## NBR ANALYSIS BRIEF

# The State of Cooperation in the East China Sea

BY James Manicom

The Senkaku/Diaoyu Islands, a group of eight rocks and islets in the East China Sea, have been in the headlines for all the wrong reasons in recent years. The dispute over the islands' sovereignty and associated maritime jurisdiction was once well managed by all three claimants: China, Japan, and Taiwan. However, the deterioration of the Sino-Japanese relationship, combined with a growing state interest in the material value of the sea area, has heightened tensions since 2010. At present, Chinese and Japanese ships and aircraft patrol the waters around the islands, and Taiwanese fishermen agitate for a share of the surrounding seas.

Given the threat that the dispute could escalate into a military conflict in which the United States is called on to defend a security partner or treaty ally, this brief assesses the status of ongoing dispute-management efforts and considers policy options for the United States. There is a considerable amount that the United States can do to discourage deliberate escalation of the dispute, even if it can do little to directly ensure a peaceful resolution.

#### AN OLD DISPUTE IS RENEWED

Tensions over the islands erupted in September 2010, after Japanese authorities detained a Chinese fisherman in the islands' territorial sea. China's reaction was strident, likely because Beijing expected the Japanese government to repeat its established practice of promptly releasing Chinese nationals detained near the islands. When this did not happen, China severed most diplomatic links, including a scheduled meeting to discuss cooperative resource-development in the East China Sea.

Tensions erupted again when the Japanese government nationalized the islands in September 2012 to prevent their purchase by Tokyo governor Shintaro Ishihara. China has used the move as a pretext to challenge Japanese administration of the islands by deploying ships and aircraft to patrol the adjacent waters. In a departure from previous policy, China has also conducted naval drills near the islands. Not to be outdone, a flotilla of Taiwanese fishing vessels and coast guard ships entered the islands' territorial sea shortly after the nationalization to demonstrate Taiwan's claim.

#### EFFORTS AT CRISIS MANAGEMENT

Despite this state of affairs, there is evidence of dispute-management efforts on all sides. Chinese and Japanese coast guard ships appear to be operating under strict rules of engagement. There has been no attempt by any state vessel to expel another state vessel from the territorial sea; expulsion has been limited to civilian ships. This reduces the risk of inadvertent escalation due to an accident or misunderstanding between the growing number of ships in the waters around the islands.

Furthermore, there has been communication between China and Japan since the latter's nationalization of the islands. Discussions at the director-general level occurred between foreign ministries, and vice-foreign ministers Chikao Kawai and Zhang Zhijun met in Shanghai in October 2012. In addition, retired leaders such as Tomiichi Murayama and Tang Jiaxuan have tried to open doors between the two sides through the China-Japan Friendship Association. Former prime minister Yasuo Fukuda, architect of the agreement on joint resource development in the East China Sea, has also been active. This personal diplomacy between elites has a rich pedigree in Sino-Japanese relations and should not be dismissed. Given the significant domestic political barriers to outreach by either Xi Jinping or Shinzo Abe, diplomacy by retired leaders allows the two governments to discuss the issues without being accused of capitulation by domestic audiences.

Another promising cooperative development has been the conclusion of the Japan-Taiwan fisheries agreement. This important mechanism addresses the concerns of Taiwan's fishing industry, one of the most active lobby groups supporting Taiwan's claim to the islands. While patriotic, Taiwanese fishermen primarily seek to ensure their livelihoods. This is illustrated by the area covered by the fisheries agreement: it only applies outside the territorial sea of the Senkaku/Diaoyu Islands and avoids areas covered by the 1997 China-Japan fisheries agreement. Consequently, Beijing's response has been limited to concerns about Japan's adherence to the one-China policy.

On balance, there is more dispute management occurring than is commonly appreciated. Nevertheless, these efforts are fragile. While the fisheries agreement calms the situation between Japan and Taiwan, neither China nor Japan seems prepared to modify confrontational behavior. The presence of the PLA Navy in the islands' territorial sea on the anniversary of the Treaty of Shimonoseki—under which China argues Japan stole the islands—was unwelcome in Tokyo. Similarly, although Abe did not visit the Yasukuni Shrine in April, his dedication to the shrine does not auger well for stability in the hostile bilateral climate. The fact remains that efforts to manage the dispute will continue to confront serious barriers because compromise is still deeply unpopular in both China and Japan.

### IMPLICATIONS FOR U.S. POLICY

Due to these barriers to compromise, there is little the United States can do to directly ensure a peaceful resolution to the dispute. Chinese policymakers do not understand the difference between Washington's neutral stance on the islands' sovereignty and its alliance commitments to Japan, making direct interventions by Washington appear biased. Furthermore, in the eyes of both China and Japan, the fact that the United States does not accept compulsory jurisdiction of the International Court of Justice weakens its status as an advocate of arbitration, despite the United States' own track record of seeking arbitration in its territorial disputes.

Nonetheless, even though options for ensuring a peaceful resolution are limited, the United States can take several steps to help prevent escalation of the dispute. First, it should make clear to China that attempts to alter the status quo in the waters near the islands will have no bearing on the U.S. commitment to defend Japan. At the same time, Washington should remind Japan that U.S. support is not a *carte blanche* for provocative behavior. In addition, the United States should work to dissuade all claimants from attempting to change the status quo on the islands themselves, including government-supported surveys, occupation, or landings of any type.

Despite the volatile situation around the Senkaku/ Diaoyu Islands, war is not a foregone conclusion; there is considerable scope for dispute-management efforts to take hold between all three claimants. �

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