visits increase the probability that there will be a trust-based political solution to the dispute.
In the first few months of 2013, former Prime Ministers Hatoyama Yukio and Murayama Tomiichi visited China. Hatoyama was the third former Japanese Prime Minister to visit a memorial for victims of Japan’s 1937 Nanjing Massacre. Even more significantly, the head of Japan’s New Komeito Party—a member of the ruling parliamentary coalition—met with China’s new leader Xi Jinping in Beijing to deliver a letter from Prime Minister Abe allegedly expressing hope that the top leaders on both sides of the dispute would take a broader view of China-Japan relations and seek to work together to resolve the dispute. During the meeting, Xi Jinping pledged to “seriously consider a high-level dialogue with Japan.”

These informal mechanisms of communication should serve as the starting point for a better conflict management approach. First, building trust and solidifying channels of communication among top leaders makes it more likely that there will be a political resolution of the islands dispute instead of a riskier military resolution. Second, Japan and China must maintain the communication flow from the highest to the lowest levels of government. While high-level communications are a strong channel for political discussion and negotiation, the two sides must also work together to establish hotlines at the lower levels of the military, to mitigate the possibility of error and miscalculation that could escalate conflict. Third, it is important to have far-sighted political leadership in both Japan and China. Japan and China may consider establishing a military-free zone in the disputed area to reduce the possibility of conflict.

RESTORE THE SPIRIT OF COOPERATION

More than forty years ago, in the historical 1972 visit to Beijing, Japanese Prime Minister Tanaka Kakuei and Chinese Premier Zhou Enlai exchanged handwritten scripts in Chinese characters both emphasizing the importance of 信 (xin—meaning, trust). In this spirit, this author has developed four phrases (in Chinese characters) aiming to restore confidence and facilitate cooperation between China and Japan:”
互信為本 (*huxin weiben*) — “*Restore Mutual Trust as a Foundation*”

The basis of any strong, vibrant, and lasting relationship is mutual trust. Therefore developing this trust between China and Japan is the key, since both countries are major players on the regional and global stages. Without mutual trust, a small issue can become a major trigger for military confrontation; however, with mutual trust, a big issue can be managed as a minor transgression.

中日不戰 (*zhongri buzhan*) — “*No War between China and Japan*”

No matter what, the highest principle by both countries should be to avoid war. Since war would be so politically, strategically, and economically disastrous to both countries, leaders in Tokyo and Beijing must clearly, resolutely, and irreversibly take military conflict off the table.

政經雙動 (*zhengjing shuangdong*) — “*Restore Political and Economic Relations Together*”

As political tensions have risen, economic relations between the world’s second and third largest economies have been considerably damaged. With the goal is to create a positive-sum relationship, any political rehabilitation must also include measures to boost bilateral trade, travel and investment so both countries can enjoy the mutual benefits of improved relations. Any proposal that only emphasizes one aspect will not work.

順應大勢 (*shunying dasheshi*) — “*Follow the Basic Trends of International Relations*”

Finally, the Diaoyu/Senkaku dispute has major repercussions for the Asian-Pacific region. Thus, China and Japan, as leading powers in the region, must resolve this conflict in a way that follows the trends of power transition of international relations, strengthens the East Asian community, and further develops a cooperative relationship with the United States. To do this, the East Asian nations might wish to learn from some of the lessons and experiences of the European Union for overcoming divisive nationalist tendencies in order to bolster regional integration and stability.
CONCLUSION

*The Economist* calls the Diaoyu/Senkaku islands “a clutch of five uninhabited islets and three rocks, cast adrift out in the currents of the Western Pacific.” For the United States and other outside powers, the thought of China and Japan—two of Asia’s great powers—going to war over this small area is surprising and dangerous. For Japan and China, however, the dispute is much more than a few islets and rocks. The dispute is about national sovereignty, historical pride, and managing power transition. That is why Japan and China must peacefully resolve the dispute in a manner that balances their respective national interests while maintaining regional security. All parties may consider moving away from the Westphalia model of exclusive territorial sovereignty and zero-sum games to an open-minded stance. The future security of the Asia Pacific hinges on the ability of China and Japan to find a win-win resolution to the dispute—whether through joint development of the water area, co-management of the territory, or another conflict resolution strategy.

The United States may also try to play a more active role in bringing the two sides together through bilateral consultations with China and Japan, as well as trilateral meetings with all three actors. In addition, since regional stability is in the interests of the United States, Washington must play an active and positive role in resolving the dispute. This includes helping to develop crisis prevention/management mechanisms amongst all disputants. In addition, the United States must re-examine Asian concerns (such as historical, territorial, and energy issues) and re-adjust its foreign policy accordingly. Finally, Obama may consider to meet with Xi Jinping soon after Abe’s visit to the White House in February 2013, in order to set a positive tone with one of the most important actors on the regional and global stages. To paraphrase Victor Cha, if the United States is serious about its pivot to Asia, it cannot remain a spectator, but must play an active and constructive role in issues that Asian countries are concerned, such as history issues, and territorial disputes.5

This is a time for far-sighted thinking, and far-sighted politicians. While many issues must be resolved before the countries of East Asia can build a community even remotely like the European Union, politicians must keep
this vision in mind. It was not so long ago that the nations of Europe regularly fought wars over territory and the balance of power. Like Europe, it is time for the Asia Pacific to move to a win-win model of international politics.

NOTES

5. Victor Cha’s public lecture on “The United States and Asia” at the American University Center for Asian Studies, February 13, 2013.
From Power Politics to Common Security: The Asia Pacific’s Roadmap to Peace

AKIHIKO KIMIJIMA

SUMMARY

The territorial dispute over the Senkaku/Diaoyu Islands between the Japanese and Chinese governments is a conflict between China, the United States, and Japan. The United States is making efforts to preserve its hegemony in the Western Pacific against China’s challenge by using Japan and other alliance partners in the Asia Pacific. The Senkaku/Diaoyu Islands clearly lie inside this battlefield. Despite the U.S.-Japan alliance, the U.S. position on this issue is strategically ambiguous. In order to avoid the use of force in this conflict, we need to think about long-term policies. Policy changes can be made from those seeking a balance of power and hegemony to policies aimed at a security community in the Asia Pacific. Institutions such as the ASEAN Regional Forum can be strengthened and a code of conduct in the East China Sea can be made while making efforts to build a collective identity at the same time.

Policy Implications and Recommendations:

- China, Japan, and the United States should reconfirm the commitment they made in 1972 that international disputes should be settled without resorting to the use or threat of force.

- Japan’s current defense posture—limited military involvement under the “peace constitution”—should be respected because it is a confidence-building measure and can function as a building block for a security community in the region.
The ASEAN Regional Forum should be strengthened as an institutional framework for building a security community in the Asia Pacific.

U.S.-China and U.S.-Japan security dialogues should be linked to trilateral dialogues, but they should not become a “concert of the Asia Pacific.”

The roles of non-state actors, such as non-governmental organizations, and state actors are important for building a security community.

Holding dialogues between Chinese and Japanese students and expanding them into trilateral dialogues with U.S. students are an effective step for an Asia-Pacific identity-building.

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THE TERRITORIAL DISPUTE OVER the Senkaku/Diaoyu Islands between the Japanese and Chinese governments has rapidly escalated to the level where there is some chance that hostilities might happen. This is a major security concern in the East China Sea and the Western Pacific. Policy proposals can be made to prevent hostilities and ensure longer-term security. Balance of power and hegemonic competition dominate the understanding of East Asian politics today. Yet policies must change from seeking a balance of power and hegemony to policies aimed at a security community in the region. A security community is a group of states where the norm of the non-use of force is shared and there is a mechanism for the peaceful settlement of disputes. Politics based on hegemonic competition and a balance of power is unsustainable since they bring insecurity and injustice. At the same time, developing a security community in the Asia-Pacific region is an extremely long-term goal. It may be something analogous to a Kantian “regulative idea,” which may not be completely realized, but it can continue to regulate government actions in a certain direction.

DEFENSE POSTURES OF THE UNITED STATES, CHINA, AND JAPAN

The Senkaku/Diaoyu Islands are located at the crossroads of Chinese, Japanese, and U.S. interests. Historically speaking, with the decline of Pax Sinica in the 19th century, Japan expanded its territory and annexed the Senkaku/Diaoyu Islands in 1895. China’s—both the Republic of China’s and the People’s Republic of China’s—explicit claims to territorial sovereignty over the islands came relatively late. They started in 1971. Because of Japan’s defeat by the Allied Powers in 1945, the United States had entered the region. The United States occupied Japan and South Korea. In addition to its military bases in the Philippines, Guam, and Hawaii, new U.S. military bases were established in Japan, South Korea, and other Pacific nations. Through these forward deployment bases, the United States has projected its power throughout the Pacific Ocean, which has become an “American Lake.” And through its projection of power, the United States established
its hegemony in this region. Traditionally, both the United States and Japan have been maritime powers. After World War II, the maritime power of the United States has been far superior to that of its rivals. The Senkaku/Diaoyu Islands, which Japan has recognized as part of Okinawa Prefecture since 1895, were administered by the U.S. military until the reversion of Okinawa in 1972. It should be noted, however, that two of the smaller islands (Kuba-jima/Kobi-Sho, Taisho-jima/Sekibi-Sho) are still under the control of the U.S. Department of Defense.

China, which used to be considered a continental power, is experiencing rapid economic growth and accordingly becoming more and more interested in maritime rights and interests in part for international trade purposes. China is becoming a maritime power, too. The Senkaku/Diaoyu Islands are on China’s so-called First Island Chain. They lie within China’s “core interests.” The United States regards the modernization of the Chinese armed forces, particularly its missile’s precision strike capabilities, and the Chinese Navy’s increased activities as challenges to U.S. control of the Western Pacific. The United States thinks that vast areas of the Western Pacific are within range of China’s missiles. The numerous U.S. bases in the region are vulnerable to Chinese missiles’ precision strikes and they will no longer be deterrents to China.

In response, the United States has developed an air-sea battle concept that mobilizes and integrates not only the U.S. Navy and the U.S. Air Force but also its allies such as Japan, South Korea, and Australia. The U.S.-Japan Security Treaty regime is the basis of Japan’s security policies, and Japan’s “defense cooperation” with the United States has been steadily strengthened. Japan’s 2010 National Defense Program Guideline has marked a fundamental shift from a “basic defense force” concept (“defensive defense”) to a “dynamic defense force” concept (“active, operational”), a parallel concept to an air-sea battle concept. A new stage of “defense cooperation” between the United States and Japan has been reached. In 2012, there was a joint drill of the U.S. Marines and Japan’s Ground Self-Defense Force for recapturing islands.

