



# CANADA-ASIA AGENDA

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## The Diaoyu/Senkaku Dispute: Analyzing the Chinese Perspective

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Relations between China and Japan have deteriorated to a near all-time low as the dispute over the Senkaku/Diaoyu islands continues. Two Canadian experts weigh-in to analyze Chinese and Japanese perspectives on competing claims and underlying motives fueling the dispute. In examining the Chinese perspective, Yves Tiberghien, contends that there are three key components to China's position: the historical claim, the fishing claim and the political reality. For Tsuyoshi Kawasaki, two central players, Governor Ishihara and the Noda government, are key to understanding Japan's position in the dispute. To read the Japanese perspective, click [here](#).

For the second time in two years, in the midst of significant efforts at mutual engagement and continuing high levels of economic integration, the Sino-Japanese dispute over the Diaoyu/Senkaku islands hit the Asia Pacific environment like a thunderbolt. Given the extremely small size of the islands and the seemingly low geopolitical stakes, outsiders tend to be puzzled by this outburst of tension, culminating (so far) in a rare rhetorical confrontation of Foreign Ministers at the UN General Assembly. What is behind this conflict? Why

is China reacting so strongly, both at the grassroots level and at the official level? Where could this dispute eventually lead?

For a scholar of both Japan and China with deep personal links in both countries, this is a difficult topic to write about. To a surprising extent, there is literally no common ground between the two sides on history, the sequence of facts, and the interpretation of the dispute. One can say equally that both China and



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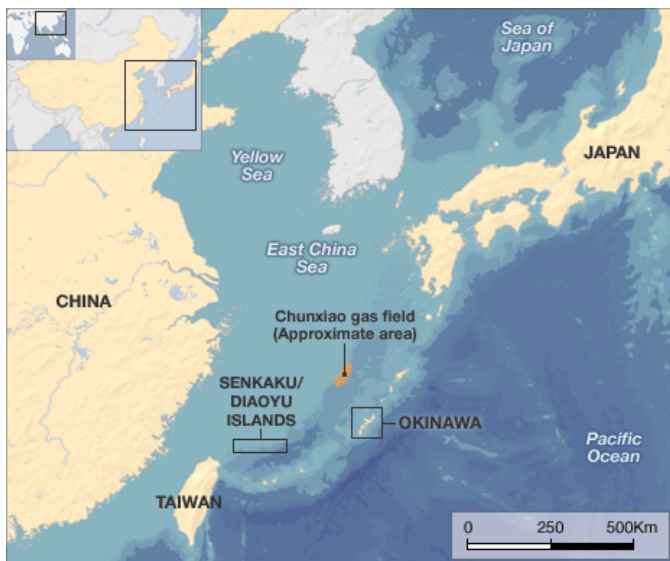


Japan have limited and one-sided knowledge about the conflict. Twice, Japan has been a first mover in September 2010 and September 2012, without a clear preparation for possible Chinese interpretation and Chinese counter-moves, leading to sequences of moves and counter-moves that were not anticipated and were highly destructive. The 2012 crisis has not yet reached its conclusion and more confrontations may yet happen. The issue carries high symbolism on both sides. I am writing this short piece in an open scholarly spirit focusing on the Chinese view.

### Context for Chinese Actions: What the Dispute Is And Is Not About

To understand what is happening and what is driving Chinese actions, it is essential to dispel a few misunderstandings.

**First, the dispute should NOT be associated with the South China Sea (SCS) dispute.** The key actors, public opinions, and motivations are entirely different from the SCS dispute. The South China Sea dispute is a geopolitical game that has much to do with the US-China struggle for control of a key strategic region in the context of the rise of China. The Diaoyu/Senkaku dispute has a dynamics of its own with longer historical roots. Conflating the two issues is not helpful to understanding them.



Source: Source: BBC News/ Asia / 'Q&A: China-Japan Islands Row' / September 11, 2012/ <http://www.bbc.co.uk/news/world-asia-pacific-11341139> - © [2012] BBC

**Second, on the Japanese side, the dispute over the Diaoyu/Senkaku islands is linked politically and tactically to disputes with Korea over Dokdo/Takeshima island (controlled by Korea) and with Russia over the 4 Northern Territory islands (South Kuril islands, controlled by Russia and holding up a peace treaty between Japan and Russia since 1945).** Indeed, the visit by President Lee Myung-Bak to Dokdo/Takeshima island on August 10 was seen as an extremely provocative act by the Korean president. It resulted in a loss of political face for Prime Minister Noda and probably accelerated the Japanese motivation to take action on the Diaoyu/Senkaku issue. Prime Minister Noda called the visit "totally unacceptable" and Tokyo Governor Ishihara immediately linked Takeshima and Senkaku on August 10, by saying that, while Japan "could not help" the Takeshima situation, it should take action on Senkakus and build similar structures to what the Koreans had built on Takeshima to solidify their control.<sup>3</sup> The Chinese side has been aware of these links.

