

## DISCOURSE:

SAGE International Dialogue

*Islands, Rivals, and the Way Forward*

**J. Mitchell:** One of the most challenging and contentious issues in modern day Sino-Japanese relations is that of a group of tiny islands in the East China Sea, called the Diaoyu Islands by China and the Senkaku Islands by Japan, of which both Asian giants tenaciously claim as their inherent sovereign territory. The islands were again thrust to the forefront of relations in September 2012 when the Japanese government under Yoshihiko Noda purchased the islands from their private Japanese owners. This change in the status quo sparked widespread anger in China with anti-Japanese protests, sometimes violent, occurring across the country and sending Sino-Japanese relations into a tailspin.

The islands dispute first erupted in the 1970s and has flared intermittently over the following decades. Essentially, China claims Japan stole the islands from them in 1895 after the first Sino-Japanese War and that they should have been returned to China as part of the peace treaties at the end of World War II. Japan refutes that they stole the islands, and claims instead they were *terra nullius* when Japan discovered them in 1895 and maintain that no dispute exists.

Yet the disagreement is far more complex than simply who has the correct historical facts on their side; these tiny islands have become powerful symbols of national pride and the dispute epitomises the centuries' old rivalry between China and Japan, eliciting seemingly disproportionate nationalist reactions in both countries.

Compounding the issue is the presence of increasingly valuable and desired resources including fish, oil and gas in the waters surrounding the islands.

These factors create a potent mixture.

Previous intermittent spats over the islands tended to follow a general pattern of action and reaction, de-escalation of tension, the shelving of the issue and a return to normality. The 2012 dispute, however, did not; twelve months on, political tensions were still high and high-level diplomacy was still on hold, making it obvious that something was different this time around.

The changes in leadership in both countries soon after the eruption prevented calm and measured responses that would have helped escape the tailspin of relations. Neither Xi Jinping nor Shinzo Abe could risk alienating influential and potentially large portions of their populations by taking a stance that could, and probably would, have been perceived as weak in the face of their country's old arch enemy. This need for support was especially so in light of the mammoth domestic challenges facing their respective countries.

The region wide rise of nationalism further exacerbated the naturally emotionally charged dispute in comparison to previous flare-ups.

The difference of the 2012 dispute was also a symptom of the changes in the geopolitical and strategic environment of East Asia. The uncertainty regarding American strength, resolve and intentions in Asia, especially given its role as Japan's security guarantor, juxtaposed the re-emergence of a strong China and the surrounding concerns, as well as the renewed 'normalisation' debate in Japan, all contributed to fuelling and protracting tensions.

However, 18 months on there are signs the tensions over the islands are abating. The leaderships of each country are now far better established. Both Xi and Abe have consolidated power within their respective countries, arguably giving them more wriggle room and control in their foreign policy. While passion surrounding the islands is still high, the dispute has somewhat fallen out of the spotlight, providing the opportunity for de-escalation.

Long term, the most likely way to successfully negotiate the danger of conflict presented by the islands, is to permanently shelve the sovereignty issue and focus on cooperation through joint development of the surrounding resources.

Short term this requires strong political leadership and meaningful effort out of both countries. Re-establishing and improving communication is vital both diplomatically and, especially, between opposing defence forces, to prevent any accidental incident between the myriad of maritime craft in the area from escalating unnecessarily.

Immediately then, it is imperative for Xi and Abe to start demonstrating this leadership. In the near future the main focus will undoubtedly revolve around managing tensions, re-opening communication through back channels and low level diplomats, and damage control when required.

Conflict is certainly a possibility given the highly emotional and irrational nature of the dispute. However, unless backed into a corner or presented with a situation essentially out of the control of the respective government's hands, it is unlikely that either China or Japan will actively seek conflict over the islands. The costs of conflict would substantially outweigh the potential gains.