Under the U.S.-Japan Security Treaty, the United States has a commitment to defend Japan in the event of an armed attack against territories under the administration of Japan. The United States acknowledges the administration of Japan over the Senkaku/Diaoyu Islands but at the same time, the
United States takes no position on who has the ultimate sovereignty over the islands. This strategic ambiguity of the United States probably expresses its ambivalent attitude (competition and cooperation) toward China.

A SECURITY COMMUNITY

To avoid hostilities between China and Japan or between China and the U.S.-Japan alliance over the Senkaku/Diaoyu Islands is our urgent task. But tensions and confrontations between China and the U.S.-Japan alliance will recur. This article would like to address long-term policy proposals to overcome these tensions and confrontations. The overall argument of this article is to reduce the elements of the balance of power and hegemony and to seek policies aimed at building a security community in the Asia Pacific. A brief explanation of these concepts is in order as a basis for policy proposals.

In 1957, Karl Deutsch and his associates introduced the concept of a security community to explain the emerging cooperative arrangement in the North Atlantic region. This concept has long been ignored but it has recently been revived and re-energized by several scholars. While there are various understandings and differences of emphasis concerning the concept of a security community, three points are essential: 1) within a security community, the norm of the non-use of force is established, and there is no arms race and no preparations for war, 2) there are institutions and processes for the peaceful settlement of disputes, and 3) there is also a sense of collective identity. These three elements—institutions, norms, and identity—are often the focus of attention when we discuss security communities. Furthermore, the concept of a security community can be descriptive, analytical, and normative. To apply the descriptive function of the concept, for example, we seek to understand security situations in the light of the three elements of a security community as listed above. To serve its analytical function, we examine security situations and explore what is lacking in the region. To practice its prescriptive function, we propose policy options aimed at building a security community proactively.
HEGEMONY AND THE BALANCE OF POWER IN THE ASIA PACIFIC

There has been a subtle competition between the United States and China. The United States is making efforts to preserve its hegemony in the Western Pacific against China’s challenge by mobilizing and networking with its Asia-Pacific allies such as Japan, South Korea, Australia, Singapore, and the Philippines. The Senkaku/Diaoyu Islands dispute has occurred precisely in this context. While recognizing the magnitude of these regional challenges, China, Japan, and the United States should be reminded of the basic agreement they made in 1972 that none of them should seek hegemony in the Asia-Pacific region. The 1972 agreement also stipulates that each of the three countries must oppose efforts by any other country or group of countries to establish such hegemony and that they should settle all disputes by peaceful means and refrain from the use or threat of force. As the year 2012 marked the 40th anniversary of the normalization of China-U.S. and China-Japan relations, it is imperative that the three countries reaffirm this agreement. While the anti-hegemony clause originally sought to deter the potential threat posed by the Soviet Union, it is most appropriate that the United States, China, and Japan reconfirm their commitment to this principle now.

Japan’s current defense posture is different from that of the 1930s and the early 1940s, when Japan sought to establish the Greater East Asia Co-Prosperity Sphere. The dramatic change in Japan’s defense posture from aggression to pacifism in the post-war period should be reconfirmed as a positive move, and we should appreciate and respect Japan’s pacifism over the past 67 years and should not seek any reversion to past practice. These are indeed important building blocks for a security community in the Asia Pacific.

In recent years, Japan has been under constant pressure from the United States to lift its policy of self-restraint regarding the Self-Defense Force’s collective actions with the U.S. armed forces. But Japan’s Self-Defense Force’s deeper integration into U.S. military operations will aggravate the hegemonic competition between the United States and China. This direction contradicts the process of building a security community in the Asia Pacific. Rather, Japan should align the activities of the Self-Defense Force with U.N.-led multilateral peace operations. Also, the SDF’s contributions
to various emergency and disaster relief activities have been greatly appreciated. These activities will become building blocks for a security community in the region. In sum, what we need is post-hegemonic multilateralism in the Asia Pacific.

The escalation of the Senkaku/Diaoyu Islands dispute can be described as blowback that has resulted from the balancing act in which the United States has engaged through its offshore policy in the Western Pacific. As part of this U.S. balancing act, Japan has played an essential role of deterrence in response to China’s rise. As the Senkaku/Diaoyu Islands dispute intensified, the United States has been obliged to admit its commitment to Japan under the U.S.-Japan Security Treaty to “act to meet the common danger.” However, as mentioned above, it seems that the United States does not want to take sides on this issue. Thus the Senkaku/Diaoyu Islands dispute raises a question as to who will need to pay the high price for this U.S. balancing act.

Another argument concerning the balance of power is a recent statement by the Philippine’s top diplomat. Foreign minister Albert del Rosario said in December 2012 that he would very much welcome a rearmed Japan, stating that “we are looking for balancing factors in the region and Japan could be a significant balancing factor.”

Needless to say, he meant that a rearmed Japan could be a balancing factor against China. It must be clearly stated that this kind of thinking that promotes the balance of power will lead to an endless arms race and to an extremely dangerous situation that we cannot live with for long.

**BUILDING BLOCKS FOR A SECURITY COMMUNITY**

The building blocks for a security community in the Asia Pacific can be prepared through institutions, norms, and identity.

*Institutions*

To facilitate a long-term process of building an Asia-Pacific security community, we can think of the ASEAN Regional Forum (ARF), the East Asia
Summit (EAS), and the Asia-Pacific Economic Cooperation (APEC) as promising frameworks to build on. To make the best use of these frameworks to tackle security issues, a practical approach is to focus on the economic interdependence of the region as a common platform for cooperation. Economic interdependence can deter the use of force and has the potential to lead to a security community. The strong existing economic ties between China, Japan, and the United States will have a positive effect on the creation of a security community. As a forum for multilateral and bilateral talks between political leaders in the Asia Pacific, APEC has some contributions to make. Another forum for summit talks is the East Asia Summit (EAS). This organizational framework was established in 2005 with ASEAN plus six more countries (China, Japan, South Korea, Australia, New Zealand, and India) as its original members. Since 2011, it has included the United States and Russia. The East Asia Summit in 2012 has provided an occasion for talks on territorial disputes and a code of conduct for resolving conflicts in the South China Sea. The EAS, therefore, provides another channel for building a security community in the Asia Pacific.

Among the organizational frameworks mentioned above, the ASEAN Regional Forum (ARF) is probably most directly engaged in security dialogues in the Asia Pacific. ARF is arguably an Asia-Pacific equivalent of the Organization for Security and Co-operation in Europe (OSCE), an organization established in 1994 based on its predecessor, the Conference on Security and Co-operation in Europe (CSCE), which was established in 1973. This European security mechanism served as a comprehensive forum that brought together the Western and the Eastern blocs for confidence-building during the Cold War. It also played a vital role in overcoming military confrontations in Europe and ending the Cold War. Like the CSCE/OSCE, the ARF is a comprehensive forum of states that includes ASEAN members, China, Japan, North and South Korea, Russia, the European Union, and the United States. Compared to the CSCE/OSCE, however, the ARF is a looser, less formal, and less binding framework whose role is primarily consultative in nature. In this sense, the ARF falls short of replacing the existing frameworks of regional interaction defined by the balance of power. Instead the ARF’s current status is better characterized as an
agreed-upon framework in which its member states continuously pursue a balance of power yet gradually work toward a long-term vision of developing a security community. Regardless of the precise details as to how these regional frameworks evolve, the key is to remain steadfast in developing and strengthening these fora—the ARF, EAS, and APEC—as building blocks for a security community in the Asia Pacific.

Another area of institutional arrangements that merit attention is the need to integrate the high-level U.S.-China and U.S.-Japan security dialogues. The United States and China have held their Strategic and Economic Dialogues annually since 2009. Within this framework, they have Strategic Security Dialogues. In addition, the United States and China have been holding their Security Dialogues since 2003. On the other hand, the Foreign and Defense Ministers of the United States and Japan meet regularly—in fact almost yearly—at the U.S.-Japan Security Consultative Committee. This is an important part of the U.S.-Japan Security Treaty regime. Trilateral security dialogues between China, Japan, and the United States would help address important security issues such as the Senkaku/Diaoyu Islands dispute. Great care must be taken, however, not to make this trilateral framework a “concert of the Asia Pacific”—an order defined by the major powers. Such a regional concert, if formed, would become a hegemonic order by another name. These concerns over the possible rise of hegemonic influence present yet another reason why the regional institutions, such as the ARF and EAS, are important as possible foundations of an “egalitarian” security community. Furthermore, as illustrated by the experience of the CSCE/OSCE, the role of such non-state actors as non-governmental organizations is vital as active contributors to the state-led process of creating a security community.

**Norms**

True to the commitment they made in 1972, the United States, China, and Japan must reaffirm the basic norms of non-use of force, a peaceful settlement of disputes, and a resolve not to seek hegemony in the Asia-Pacific region. While the three parties have so far observed these norms in principle, they will need to be continuously reminded of the anti-hegemony principle.
As for norms, we recall the case of the South China Sea. In order to resolve territorial disputes in this region, ASEAN members and China signed the declaration on their conduct in the South China Sea in 2002. They declared to resolve their territorial disputes by peaceful means, without resorting to the threat or use of force, through friendly consultations and negotiations in accordance with international law. And they have been discussing the possibility of elevating the declaration to a more binding code of conduct. This experience of making norms in the South China Sea suggests that making a similar code of conduct in the East China Sea would be our long-term goal.

Identity

Finally, there is the task of regional identity-building in the Asia Pacific. Identity is an issue of who “we” are and who “they” are. A security community shares a sense of “we-ness.” Developing a sense of “we-ness” in the region is an enormous challenge. Such a historical process will take a very long time to evolve. In particular there are two stumbling blocks concerning identity, namely the gap in perception about history between the Chinese and the Japanese on the one hand, and the ideological difference between the United States and China on the other.