**Third, the Diaoyu/Senkaku dispute is broader than a bilateral dispute between China and Japan.** Despite its generally close relations with Japan (and a common security guarantee involving the US in a triangular relations), the Taiwan ROC government is actively involved, as witnessed by the water canon duel on September 25 that involved 12 Taiwanese Coast Guard ships and nearly 60 Taiwanese fishing boats in the territorial waters of the islands facing a large number of Japanese Coast Guards.<sup>4</sup>

The dispute mobilizes intense feelings and protests of the entire Chinese diaspora in the world, including in Hong Kong, in Canada, in the US, and in Europe. The Chinese-Canadian community in British Columbia follows closely the dispute and is mobilized. In fact, one of the most well-known Cantonese dim sum restaurant in Richmond is called "Diaoyutai" in its Chinese name. The dispute tends to unify Chinese ethnic members around the world, whether they live under democracy or dictatorship, across time, and across political continents. This demonstrates that the dispute is linked to the Chinese historical and cultural heritage, rather than mere short-term political games.

## Understanding the Political Drivers Behind the Dispute

What, then is happening and driving this new flare-up? Both the 2010 and the 2012 flare-up over the Diaoyu/Senkaku islands are instances of transfers into the international sphere of intense domestic political transitions happening both in Japan and China at the same time.

Given the general ignorance of the other side's facts and positions and weak regional institutions, the negative cycle of strategic interactions between Japan and China has created a volatile situation. As leaders in both countries consider their domestic audience in a context of domestic uncertainty and very short time frames for leadership survival (including China in 2012), they end up locking themselves in vicious signaling games. Every signal given by one leader to domestic audiences (in an effort to win points over fierce political competitors) is seen by the other country as a signal of aggression and conflict, forcing the leader of that country to signal back to his own domestic audience through intensified responses. The US could have played a more active role in mitigating the crisis, including attempting to dissuade Japan from taking its first move, knowing how it would be interpreted on the China side. But the US is too involved in its own pre-election political climate to wade into such treacherous waters.



Japanese Brand Cars Overturned in China Diaoyu Protests  
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## Economic Context and Economic Irrationality

It is also necessary to put this dispute in the context of the powerful trend of economic integration between Japan and China. A significant geopolitical shift has occurred since 2000. While Japan was still heavily dependent on the US for its exports in 2000 (30% of exports to US and 12% to China, including Hong Kong), the situation in 2012 has switched. Japan is now primarily dependent on China for its export growth. By the end of 2011, Japan sent 25% of its exports to China (including Hong Kong) and only 15% to the US.<sup>5</sup> Some scholars predict that the share of Japan's exports to the US will shrink to as little as 10% by 2020 on the basis of current trends.

As recently as May 2012, Japan, China, and Korea signed the Japan-China-ROK Trilateral Investment Agreement, marking a first effort toward institutionalizing economic integration. For Japanese businesses that sense their increasing dependence on China for economic growth is not matched by institutional guarantees, this is a top priority. In this sense, the Diaoyu-Senkaku dispute goes against economic rationality for both Japan and China. Likewise, it is clear for Chinese business interests that any more robust action such as a boycott of some kind would end up boomeranging back against China.<sup>6</sup>

## Chinese Motivations and Interpretations in Three Steps

Over the last few weeks, scenes of destruction in Japanese-owned factories or department stores in China and angry outbursts by officials at the United Nations have reinforced the importance of understanding underlying forces in China driving these events. It is clear that the CCP or local governments have been involved in facilitating some the recent protests and demonstrations (with cases of material incentives given to participants).<sup>7</sup> The police have often chosen to stay back and to let protests unfold, while trying to prevent them from spilling out into broader movements. Signs indicating "Diaoyudao are Chinese" in business windows and incentive plans by a local cell phone company to reward users for sending SMS messages with "Diaoyudao are Chinese" are reminiscent of old rituals of campaigns (yundong) in the Maoist era. Everyone joins in; state-owned and private businesses seek to demonstrate good





Red banner indicates "Boycott Japanese Products! Diaoyu Islands belong to China!" Source: Yves Tiberghien



Sign at pet store reads "If customers shout 'Diaoyu Islands belong to China' will be given a 10% discount." Source: Yves Tiberghien



"Defend sovereignty, Diaoyu Islands belong to China." Source: Yves Tiberghien



"Diaoyu Islands belong to China." Source: Yves Tiberghien

political behavior and eagerly participate. Finally, it must be said that anti-Japan protests have sometimes become vectors for larger frustrations against economic inequality, against the growing arrogance of the rich class toward the common people, toward corruption and toward a sense of weaker governance in the waning days of the Hu/Wen regime.