Signs are tentatively positive. On April 10 2014 the Japan Times reported the expected meeting of top Navy personnel on the sidelines of the Western Pacific Naval Symposium to be held later that month in China. This indicates that positive actions are being taken. However, given the delicate and volatile nature of the dispute progress will be inevitably slow. Whether or not in the face of the changing dynamics of the region and antagonistic nationalistic attitudes such positive steps can be maintained, only time will tell.

**J. Bruni:** *Overarching narratives exist regarding the Diaoyu/Senkaku Islands include a rising China, a declining Japan and a perfidious and interfering US.*

*Much has been said of rising China. China, post-1978, has indeed given the impression of a country that has hit its stride internationally. It is rich and it is powerful. China has bought vast resources and holdings on the African continent appearing much like an old-time 'colonialist'. China's reputation as the 'workshop of the world' has given it a rhetorical mantle similar to that enjoyed by Great Britain at the height of its power in the late 19<sup>th</sup> Century. The apparent 'newness' of modern China as a regional power in Asia has been interpreted by some as a larger version of Wilhelmine Germany with all its potential for international instability – a rising power challenging established ones. But these historical analogies are facile. China is very different from 19<sup>th</sup> Century Britain and Germany. Chinese wealth was the product of the fortuitous opening of the Chinese economy to foreign direct investment (FDI) in 1978, coupled with a desire by Western manufacturers to seek cheaper labour costs. The actual indigenous Chinese content in its current 'wealth portfolio' is scant when compared to Western firms that have set up shop in China. China is eager to remove any vestige of the 100 years of humiliation from the Opium Wars of the 1840s-1940s, when China was weak and divided by powerful predatory imperial states – one of which was Japan. Much of the wealth China has accrued since 1978 has been reinvested in modernising its military forces. This has made other Asian states wary over China's ultimate ambition and has caused the current international hegemon, the US, to view China as a potential global challenger. It is in this context that the Diaoyu/Senkaku dispute has been framed.*

*Japan, the premier established power of Asia, is a country in demographic free-fall. Modern to a fault and a world leader in high technology automation and robotics, Japan owned and managed its human and technological capital. But Japan's problems lie fundamentally in the fact that its society has hit a wall. Socially stagnant, economically moribund and politically 'lost', post World War II Japan, once the economic titan of the world – a civilian superpower of Cold War Asia – now resembles a rich, dotty old aunt, unable or unwilling to make the changes necessary to re-energise its society. Under Shinzo Abe, who has made it his mission to return a sense of purpose to Japan, nationalism has become a tool of choice. But nationalism in Japan is a poisoned chalice. It was fervent nationalism by the Japanese militarists in the 1930s under the persona of 'God-Emperor' Hirohito, that led the country to war in the Pacific and mainland Asia. The record of Japan's imperial conduct in China and throughout the Asia-Pacific during World War II, resonates to this day. Anytime modern Japan flirts with nationalism, the rest of Asia baulks. But, today's China allows its own nationalist sentiment to be given free rein, aimed squarely at Tokyo. This gives the Diaoyu/Senkaku dispute an existential flavour that belies the significance of the islands themselves. It is a matter of pride – the young lion of China stalking the old lion of Japan for mastery over Northeast Asia.*

*Sitting on the fence is the United States. While backing Japan's claims to the Diaoyu/Senkaku Islands, their support is certainly not unconditional. Were*

*Chinese and Japanese military aircraft or warships to clash over the islands, what would Washington do? Quite possibly nothing. At least nothing obviously provocative. While the US is duty bound to defend Japan against direct attack upon the country's home islands, would this extend to ambiguously held Japanese territory? Would the US actively fight China, a country that is one of its key international creditors?*

*While the signs presently indicate that both Chinese President Xi and Japanese Prime Minister Abe are content to let the islands issue boil off for now, there are deep internal instabilities in China and Japan that can quickly let loose the 'dogs of war'. Nationalism is the key and its use to monster 'the other' is an old tactic that might be making a comeback as current events between Ukraine and Russia illustrate.*

*– Views expressed in this article are not necessarily those of SAGE International –*

21 April 2014