One of the reasons why the Senkaku/Diaoyu Islands dispute rapidly escalated to a dangerous level is the gap in perception between the Chinese and Japanese concerning the negative legacy of the Japanese Empire. Chinese people’s sense of insecurity comes from their experiences of national humiliation in the 19th and the 20th centuries (from the Opium Wars in 1839–1860, to the Sino-Japanese Wars in 1894–1895 and 1937–1945 and the nuclear threat by the United States in the 1950s). Partly because of the “patriotic” history education system in China, Chinese people have a sense that the Sino-Japanese War is not over despite the bilateral peace treaty of 1978 and that reconciliation with Japan has not yet been achieved. For them, Japan’s Self-Defense Force overlaps with Japan’s past militarism. This Chinese understanding of history contributed greatly to the violent public protests against Japan’s “nationalization” of the Senkaku/Diaoyu Islands in 2012.
Unfortunately, Japanese people do not understand these Chinese perceptions of history. This is the reason why Japanese people felt puzzled and thought that Chinese actions were irrational. These Japanese perceptions deepened their own sense of insecurity as they interpret the Chinese behavior as “irrational”, “assertive”, or even “aggressive”.

In many cases, people’s sense of insecurity is more imaginary than real. Some security experts exploit this public sentiment as an excuse to achieve their own interests in promoting militarization, instead of removing people’s imaginary sense of insecurity. Narrowing the gaps in perception between the Chinese and Japanese people is a necessary step towards building a security community in the region. To achieve this goal, there may be many approaches.

For example, holding dialogues between Chinese and Japanese students could certainly be a step in the right direction. Face-to-face discussions, an open exchange of ideas and opinions between Chinese and Japanese students help dispel many misunderstandings and uninformed perceptions of insecurity. Dialogues should be expanded into trilateral discussions between Chinese, Japanese and U.S. students. As a final step, a summit meeting between Chinese and Japanese political leaders and diplomatic talks between both governments are necessary to narrow gaps in perception and build stable relations. Civil society dialogues too may play a leading role in bilateral relationship-building. Student dialogues are particularly valuable in this context for they provide educational opportunities for the future leaders of both countries. These dialogues will undoubtedly contribute to a continuing process of regional identity-building.

The other important issue concerning identity is the ideological difference between the United States and China. When people discuss security communities, they tend to think that liberal democratic values are shared within a security community. However, ASEAN’s experience in institution-building cogently illustrates that community-building can proceed despite the absence of a common liberal democratic culture. Lessons learned from the CSCE/OSCE, which included both capitalist and socialist countries, are equally instructive for the future of the Asia Pacific. These historical precedents demonstrate that the United States
and China can become members of the same security community if they have the political will to do so. A long-term process of trans-regional identity-building is possible.

CONCLUSION

Firstly, China, Japan, and the United States should reconfirm the commitment they made in 1972, reassuring one another that they will never use force or the threat of force to settle international disputes and that none of them will seek hegemony in the Asia-Pacific region.

Secondly, the process of security community-building in the Asia Pacific through various channels and at various levels must be strengthened. It is undoubtedly a long-term challenge, but it will be well worth the effort. The common future of the Asia Pacific is at stake.

NOTES

2. Shanghai Communique of the United States and China (February 28, 1972) and Joint Communique of Japan and China (September 29, 1972).
Economics of the Territorial Disputes

JUNHUA WU

SUMMARY

Economic ties between China and Japan have traditionally played a crucial role in restoring peaceful bilateral relations. As for the recent tensions over the Diaoyu/Senkaku Islands, economics have instead escalated the tensions. With China’s recent economic growth and the integration of the Chinese and Japanese economies, the balance of power has shifted in favor of China. This shift is a significant cause of the current crisis. While a full-blown war is highly unlikely, the risk of accidental clashes remains. To prevent further escalation of the crisis over the Diaoyu/Senkaku Islands, it is vital to assess what gave rise to the current tensions. This paper explores this question from an economic standpoint and proposes three safeguards to prevent a worst-case scenario:

- China and Japan should return to the negotiating table, with a view toward shelving the territorial dispute for the time being.
- China and Japan should reestablish political trust to sustain mutual economic gains.
- The United States should act as a credible deterrent to prevent escalation.

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MILITARY SHADOWBOXING BETWEEN China and Japan continues in the East China Sea. While a full-blown war is highly unlikely, the risk of accidental clashes is hardly ruled out. The economic cost of ongoing tensions alone should be enough to be a reason to work toward regaining political trust.

SHIFT IN BALANCE OF ECONOMIC POWER

China’s surging economic growth has tilted the power balance between the two countries in China’s favor. Deepening economic integration between China and Japan has also allowed China to put more economic pressure on Japan.

Some may disagree with this assessment as China and Japan have maintained a so-called “cold politics and hot economics” relation until recently. It is true that whenever bilateral relations deteriorated over the past four decades, economic ties were key to restore stability between the two sides. For example, before China became an economic giant, both countries disputed over issues such as the content of Japanese history textbooks, the insensitivity of Japanese politicians visiting the Yasukuni Shrine, and even the sovereignty over the Diaoyu/Senkaku Islands. None of these disputes, however, had escalated to the height of the current crisis because previously, China could not afford to break its economic ties with Japan.

That pattern of bilateral interaction, however, is no longer applicable today. As it is growing into an economic powerhouse, China has become increasingly self-confident. The power shift toward China and away from Japan has also emboldened Beijing to take more decisive action against Tokyo and go as far as risking a possible military conflict with Japan over the islands in the East China Sea.

There is a divide in concerns about the economic impact of the dispute as well. Japan is concerned that the dispute would hurt its economic interests in China, as well as its domestic economy. China, on the other hand, is not deeply concerned about the effect of anti-Japanese sentiments on its economy.

Granted, some Chinese industry experts and scholars assert that anti-Japanese sentiments may lead to economic sanctions against Japan and
cause a decline in foreign investment and economic growth in China, many Chinese people believe that China is now capable of delivering a heavy blow to the Japanese economy without hurting itself excessively. Some of them even argue that the Japanese economy relies so heavily on China’s domestic market that China can leverage Japan. A People’s Daily comment on September 17, 2012 summarizes the mainstream Chinese view neatly: “Japan’s economy lacks immunity to the Chinese economic measures.”

In short, China now is experiencing a boost in self-confidence that is reinforcing its belief that the country has finally come of age as a leading global power. On December 29, 2012, for example, while visiting the exhibition of Road toward Rejuvenation at the National Museum in Beijing, Xi Jinping declared, “Today we are closer than ever to the goal of achieving the Chinese nation’s great rejuvenation and we are more confident than ever that we have what it takes to succeed.”

In the context of China’s identity politics, “the nation’s rejuvenation” means achieving two goals. One is the reemergence of China as a major power in the world. The other goal is the washing away of the nation’s disgrace imposed by Japan and Western countries over the past two hundred years. A Chinese proverb, “those who fall behind will be beaten,” illustrates what China learned from its humiliating modern history. Reaching those two goals symbolizes the restore of China’s past glory that was lost due to its weak international status.

The Chinese vision of national rejuvenation is closely linked to their aspiration to surpass Japan, economically and otherwise, because Japan’s relative superiority would symbolize the historical legacy of Chinese humiliation. This Chinese perspective partly explains why Beijing places significance on the Diaoyu/Senkaku issue and distinguishes this issue from other territorial disputes, such as the ones involving Vietnam, India, and the Philippines. To understand the special importance of the Diaoyu/Senkaku dispute, a deeper understanding of the Chinese psychology is essential.

Psychologically, Chinese people generally respect Japan as the first Asian nation that succeeded in modernization. Their respect of Japan, however, is compounded by their envy and hatred of Japan. These negative Chinese feelings toward Japan are derived in part from the historical understanding that Chinese and Japanese societies share the same cultural and racial roots,
and Japan inherited much of its civilization from China. The Chinese resentment against Japan deepens when they are reminded of not only Japan’s historical invasion of China, but also the Japanese reluctance to admit their past atrocities. Because of this complex feeling of love and hate, surpassing Japan has stood as an important landmark for many Chinese people in their quest for national rejuvenation. For these reasons, it has been highly predictable that Sino-Japanese relations would turn sour when the power balance shifts in China’s favor and empowers China to reclaim its relative superiority to Japan.

ECONOMIC INTEGRATION AS A DRIVER OF THE SHIFTING POWER BALANCE

There are also a number of key economic factors that have enabled China to make significant progress toward national rejuvenation.

As a result of its growing economic might, China has become the world’s largest foreign exchange reserves. As a result, Sino-Japanese economic relations have recently experienced dynamic structural changes. These changes have played a significant role in the power shift between China and Japan. Two factors are driving these changes.

The first is the impact of Japanese companies in China on Japan’s domestic economy. Over the past thirty years, Japanese companies have established a considerable number of subsidiaries in China. Over time, these Japanese subsidiaries have come to generate an increasingly larger share of profits that return to their mother companies in Japan.

Economic data on China and Japan supports this observation. According to the date released on January 23, 2013 by the Chinese Ministry of Commerce, the total amount of Japanese companies’ investments in China was $7.4 billion in 2012, an 18 percent increase from the previous year. This increase is significant for it occurred in the midst of a 3.7 percent decrease in the total value of foreign investments in China. It must also be noted that this rise in Japanese investments in China happened in the year in which anti-Japanese protests spread across the country and posed a significant challenge to Japanese businesses in China.
Another important source of information that sheds light on the changing role of Japanese subsidiaries in China is the Basic Survey of Overseas Business Activities released by the Japanese Ministry of Economic, Trade, and Industry in May 2012. The survey shows that the total profit of Chinese-based subsidiaries of Japanese companies was 1.9 trillion Japanese yen, or approximately $20 billion, in 2010. Although this figure represents only five percent of the total profit that Japanese companies earned from all of their domestic and overseas operations in 2010, the financial impact of their business inside China was significant. For instance, the proportion of the profit generated in 2010 by the Chinese-based subsidiaries of Japanese

Note: the share to total exports from China to Japan
companies in the transportation equipment industry, which is a prominent economic player in Japan, was as much as 35.3 percent of the entire profit earned by the Japanese industry of that category.

The second factor that contributed to the shift in China-Japan economic relations is the structural change in their bilateral trade. For many years, Sino-Japanese bilateral trade followed the theoretically predicted pattern of comparative advantage. This pattern was characterized by a particular way of bilateral interactions in which China exported labor and resource-intensive products to Japan, and Japan in turn exported capital-intensive goods to China.

This pattern has changed in recent years. As shown in the chart on the opposite page, the top five Chinese exports to Japan in 1995 were either labor-intensive products or natural resources. In 2011, however, four out of the five leading exports were manufactured goods, such as computers, communication equipment, audio-visual equipment, and metal products. In addition, since the design, quality, and prices of Chinese garments exported to Japan have significantly improved over the years, Chinese exports as a whole have become more value-added. These changes indicate that the rapid economic development during the past three decades has not only increased China’s productivity, but also enhanced its competitiveness in manufacturing. In short, economic development has elevated China’s status in the global supply chain.

Caution is needed, however, to avoid inflating the value of China’s economic competitiveness because foreign companies produce more than half of Chinese exports. Still, the psychological impact of these economic achievements is significant for they deepen Chinese self-confidence and nationalism. Thus, in the territorial dispute with Japan, this rise of Chinese nationalism has contributed significantly to its escalation.

**THREE IMMEDIATE SAFEGUARDS**

China and Japan must steer their relationship away from the current predicament. Three immediate safeguards must be introduced to prevent a worst-case scenario and improve Sino-Japanese relations.
First, both China and Japan should rein in hysterical nationalism and return to the negotiation table. Finding ways to shelve the disputes over the sovereignty of the Diaoyu/Senkaku Islands through dialogue would be the most realistic beginning.

Second, the two sides must rebuild mutual trust. China and Japan are the world’s second- and third-largest economies, respectively. As China’s long-standing trade deficit with Japan shows, the two economies are still complementary in many areas. Despite the rising tensions over political and security relations, there is still room for greater economic cooperation. Neither country wants to see the disruption of normal economic activities. The two sides must clearly understand that rebuilding political trust is indispensable as a basis for sustainable economic relations.

Finally, it is essential for a third party to bolster deterrence because, at least for now, it seems impossible that China and Japan can build sufficient mutual trust on their own. Under the current circumstances, the United States is the only country capable of preventing escalation in the East China Sea. To do so, the United States must reassure China that it has no intention of containing China’s rise as a world power. The United States must also communicate with China that the main purpose of its policy toward China is to ensure that China’s rise is peaceful and responsible. The United States will also need to ease Japan’s sense of insecurity from China’s rise and persuade Japanese leaders to refrain from excessive, nationalistic behavior.

In the coming decades, China’s rise will be a major topic for the international community. In this context, we must ask: how can China and the rest of the world work together peacefully and productively for the benefit of all countries? It is our hope that the outcome of the current crisis will provide a positive lesson for the future.
Putting the Senkaku Dispute Back into Pandora’s Box: Toward A “2013 Consensus”¹

AKIO TAKAHARA

SUMMARY

Japan and China must never use force to settle their conflict over the Senkaku/Diaoyu Islands. China’s rise and its swift recovery from the world financial crisis enhanced its self-confidence and directed it to take more assertive positions internationally. In December 2008, China sent two patrol boats to the East China Sea, crossing the maritime boundary to challenge Japan’s effective control for the first time and loitering around the Senkaku/Diaoyu Islands for nine hours. The incident signaled a decisive departure from Deng Xiaoping’s commitment that China would not touch upon the Senkaku/Diaoyu issue. On the other hand, the Chinese see this issue in the context of the U.S. rebalancing to Asia and a deepening U.S.-Japan alliance aimed at containing China. China’s victim mentality stems partly from their lack of self-confidence in the state of their social development. To overcome these challenges, the two countries must put the insoluble sovereignty issue back into Pandora’s box. Concrete measures they can adopt include the following:

- Japan and China must aim to reinforce the resilient aspects of their bilateral relations and reduce the fragility in it. To this end, China must call off its retaliatory measures in economic and cultural realms.

- The two sides should build a “2013 Consensus” and agree to disagree on the positions they take on the sovereignty of the islands.
China must not violate the 1978 Peace and Friendship Treaty between the two countries and stop trying to change the status quo by sending patrol boats. Japan, on its part, should maintain the situation that has existed since 1972.

The two sides must develop guidelines for the activities of their government and civilian vessels, and institutionalize crisis management and marine resource development.

Japan, China, and the United States must establish a mechanism of security dialogue.

Japan and China should promote confidence-building based on the experience that they have already gained in non-traditional security cooperation.

The two societies must facilitate mutual understanding and reduce public misperceptions by promoting people-to-people exchange. They should widely publicize, for example, the courageous step that Prime Minister Wen Jiaobao took in April 2007 to openly accept the Japanese apology for reconciliation.

Japan should actively support the Chinese effort to pursue balanced development.

Japan and China should jointly establish an East Asian Fund for Strategic Partnership for human security in East Asia.

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THERE IS NO EASY ANSWER to end the dispute over the Senkaku islands. But while some may see war as the only solution, force cannot be part of any answer to the conflict between Japan and China. The two sides must never let the momentum of their dispute jeopardize and override the larger context of the bilateral relations.

It is important to recognize that crises present opportunities for change. The ongoing crisis in the East China Sea offers such an opportunity because it compels both Japan and China to remain attentive to every move they make. These circumstances create a context in which the two sides can choose to construct a mutually acceptable framework of common practice in the East China Sea. The two sides can take concrete steps to build a so-called “2013 Consensus,” which can be the first step toward making the East China Sea a symbol of peace, cooperation, and friendship. But an understanding of why bilateral relations have reached such crisis levels is necessary before moving forward.

CHANGE IN CHINA’S APPROACH TO INTERNATIONAL RELATIONS

What made the recent chain of events different from similar incidents in the past? The two countries would have celebrated 2012 together as the year marked the fortieth anniversary of normalizing Japan-China diplomatic relations. But the atmosphere on both sides towards the planned celebrations was lukewarm to begin with.

The immediate trigger of the dramatic escalation of the dispute was the controversial announcement of then Tokyo governor Shintaro Ishihara in April 2012 that the Tokyo metropolitan government would purchase the islands. Ishihara’s announcement was followed by the Japanese government’s actual purchase in September of that year. More fundamentally, however, the escalation of the confrontation reflected a recent shift in the orientation of Chinese foreign policy.

While the Lehman shock and the subsequent financial crisis engulfed much of the world economy in 2008, China came out stronger, and even faster than expected, while the U.S. economy continuously...
struggled. This experience led China to gain greater self-confidence in playing the role of a next leading power on the global stage. China’s growing self-confidence directed it to take more assertive positions in international relations.

A more confident China first increased its naval activities in the South China Sea, causing a stir among the Southeast Asian countries. China also made its stride into the East China Sea. In 2006, for example, the Chinese Marine Surveillance of the State Oceanic Bureau had introduced a regulation for regular patrol in the area. In December 2008, they sent two patrol vessels which crossed the maritime boundary to challenge Japan’s effective control for the first time and loitered around the Senkaku islands for nine hours. This shocked the Japanese as it indicated a clear shift in China’s policy, acting in direct opposition to Deng Xiaoping’s commitment that China would not touch upon the Senkaku issue.

As the United States gradually withdrew its troops from Iraq and Afghanistan, it was called by the Southeast Asian nations to increase its presence in the region to cope with China’s active advancement into the South China Sea. Consistent with the shift in its strategic priorities to the Asia Pacific, the United States strengthened its ties to the Southeast Asian nations. China saw this growing U.S.-Southeast Asian alliance as an act of encircling and containing China.

Why does China act as though it was the victim of foreign subjugation? The Chinese sense of victimhood is derived in part from the lack of self-confidence in its development. In this context, it must be noted that the economic policies that China adopted to recover from the domestic impact of the global economic crisis generated such serious side effects as a further increase in economic inequity and corruption. Apart from these socio-economic factors, the Chinese self-image of victimhood also stems from the well-established system of public education and socialization that continuously reproduces and reinforces historical memories of foreign invasions and Chinese humiliation.

It is in this social context that Chinese fishermen’s boat rammed into two Japanese Coast Guard vessels in September 2010. The perceptions of this incident in the two countries were widely different. China interpreted this incident as the Japanese Coast Guard’s deliberate provocation of the
Chinese boat that led to the collision. Victim mentality was at work, as the Chinese saw that the U.S.-led strategic shift emboldened Japan to take provocative acts against China.²

Despite uncertainties surrounding the real Chinese motivation for its decisive response to the incident in 2012, it became clear by mid-September that the Chinese leadership made up its mind to use a “power-based approach” to change the status-quo. This Chinese decision has the potential to jeopardize the broader context of China-Japan relations and affect the South China Sea.

PUT THE SOVEREIGNTY ISSUE BACK INTO PANDORA’S BOX

Then what can Japan and China do about this crisis? The only way forward is to put the insoluble sovereignty issue back into Pandora’s box. This line of thinking, however, should be distinguished from the barren argument over the shelving of the dispute, which the Chinese government interprets as the position on which both sides agreed in the 1970s. Instead, what the Chinese and Japanese governments can do is to set aside the unanswerable question of sovereignty and focus more on aspects of their bilateral relations on which they can start building consensus.

One way of forming such consensus is to build on lessons learned from the series of critical incidents that have occurred since 2010. One of the major lessons that merit attention is the vulnerability in China-Japan security relations, exemplified in the current crisis over the Senkaku Islands. This vulnerability stands in sharp contrast to the strength in the bilateral cultural and economic ties, which the daily exchange of ten thousand visitors across the two societies cogently illustrates. Looking ahead, China and Japan must build on this existing strength in cultural and economic relations on the one hand and overcome the vulnerability in security and sovereignty issues on the other. For this purpose, China must immediately call off the retaliatory measures it is taking in cultural and economic realms.
TOWARD A “2013 CONSENSUS”

The consensus under consideration aims to serve as a basis on which Japan and China can establish rules that govern their conduct in the East China Sea and strive jointly for a broader scope of long-term relationship-building. The consensus consists of both short-term and mid-to long-term objectives.

SHORT-TERM OBJECTIVES

Refrain from pursuing the sovereignty issue

Both Japan and China claim that the Senkaku Islands constitute an integral part of their national territories. It is self-evident that one side can never accept the other side’s territorial claim when the two claims are mutually exclusive. However, both countries can acknowledge that their positions are different from one another. In other words, the two sides can agree to disagree on the positions they take. (See Tatsushi Arai’s article in this volume for more discussion on contested claims on sovereignty.)

Never use force to change the status quo

Article 1 (2) of the 1978 Treaty of Peace and Friendship between Japan and the People’s Republic of China stipulates that the two countries “shall in their mutual relations settle all disputes by peaceful means and shall not resort to the use or threat of force.” In light of this binding agreement, China must stop sending patrol vessels to the maritime space around the Senkaku Islands because such forceful acts violate the agreement. To reciprocate the proposed Chinese gestures of self-restraint, Japan must continuously refrain from any action that alters the current condition of the islands maintained since 1972. Despite its continuous, effective control over the Senkaku islands, Japan has chosen not to build settlements, station civil servants, or construct a harbor, for the sake of developing Japan-China relations. Japan should continuously exercise self-restraint on these matters on condition that the Chinese stop their vessels and their attempt to forcefully change the status quo.
MID-TO LONG-TERM OBJECTIVES

Develop guidelines for the activities of government and civilian vessels and build a mechanism of crisis management.

China and Japan will need to establish guidelines that public and private vessels must follow in the East China Sea. They must also establish a mechanism of crisis management that facilitates effective communication and problem-solving in the event of accidents and security incidents.

Facilitate joint initiatives for marine resource development.

The two sides should make the best use of their 2008 Japan-China Agreement on Cooperation for the Development of Resources in the East China Sea and start developing oil and gas fields in the area. It is also important for China and Japan to work with Taiwan and Korea to establish guidelines for the use of fishery in the East China Sea.

Establish a mechanism of security dialogue between Japan, China, and the United States.

Currently there is no way to stop China's continuous rise as a military power. The United States and its Asia-Pacific allies would be foolish to embark on an arms race. They must find a way to coexist comfortably with a rising China that will continuously expand its military capabilities. Ultimately, the surest way to reduce the existing risk of military confrontation in the region is for all countries to build sufficient mutual trust that will reassure them of each other's commitment not to use force.

In this process of confidence-building, Japan should join and promote the effort in bringing China and the United States closer to each other. Accepting the rising regional insecurity as a common challenge, the three sides will need to establish a mechanism of security dialogue. This proposal builds on the momentum of diplomatic interactions that their foreign ministries already built in July 2009 in an effort to hold a division-level meeting in Washington. (The meeting, however, was later postponed and never realized.)

Furthermore, Japan and China can expand the exercise of confidence-building based on the experience they have already gained in non-traditional security cooperation. For example, the Japanese Maritime Self-Defense Forces
(JMSDF) and the People’s Liberation Army Navy have worked together in the past to protect the two nations’ commercial ships from piracy off the coast of Somalia. It is worth noting that JMSDF has rendered protection to Chinese ships more often than the ships of any other nationality. Continuation of steady efforts of this nature is essential.

In the long run, China, Japan, and other stakeholders in East Asian security will need to develop a multi-lateral mechanism of dialogue based on the Six-Party Talks for the denuclearization of the Korean Peninsula. The current crisis in the East China Sea is a reminder that China and Japan, as the world’s second and third largest economies, respectively, bear a special responsibility to the world in building a stable bilateral relationship.

EXPANDING STRENGTHS AND OVERCOMING WEAKNESSES IN JAPAN-CHINA RELATIONS

The present crisis in the East China Sea demonstrates that the most vulnerable aspects of Japan-China relations include security and territorial issues and the question of history. Underlying these areas of vulnerability is the lack of common understanding of these issues between the two societies.

For example, the Chinese university students with whom I had dialogue about the Senkaku issue were surprised to learn that the previous owner of the islands was a private Japanese citizen. These students had assumed that Japan abruptly nationalized some uninhabited Chinese islets and infringed on their sovereignty. Likewise, many Japanese people do not understand how the reports in the Chinese media have shaped people’s perceptions about the Senkaku issue. To reduce public misperceptions and facilitate mutual understanding between the two societies, people-to-people exchange is essential. Exchange programs such as the Japan-East Asia Network of Exchange for Students and Youths (JENESYS) Program⁴—a multi-year, multi-national initiative introduced in 2007 under Prime Minister Shinzo Abe’s leadership—must be sustained and expanded.

On the question of history, the two countries hold different historical views on the Senkaku issue. On the historical meaning of the Sino-Japanese
war, however, the official views of the two sides do not differ significantly. Japanese government leaders have unequivocally stated on several occasions that it was a war of Japanese aggression, for which they have repeatedly apologized. This is exemplified by Prime Minister Tomiichi Murayama’s official apology (Murayama Danwa) in 1995, and Prime Minister Junichiro Koizumi’s official apologies in 2005.

The Chinese leadership has acknowledged and appreciated these Japanese statements. For example, when Prime Minister Wen Jiabao visited Japan in April 2007 and addressed the Japanese Diet, he remarked:

_The Japanese Government and leaders have on many occasions stated their position on the historical issue, admitted that Japan had committed aggression and expressed deep remorse and apology to the victimized countries. The Chinese Government and people appreciate the position you have taken._

To promote historical reconciliation, it is not enough for the aggressor to apologize sincerely, but the victim needs to accept the apology. The courageous step that Prime Minister Wen took to accept the Japanese apology should be known widely by the people in China and Japan. Japanese leaders in local governments and other public institutions must refrain from making provocative, disrespectful statements against China, for such statements not only contradict the spirit of much-needed reconciliation but also harm Japan’s credibility on the global stage.

In addition to the unresolved question of historical reconciliation, the challenge of economic inequity and the resulting social instability in China contributed to the anti-Japanese demonstrations in September 2012. It would be hard to deny that, one aspect of the tacitly approved demonstrations was that the Chinese government fanned anti-Japanese sentiments and then opened the safety valve to release the social pressure. To assist in the Chinese effort to pursue balanced development and to establish a harmonious society, Japan should play an active role as a partner. Japan has a wealth of knowledge and skills that potentially benefit Chinese society in transition, given Japan’s post-war experience in rapid economic development. The Japanese experience in social welfare,
environment, and civil society building will be of particular interest to the future of Chinese development.

One way of expanding regional cooperation for development is to establish an “East Asian Fund for Strategic Partnership,” for which Japan, China, and Korea can provide resources to advance a shared vision of human security. Mutual support for disaster relief will be an important area of trilateral collaboration. The proposed fund will enable the three nations to build a shared experience of working together and to foster a sense of togetherness among them.

WHAT CAN CITIZENS DO?

The future of China-Japan relations depends on what ordinary citizens do, as much as on what our political leaders do. What is most important as citizens is to oppose any use of violence and physical force. With this awareness, Chinese citizens will need to form a more informed, balanced judgment about Japan based on a broader range of alternative sources. They must not be misled by excessive government propaganda, and must liberate themselves from the modern value of “fumin qiangguo” (enriching the people and strengthening the country) that drives the Chinese nation to seek wealth and military might as its supreme goal. On the Japanese front, it is important for the public to acquire greater media literacy not to be misled by such media coverage that amplifies the most violent moments in the anti-Japanese protests in China.

To build China-Japan friendship in the long run, children’s voices offer an inspiration. An editor of the peace education section in Japanese daily Asahi Shimbun’s children’s edition asked elementary school children a question: “What can we do to promote Japan-China friendship?” One six-grade boy responded, “On the Senkaku issue, we should have a dialogue to build mutual understanding and put ourselves in the other side’s shoes, instead of simply repeating that the Senkaku Islands belong to us.” A fourth-grade girl answered, “I will be a good friend of two Chinese students in my class and protect them so that they will not become a target of bullying.”

Safeguarding the future generation is a responsibility for all. At the same time, there is much to learn from the voice of youth.
NOTES

1. This article is an abridged version of the author’s essay that appeared in the December 2012 issue of the Japanese journal Sekai [World]. Tetsushi Ogata and Tatsushi Arai at George Mason University translated the article into English for the author’s review and approval.


Transforming the Territorial Dispute in the East China Sea: A Systems Approach

TATSUSHI ARAI

SUMMARY

The territorial dispute in the East China Sea reflects the entanglement of relationships between the United States, China, and Japan. The unique history of Taiwan and Okinawa adds to the complexity of these relationships. To prevent the present security crisis from degenerating into a large-scale military conflict, a systematic understanding and transformation of these interconnected relationships is essential. As an initial step toward transforming the underlying conflict, the following steps can be taken:

- Create a transitional framework for “freezing” the conflict, which will enable China and Japan to agree to disagree, either explicitly or tacitly, on their mutually exclusive claims over the Senkaku/Diaoyu Islands.

- Be creative in transcending the two sides’ axiomatic commitment to the mutually exclusive nature of territorial sovereignty, drawing on international precedents.

- Explore both unilateral and bilateral gestures of conciliation between China and Japan, including the use of a hotline, voluntary restraint on security deployment, and joint peacekeeping.
Launch a U.S.-China-Japan dialogue for conflict resolution in the East China Sea, with input from Taiwan and Okinawa.

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INTRODUCTION

The conflict over the East China Sea has deep historical roots in China-Japan relations. Recent incidents, such as the collision of the Chinese and Japanese vessels off the coast of the Senkaku/Diaoyu Islands in September 2010 and Japanese Prime Minister Yoshihiko Noda’s announcement in July 2012 on his administration’s plan to purchase the islands, dramatically deepened the long-standing mistrust between the two sides.

Crises like these drive the societies on both sides to focus sharply on the rising threats. The acute crises also reduce human perceptions and relationships into an oversimplified image of “us” vs. “them,” good vs. evil. The current crisis in the East China Sea has generated these effects of oversimplification and stereotyping. Costs of further escalation, up to military confrontation, are too devastating to contemplate. Despite the security, economic, and psychological obstacles that stand in the way of diffusing the tension between Japan and China, the two sides have no convincing alternative to changing the unsustainable status quo in order to avert armed conflict.

What kind of thinking, then, would suggest a promising starting point for envisioning such a decisive departure that still takes the historical roots of the rising tension seriously? Einstein’s insight that one can never solve the problem with the same mindset that created it is instructive in this context. To answer this question, we need a different way of understanding the roots of the territorial dispute in the East China Sea, for such an alternative perspective will provide an alternative basis of resolution.

The basic framework of analysis that will guide our inquiry is systems thinking. When applied to the analysis of social conflict, systems thinking views conflict as a holistic social system. It explores the interconnected nature of conflict parties, their needs and goals at stake, and their relationships in a social context in which they evolve. It encourages a broader view of social space for relationship-building. Broadening our conception of social space suggests thinking holistically about who the parties are in that social space. Systems thinking thus requires paying attention to parties that remain invisible.

Systems thinking can be applied to analyze the conflict over the East China Sea. The analysis will offer policy recommendations to reach a
resolution in conflict. How can mutually exclusive claims over the disputed territory be transformed and how can regional security in the midst of heightened mutual distrust be enhanced based on the systems analysis?

**A SYSTEMS ANALYSIS OF THE CONFLICT OVER THE EAST CHINA SEA**

A systems analysis suggests that social conflict consists of an interrelated set of relationships between parties. In social conflict, these relationships are contradictory in nature, for conflict by definition is a contradiction between multiple parties, each seeking a different set of goals whose attainment is obstructed by their adversaries’ goal-seeking behavior. With this perspective in mind, we postulate six sets of relationships that define the conflict over the East China Sea:

1. **U.S.-China relations** over the interconnected nature of these two countries’ deepening economic interdependence, on the one hand, and their security needs over the Taiwan Strait, the Korean Peninsula, the South China Sea, and the broader regional context of the Asia Pacific, on the other.

2. **China-Japan relations** over the interconnected nature of historical reconciliation, maritime security, and deepening socioeconomic ties.

3. **U.S.-Japan relations** over the future of the bilateral security alliance in general and the nature of U.S. military deployment in Okinawa in particular, in the face of the two countries’ shared security concerns over the Korean Peninsula and the Taiwan Strait, and the rise of China’s military capabilities.

4. **Relationships between the Japanese mainland and Okinawa** over the future status of U.S. military bases in Okinawa, as well as the disproportionate burden that Okinawa has historically shouldered for the maintenance of the U.S.-Japan security alliance.
5. **Relationships between Mainland China and Taiwan** over the inherent contradiction between both sides’ shared interest in cross-Strait détente, on the one hand, and the volatility of cross-Strait relations exacerbated by the U.S. strategic support of Taiwan, on the other.

6. **Relationship between these relationships** in the Asia-Pacific context and in the global context, including the conflict parties’ interactions with the Association for Southeast Asian Nations (ASEAN), North and South Koreas, and Russia.
This list of six relationships implies that there are four primary parties whose ongoing interactions shape and reshape the basic structure of the conflict—the United States, China, Taiwan, and Japan. While Mainland China continues to refute Taiwan as a self-standing political entity, Taiwan’s political capacity to seek its own goals in relation to the disputed islands justifies being a conflict party, at least for the methodological purpose of this conflict analysis. Likewise, Okinawa is considered a party to the Senkaku/Diaoyu dispute because of its distinct historical experience, which includes Japan’s annexation of Okinawa in the 1870s and the U.S. occupation of the prefecture in 1945–72. Unlike the other four conflict parties, however, Okinawa is more of a long-neglected victim and the unacknowledged “theater” of the conflict than a self-standing actor in this international crisis.

Importantly, the sixth relationship, namely, the relationship between the five bilateral relationships, is the focus of a much-needed process of long-term structural change that will prevent the recurrence of the crisis in the East China Sea. Conceptually, this meta-relationship represents what the top Japanese and Chinese leaders often refer to as a broad contextual understanding of the issue (大局, or “Taikyoku” in Japanese and “Daju” in Chinese).

This discussion will, however, focus on Japan-China relations, the immediate context of the unfolding crisis, as we explore ways to transform the underlying conflict. At the same time, attention will be paid to the broader regional and global context in which China-Japan relations unfolds.

**APPROACHES TO CONFLICT RESOLUTION (1): TRANSFORMING THE MUTUALLY EXCLUSIVE NATURE OF THE TERRITORIAL CLAIMS**

In the context of the present crisis, there is a seemingly insurmountable obstacle that Tokyo and Beijing need to overcome immediately, as a prerequisite to the rest of the steps to be explored. This prerequisite concerns how to reconcile the Japanese government’s denial of the very existence of a territorial dispute with the Chinese exclusive claim over the territory. This dilemma came to surface most conspicuously in the summer of 2012, when
the Chinese protests spread exponentially in response to Prime Minister Noda’s plan to purchase the islands. The Chinese protests were driven in part by the widespread concern that Noda’s announcement demonstrated Japan’s unilateral action to suddenly renege on what China saw as the bilateral consensus established in the 1970s to shelve the territorial dispute.

Underlying the dispute are the three disagreements between the two sides:

- Disagreement over the ownership of the Diaoyu/Senkaku Islands and the adjacent maritime space: This disagreement reflects the mutually exclusive nature of the two sides’ claims over what each side sees as its sovereign territory.

- Disagreement over whether the two sides agreed to shelve the territorial dispute in the 1970s, either explicitly or tacitly, in the course of the normalization of China-Japan relations: The Chinese leaders interpreted the Noda administration’s 2012 decision as Japan’s violation of the bilateral consensus. The Chinese side also understood the decision to mean Japan’s unilateral declaration not to negotiate with China on this territorial issue anymore.

- Disagreement over the use of the territory and the resources available in the territory: While the question of use is closely tied to ownership, the existing bilateral agreements on fishery and natural resource development demonstrate that China and Japan have already established the common practice of separating ownership from use, at least for the transitional period of time in which the question of ownership remains unresolved in a mutually satisfactory manner.

The first two disagreements, on ownership and shelving, are the stated reasons why the Chinese government strongly protested against Japan, especially in 2012. As the security crisis deepened, the second disagreement concerning the use of the territory and resources became less conspicuous. The disagreement over use, however, remains unmistakably present as a subtext of the first disagreement over ownership.
As the conflict escalated, the three disagreements became increasingly entangled and indistinguishable from one another. What complicated the matter was that all these social dynamics evolved in a highly fluid context of the bilateral, regional, and global relationships outlined earlier. The interconnected nature of the three disagreements is summarized in the following diagram:

To de-escalate the tension, we propose that China and Japan prioritize the more manageable question of use over the seemingly irresolvable differences over ownership and the historical consensus on shelving. If the two sides can find mutually acceptable and sustainable ways in which they can facilitate a gradual shift in priority without explicit consent, such a low-key approach is preferable for political expedience. The political ambiguity that Mainland China and Taiwan have intentionally tolerated since 2008, in favor of cross-Strait détente through deepening economic and cultural ties, presents one formula for Shino-Japan confidence-building in the East China Sea.

If, however, such a tacit process of gradual de-escalation proves unsustainable and impractical, we propose that the senior officials on both sides make a commitment to withstand domestic opposition and negotiate a memorandum of mutual understanding that explicitly acknowledges that the two sides agree to disagree. In this memorandum, neither side needs to accept the other side’s stated position as final and legitimate. The “1992 Consensus” across the Taiwan Strait, which amounted to a de facto agreement between Mainland China and Taiwan on their mutual acceptance of One China, suggests a transitional framework of crisis de-escalation that the proposed memorandum may choose to emulate. A possible content of the memorandum consists of the following three points:

1. The Japanese government affirms its belief in the Japanese sovereignty over the Senkaku/Diaoyu Islands. It also acknowledges the Chinese government’s belief in its sovereignty over these islands.

2. The Chinese government affirms its belief in its sovereignty over the Senkaku/Diaoyu Islands. It also acknowledges the Japanese government’s belief in its sovereignty over these islands.
3. While the two sides recognize the difference in their views on the ownership of the Senkaku/Diaoyu Islands, they affirm their shared commitment to work together toward a mutually acceptable resolution of their difference by peaceful means.

It must be stated clearly that this memorandum does not require a revision to the official Japanese view that there exists no territorial dispute over these islands. The first two points merely acknowledge that the Japanese side has heard and understood the Chinese position clearly. In return, the Chinese government should be able to recognize the same effect of this memorandum in relation to its own constituents. The United States government must publicly support this memorandum and place equal value on both the Chinese and Japanese effort to carry out dialogue based on this premise.

As the high-level officials carry out dialogue on the contested territorial claims based on this memorandum, we suggest that both sides make an earnest effort to transcend their axiomatic commitment to exclusive territorial sovereignty, a concept that these two Asian nations inherited from the Western experience of modernization and state-making in the nineteenth century. As mentioned earlier, they must intentionally shift their focus of attention from exclusive ownership to a shared use of the space and resources. Historical precedent in the creative reframing of contested sovereignty claims, in such contexts as the Swedish-Finnish conflict over the Aland Islands after the First World War (unpacking multiple functions of territorial sovereignty) and the Peru-Ecuador border dispute in the late 1990s (combining a transitional “border zone” with a border-line), may be instructive. In the long run, the two sides will need to make their mutually exclusive claims over the Senkaku/Diaoyu Islands as unimportant as possible so that the future generations of both nations will come to view this dispute as politically insignificant, as illustrated by the distant Swedish and Finnish memory of their historical dispute over the Aland Islands.
APPROACHES TO CONFLICT RESOLUTION (2): TRANSITIONAL SECURITY ARRANGEMENTS

To apply the proposed conceptual shift to practice, both the Chinese and Japanese governments must take concrete steps to de-escalate tension and develop a framework of regional security that enables both sides to use the maritime space and resources cooperatively. As we call for China-Japan summits and ministerial meetings to tackle this issue, we propose that the two sides jointly explore such security measures as:

- Consistent use of a China-Japan hotline for crisis management at the highest level of leadership on both sides, with a shared commitment to preventing accidents and security incidents from escalating into military conflicts.

- A voluntary commitment to refrain from sending government ships and aircraft and conducting military exercises in designated areas around the Diaoyu/Senkaku Islands, with a view toward making it a reciprocal commitment.

- Joint Chinese-Japanese patrols and peacekeeping exercises in designated areas around the Senkaku/Diaoyu Islands, drawing on a similar experience of cooperation that the two sides have accumulated through their anti-piracy operations off the coast of Somalia.

APPROACHES TO CONFLICT RESOLUTION (3): CHINA-JAPAN-U.S. SECURITY DIALOGUE WITH TAIWANESE AND OKINAWA PARTICIPATION

To complement the bilateral measures outlined above, a sustained multilateral dialogue for a joint conflict analysis and resolution among high-level representatives of China, Japan, and the United States is needed. The dialogue must adopt an in-depth, systemic view of the underlying causes of the
mistrust and insecurity in the East China Sea. This trilateral dialogue will benefit significantly from Taiwanese and Okinawa participants who will introduce alternative perspectives on the conflict, as well as unexplored possibilities of both the ownership and the use of the disputed maritime space. International observers from ASEAN and Korea may be invited whenever appropriate for regional confidence-building.

The trilateral dialogue should explore ways in which China, Japan, and the United States demilitarize the Senkaku/Diaoyu Islands and their adjacent maritime space, with Okinawa and Taiwanese communities’ active participation. The demilitarized zone established in the Aland archipelago between Sweden and Finland, which withstood the turbulent history of the Second World War and the Cold War, suggests a potentially useful model to build on. Successful implementation of the proposed demilitarized zone will provide a basis for its application to a broader geographic area of the East China Sea, including the Taiwan Strait and the Okinawa islands.

While details of the proposed measures must be rigorously debated and continuously modified, the underlying rationale of these measures will remain relevant—to transform the structural basis of the conflict by rechanneling its energy to create a new way of relationship-building. The past decades of growing partnership that France and Germany—two of the worst former enemies—have built as co-leaders of European reconciliation and integration suggest the unfulfilled potential of what visionary leadership and political commitment can achieve in the Asia Pacific.

NOTES

1. This proposal is consistent with majority views in both China and Japan. According to a joint Japanese-Chinese opinion poll conducted in April and May, 2012, 63 percent of the Japanese respondents and 59 percent of the Chinese respondents accept that there exists a territorial issue between the two countries. See p. 31 of the Genron NPO report (in Japanese) at: http://www.genron-npo.net/pdf/forum2012.pdf

The Diaoyu/Senkaku Dispute as an Identity-Based Conflict: Toward Sino-Japan Reconciliation

TATSUSHI ARAI AND ZHENG WANG

SUMMARY

Security in East Asia is at risk as a result of the territorial dispute over the Diaoyu/Senkaku Islands. While political and economic factors are behind the tensions, at the root of the tensions is history, and the conflict of national identity between China and Japan. As such, rising tension over the islands activates the collective memories of their divided pasts and appeals to their national identities. The resulting mutual distrust helps develop the two societies’ mental templates that define their expectations of future bilateral relations. To avoid a further escalation of the conflict, policymakers and civil society leaders on both sides must first recognize the powerful role that their national identities play in historical conflict. They must then face serious questions in search of a way forward: Should China and Japan let the escalating tension take its due course without treating its root causes, as they have done repeatedly in the past? Or should they decisively tackle these causes this time, to build conditions for Sino-Japan reconciliation? The following steps can be implemented to diffuse tension and promote reconciliation:

- The Chinese and Japanese national leaders appeal to symbolic gestures of conciliation, including meetings with overseas community representatives of the other side.
The two sides diversify alternative channels of bi-communal dialogue that actively brings together media professionals, committed critics of conciliatory measures, and other dividers and connectors in China-Japan relations.

Respected opinion leaders on both sides establish a High-Level China-Japan Council on the East China Sea, whose mandate is to orchestrate the proposed multi-track exchange and complement the existing government-supported mechanisms of bilateral exchange.

China and Japan launch national and bi-national dialogues on the future of history education, with emphasis on an appropriate content of history textbooks.

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REGIONAL SECURITY IS AT RISK as a result of conflict between China and Japan over the Diaoyu/Senkaku Islands. It also underscores the two sides’ competing economic interests over the East China Sea and illustrates the complexity of their domestic politics as reflected in their foreign policy. Beyond the security, economic, and political challenges, however, the Diaoyu/Senkaku dispute is an identity-based conflict in which the two nations’ divergent perceptions, attitudes and intentions interact intensely with one another. Based on this understanding, this article analyzes the Diaoyu/Senkaku dispute as an identity-based conflict and explores concrete policy-oriented ways in which China and Japan can tackle the roots of this conflict.

National identity is a collective sense of who we are as a nation. It embodies and expresses the nation’s collective memory of its past experience by way of shared symbols, ceremonies, and narratives. National identity also shapes and reshapes the interpretive lenses through which the national community makes sense of new experience. Identity-based conflicts drive the opposing nations’ historical experiences to bear on the present crisis, activate their collective traumas and glories that continue to haunt and divide them, and project such a polarizing image of the divisive past as a metal template to frame future expectations.

Given these historical trends in the evolution of the Chinese and Japanese national identities, we recognize that transformation of the identity-based conflict over the Diaoyu/Senkaku Islands requires a long-term process of creating a new historical experience of tolerance and coexistence within each nation and between them. Such a historical process, as illustrated by Franco-German and U.S.-Japanese reconciliation, requires generations of time to bear fruits. Despite the far-reaching nature of the vision of Sino-Japan reconciliation, however, we advocate that the two nations choose to see the current crisis as an opportunity to self-reflect on the recurring patterns of their identity-based conflict and accelerate their joint effort to seek genuine reconciliation.

There are four ways in which China and Japan can de-escalate the tension over the Senkaku/Diaoyu Islands and simultaneously use the momentum of de-escalation as a step toward long-term reconciliation. Firstly, national leaders on both sides can use effective symbols and gestures of conciliation to communicate their intent. Secondly, there can be an array of alternative
channels of bi-communal dialogue that complements official negotiations. Thirdly, a High-Level China-Japan Council on the East China Sea can be established to coordinate a sustained multi-track dialogue. Finally, a long-term process of reforming history education in both societies to promote Sino-Japan reconciliation can be put in place.

**RECOMMENDATION 1: INTRODUCE SYMBOLIC GESTURES OF CONCILIATION**

Transformation of an identity-based conflict requires finding effective ways to communicate ideas and feelings that appeal to the general public of the other side. Based on this understanding, we call for both government and civil society leaders in China and Japan to explore a creative use of conciliatory gestures and symbols that help mitigate public distrust. National leaders of each side can meet with the overseas community members of the other side, receive government and civil society delegations from the other nation, and actively participate in sports and cultural activities that restore human connection between China and Japan.

This proposal is supported by the observation that the Chinese media and public spoke highly of a series of high-profile visits to China in January 2013 by former Japanese Prime Ministers Tomiichi Murayama and Yukio Hatoyama, and New Komeito Party Leader Natsuo Yamaguchi. The Chinese public discussion on Hatoyama’s visit to the Nanjing Massacre Victim Memorial Hall was especially positive as his visit demonstrated respect for Chinese national identity. These examples of humanizing gestures suggest the potential role of symbolic action in restoring lost public confidence and mitigating an emotionally invested identity conflict. We infer from these examples that the Chinese leaders will also benefit from adopting humanizing gestures of communication that appeal directly to the concerned Japanese public.

In addition, the two sides should exercise self-restraint when they appeal to symbolic gestures. Caution is needed as insensitive appeals to emotional symbols that represent the two nations’ historical conflicts can reactivate their collective memories of the tragic past and even provoke fresh conflicts. Given the highly volatile situation that the two nations currently face, they should exercise
maximum self-restraint not to evoke these historical symbols. For example, Japan’s prime minister and senior officials must refrain from visiting Yasukuni Shrine. Political figures of both sides should avoid making provocative speeches even when they address such speeches to their own domestic audiences.

**RECOMMENDATION 2: DIVERSIFY THE CHANNELS AND METHODS OF BILATERAL DIALOGUE**

To prevent a further escalation of the ongoing crisis, the two governments can initiate a series of summit meetings and high-level official dialogues. There are limits, however, to government-led processes. After all, formal government meetings that discuss predetermined positions are not designed to transform identity-based conflicts rooted in the contested meaning of historical experience. Moreover, domestic constituents in each society tend to prioritize their own needs over the other society’s needs and constrain their government’s flexibility in bilateral negotiation.

Long-term transformation of the identity-based conflict between China and Japan requires bringing influential domestic constituents on both sides together to have direct communication with one another, while diversifying the methods of dialogue that appeal to their national identities. A multi-track dialogue for engaging diverse option leaders, such as media professionals and influential social critics, could prove effective.

(1) **Develop a multi-track framework of China-Japan dialogue**

A series of alternative channels of dialogue can be established to bring together a bi-national group of representatives from civil society organizations (including youth and women’s groups), athletic and artist communities, educational and research institutions, media organizations, and companies and industry groups. In terms of this last category, bi-national representatives engaged in fishing, resource and energy development, maritime transportation, tourism, and environment will be especially important.

These alternative channels, if carefully orchestrated, will diversify voices that broaden the historical and cultural meaning of the East China Sea,
transcend the inherent limitation of creativity in closed-door official negotiations, and make China-Japan relations more community-oriented and people-centered. Voices of opinion leaders who have access to both senior government leaders and the grassroots should be prioritized. Prominent authors, public intellectuals, and newscasters exemplify such versatile “mid-level leaders” who enjoy public trust and exercise some level of independent judgment that transcends official government positions. In political crisis, government officials must strategically partner with them, instead of marginalizing their voices.

(2) Introduce media professionals’ dialogues

Recognizing the influential role of the countries’ media in the Diaoyu/Senkaku dispute, a media exchange program for mutual learning should be considered. According to a bi-national opinion survey conducted in 2012 by an independent Japanese nonprofit organization, the Genron NPO, in partnership with leading Chinese research institutions, 83 percent of the Chinese respondents and 96 percent of the Japanese respondents use the news media of their own country as a source of information to learn about the other country. The same survey shows that only 2 percent of the Chinese respondents and 17 percent of the Japanese respondents have been to the other country.¹ These findings cogently demonstrate that media organizations in each society play a decisive role in shaping the public image of the other side and in appealing to the national consciousness of their own society.

Regular and frequent exchange between major media organizations on both sides should deepen mutual understanding of news production on China-Japan relations in general, and on the conflict over the East China Sea in particular. Proposed activities include learning together about the media’s role in conflict escalation and resolution, visiting places of historical significance on the other side to discuss news coverage for reconciliation, and engaging the participants in well-facilitated bi-communal dialogues on their own national identities and their perceptions of the other society. These bi-communal activities can enable media professionals on both sides to work together to produce multi-angled news analyses on issues related to the East China Sea and on other subjects of mutual interest.
(3) Facilitate direct bi-national contact among committed critics of the other society

To address the roots of each society’s negative views of the other side, we propose bringing together influential critics who advocate forceful action against the other side and resist any gestures of Sino-Japan reconciliation. Proposed dialogues seek to facilitate direct contact between them as private citizens, regardless of their institutional affiliations and positions. Influential individuals in national security, foreign policy, business, literature, and history education will be of special importance. A bi-national team of trusted, experienced facilitators will convene the dialogues and ensure their confidentiality. The objective of these difficult yet much-needed dialogues is to directly engage these people spearheading the most critical responses to the other side’s conflict behavior, and enable each side to learn firsthand about the human bases of their opposing views. If the participants from both sides choose to appear in public together and decide to take joint action to promote mutual understanding, their examples of China-Japan partnership will strongly appeal to their own domestic constituents.

RECOMMENDATION 3: ESTABLISH A HIGH-LEVEL CHINA-JAPAN COUNCIL ON THE EAST CHINA SEA

To coordinate multiple channels of bi-national dialogue effectively, we propose establishing a High-Level China-Japan Council on the East China Sea. The council will be comprised of respected Chinese and Japanese opinion leaders of diverse professional and communal backgrounds. The primary functions of the council consist of: (a) orchestrating mutually beneficial interactions between the multiple channels of dialogue, (b) disseminating findings from these dialogues to the public on both sides and to international stakeholders, and (c) setting an authoritative tone in public to promote a socially responsible manner in which these diverse, decentralized channels of dialogue can address sensitive issues. In addition, the council may express opinions, interpretations, and recommendations when there is a need for preventing potential crises over the East China Sea from escalating into serious international disputes. While the
proposed council must enjoy a high level of political autonomy from the two
governments, it will need to coordinate closely with the government-led nego-
tiations in terms of exchanging lessons learned.

Despite the bilateral tension and the recent shifts in government leader-
ship, we strongly urge the two sides to uphold and implement the agreement
that Foreign Ministers Yang Jiechi and Koichiro Gemba reached in Phnom
Penh, Cambodia on July 11, 2012 to launch a “China-Japan People-to-
People Exchange Council,” an inter-governmental mechanism that sys-
tematically expands and strengthens China-Japan civil society exchange.2
We also support the two foreign ministers’ agreement to continue bilat-
eral dialogue under the China-Japan Friendship Committee for the 21st
Century, a working group comprised of former officials, leading scholars,
and opinion leaders on both sides to jointly make recommendations to their
governments, recognizing the past three decades of the committee’s cumu-
lative effort.3 The proposed High-Level China-Japan Council on the East
China Sea will not only build on these existing mechanisms but also supple-
ment them with a special mandate designed to promote a long-term trans-
formation of the identity-based conflict over the Diaoyu/Senkaku Islands.

RECOMMENDATION 4: LAUNCH NATIONAL AND
BI-NATIONAL DIALOGUES ON THE FUTURE OF
HISTORY EDUCATION

The crisis over the Diaoyu/Senkaku Islands presents an unprecedented op-
portunity for both Chinese and Japanese societies to reflect deeply on their
national identities. They must proactively seize this opportunity to launch
national dialogues on the future of history education. However, in order
to turn the current crisis into an opportunity, the two sides must realize
that history education is not an ordinary subject because it fundamentally
defines their national identities. Self-centered, exclusive discourses in his-
tory education, for example, would generate negative perceptions and hos-
tile images of one another, and cause excessive inflexibility in territorial
disputes. Without addressing these underlying roots of hostility, the two
nations will be unable to build a normal relationship.
Considering the profound impact of history education, the Chinese government needs to reflect on the long-term consequences of its history education program. Even though a country has the right to teach its own history in formats it prefers, Chinese educators should realize that the current Chinese curriculum and approach have indeed bolstered a form of nationalism based on ethnic animosity. Also, the representations of wartime violence in various mediums of popular Chinese culture have been excessive and unrestricted. They have profoundly influenced the younger generations’ perceptions and attitudes. In an increasingly interconnected world, it is very important that education encourages a broader perspective to understand past events and cultivates global citizenship.

Japan, on the other hand, must build history education that integrates self-critical views of its destructive past into a constructive outlook on its future. To facilitate such a nationwide process of awareness-building, Japan must realize that denial of its aggressive past would not only delay much-needed historical reconciliation, but also undermine the moral foundations on which the Japanese liberal democracy has been built since the end of the Second World War.

Looking forward, we propose that the governments and civil society organizations on both sides actively support joint history research and prioritize resource allocations to promote it. More specifically, we suggest national and bi-national initiatives to review history textbooks and produce new ones based on rigorous scholarly discussion and public dialogue. We also suggest improved teacher training that skillfully integrates a self-reflective understanding of each nation’s tragic past into constructive dialogue on its future potential.

In support of these Chinese and Japanese efforts to review their history education, two lessons learned from European experience should be highlighted. The first of these is the value of incorporating not only one country’s views of historical events and their significance, but also other relevant actors’ perspectives whenever appropriate. The point of this lesson is to cultivate both teachers’ and students’ capacities to empathize with those affected by the history of war so that they can think of their roles in international society in relation to other nations. The second lesson is to supplement national history with East Asian or Asia-Pacific communal
CONCLUSION

A series of recommendations outlined above illustrate an underlying theme: while historical experiences of nations create identity-based conflicts, national communities can redefine the meaning of their destructive past and create a new historical experience that facilitates the transformation of their conflicts.

To build a constructive national experience that actively promotes reconciliation, a skillful use of symbolic gestures, humanizing dialogues, and alternative discourses can be made. To reduce tension over the ongoing crisis in the East China Sea, national leaders on both sides need to create opportunities for humanizing encounters with members of the other national community. To diversify the channels and methods of Sino-Japan dialogue, a multi-track approach to people-to-people exchange that includes media professionals and committed critics of conciliatory measures should be taken. To coordinate the multi-track exchange, a High-Level China-Japan Council on the East China Sea should be established. Finally, to create conditions for long-term reconciliation, national and bi-national dialogues on the future of history education must be launched, with emphasis on the proper content of history textbooks.

There are, of course, numerous obstacles that stand in the way. The inertia of history certainly prevents both nations from having a constructive outlook of the future. Their pessimism is derived in part from their failure to make substantive progress in historical reconciliation seven decades after the Second World War and four decades after the normalization of Sino-Japan relations. Confronted by the shared dilemma of the Diaoyu/Senkaku dispute, however, both societies must
now critically reflect on this inertia of the past in a much broader historical and global context.

Contemporary history of post-war reconciliation, from Franco-German rapprochement to U.S.-Japan friendship, illustrates that former enemies can reconcile if they have the political will to do so. These historical precedents of international reconciliation suggest that the enduring mistrust between Chinese and Japanese societies represents a cumulative effect of the two sides’ political choices, not an inevitable destiny that must bind them forever. Viewed from this historical and global perspective, the Diaoyu/Senkaku dispute presents both China and Japan an unprecedented opportunity to confront the past, reflect on their national identities, and take decisive steps toward genuine reconciliation.

NOTES

About the Contributors

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Appendix

DIAOYU-SENKAKU MAP
MAP WITH EXCLUSIVE ECONOMIC ZONE

[Map showing EEZ borders, oil and gas fields, and disputed areas in the East China Sea, with labels for Longjing/Asunaro, Tianwaitian/Kashi, Duanqiao/Kusunoki, Chunxiao/Shirabaka, and Location of Diaoyu/Senkaku Islands.
## TERRITORIAL DISPUTE OVER THE DIAOYU/SENKAKU ISLANDS: TIMELINE

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1621</td>
<td>A map produced under the Ming Dynasty for coastal defense indicates the Diaoyu Islands as part of China’s maritime territory, according to China’s White Paper.</td>
</tr>
<tr>
<td>April 1895</td>
<td>The Treaty of Maguan (Chinese) or Shimonoseki (Japanese) concludes the First China-Japan War (1894–95). The treaty cedes Taiwan and some of its adjacent islands from the Qing Dynasty to the Empire of Japan.</td>
</tr>
<tr>
<td>October 1949</td>
<td>The People’s Republic of China (PRC) is established.</td>
</tr>
<tr>
<td>August 1968</td>
<td>The United Nations Economic Commission for Asia and the Far East discovers potential oil and gas reserves in the vicinity of the Diaoyu/Senkaku Islands.</td>
</tr>
<tr>
<td>October 1971</td>
<td>Taiwan (Republic of China) loses its seat at the United Nations to the People’s Republic of China (PRC).</td>
</tr>
<tr>
<td>August 1975</td>
<td>China and Japan reach an agreement on fishery in the East China Sea and the Yellow Sea.</td>
</tr>
</tbody>
</table>
OCTOBER 1978  China’s Deng Xiaoping proposes shelving the dispute over the Diaoyu/Senkaku Islands in favor of furthering bilateral relations during his visit to Japan.

JANUARY 1979  The United States and PRC establish diplomatic relations.

FEBRUARY 1992  The National People’s Congress in China passes a resolution affirming Chinese sovereignty over the Diaoyu/Senkaku Islands.

FEBRUARY 2000  A new China-Japan fishery agreement comes into effect. As a temporary arrangement, the agreement ensures the right of both countries’ fishing boats to operate in the north of the Diaoyu/Senkaku Islands.

JUNE 2008  China and Japan agree to jointly develop four gas fields in the East China Sea while halting development in other contested parts of the region.

SEPTEMBER 2010  A Chinese trawler collides with two Japanese Coast Guard ships in the waters near the Diaoyu/Senkaku Islands. Japan arrests the Chinese captain but later releases him under Chinese pressure.

APRIL 2012  During his visit to Washington DC, Tokyo Governor Shintaro Ishihara publicly states his desire for Tokyo to purchase the Diaoyu/Senkaku Islands from their current private owner.

JULY 2012  Prime Minister Yoshihiko Noda announces the Japanese government’s plan to purchase the Diaoyu/Senkaku Islands.

SEPTEMBER 2012  Japan completes the purchase of the islands.

November 2012: Xi Jinping succeeds Hu Jintao as General Secretary of the Chinese Communist Party.

December 2012: The Liberal Democratic Party (LDP) defeats the ruling Democratic Party of Japan (DPJ) in a general election and wins an absolute majority. LDP’s Shinzo Abe becomes Prime Minister.

January 2013: Japan’s New Komeito Party leader Natsuo Yamaguchi visits China as a member of Japan’s ruling coalition and meets with the Chinese leader Xi Jinping.

This timeline focuses on political and security issues in China-Japan relations, with an emphasis on historical events that have led to the present dispute over the Diaoyu/Senkaku Islands. The timeline is highly selective in scope, for its purpose is to merely suggest a possible point of entry into a historical inquiry that readers may choose to undertake on their own.
A “positive view” in the graph represents a combination of a “positive view” and a “somewhat positive view” reflected in the original survey questions used. Similarly a “negative view” represents an aggregation of two types of negative responses. The 2012 survey was conducted in April and May, before Prime Minister Yoshihiko Noda announced the Japanese government’s plan to purchase the Diaoyu/Senkaku Islands in July, provoking anti-Japanese demonstrations throughout China.
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