But it is also too easy to let these facts hide another reality: people in the streets, average *lao baixin*

are actually deeply motivated and angry about the situation, independently of the top-down campaign. As witnessed in very casual conversations across the country this month with taxi drivers, students, common people, or foreign trained scholars, there is a real groundswell of anger against Japan for nationalizing the Diaoyus/Senkakus. People are quickly reminded of the 1894-1895 war and all that follows. They assert spontaneous anger and it becomes a conversation at family dinner tables, during which the government is

often criticized for not being forceful enough against Japan. It is better to acknowledge this grassroots reality in order to evaluate events correctly and react accordingly. The move taken by Japan unifies the population behind government actions.

The following sections analyse three components to China's current position:

### Historical Claim

At its core, the Diaoyu/Senkaku dispute is a battle about historical interpretations. While Japan sees the islands as having been *terra nullius* (uninhabited islands) open for the taking until 1895, China points out to long historic records of Chinese government ships using the islands as sign posts during their journeys visiting the Ryukyu kingdom. The Chinese case was recently presented in details by the Ministry of Foreign Affairs.<sup>8</sup>

The Chinese government documents how the islands have, since 1403, been noted in Chinese historical records and used as fishing grounds and for navigation purposes.. While China did not use the European method of planting a flag and building fortifications on the islands, it considers its mapping, documenting, and fishing around the islands as functional equivalents of taking possession of them. From 1403 to 1900, the islands had only one name, the Chinese name of Diaoyu dao. The name Senkaku was created *de novo* by Japan in 1900 after a nationwide school competition.

During its post-Meiji restoration rise, on several occasions, Japan considered annexing the islands in the wake of its Ryukyu annexation in 1879 but did not act in order to avoid war with the Qing dynasty.<sup>9</sup> Finally, annexation took place in January 1895 in the middle of the Sino-Japanese war. Thus, in China's view, the islands were taken together with Taiwan as a spoil of war by Japan.

China, in light of the Cairo Declaration of 1943 referring to the return of territories taken by the Japanese<sup>10</sup>, thus considers that the Diaoyu islands, although not specifically mentioned, were to be returned to China in 1945, even though Chiang Kai-Shek, too occupied with Civil War, did not take any concrete steps to mark that sovereignty. Beijing regards the islands as having

been "illegally" put under US control after the 1951 San Francisco Peace Treaty and the US-Japan alliance, as the US also took full control of Okinawa. This remained until 1971, when the US returned both Okinawa and the administrative control over the Diaoyu/Senkaku islands without taking a stance on their ultimate sovereignty.

Thus, while there are grey areas, China asserts that it has a relatively strong historical claim, while Japan claims a lengthy *de facto* occupation between 1895 and 1945 and since 1971, and inconsistent expression of the Chinese counter-claim (not much expressed between 1945 and 1971 in particular).



One of the Senkaku Islands - Uotsuri. Source: Copyright © National Land Image Information (Color Aerial Photographs), Ministry of Land, Infrastructure, Transport and Tourism Japan

### Fishing Claim

Records of fishermen from both Taiwan and China indicate that both Japan and the US, during their respective periods of occupation, did not interfere with traditional Chinese fishing activities in the islands until the 2000s. Fujian fishermen describe generations of fishing activity in the area.<sup>11</sup> These straits are extremely well-known to generations of Chinese fishermen who arrive in September in the years when fish concentrate around the island (showing the mischievous role played by fish in this dispute). Taiwanese sources indicate similar patterns of behavior. Although Japanese media sources never refer to these patterns, they also never deny them. More research would be useful with US records and with Japanese records to verify the Chinese claims. But, given the reality of high autonomy, non politicization, and hard nose behavior of fishermen, it is likely that the claims are correct. One should note, however, that the number of Chinese fishing boats has greatly increased over the last decade, as Chinese demand for fish keeps



increasing. This creates pressures for Japan, but also for Korea (which arrested nearly 1000 Chinese fishing boats in 2011) for fishing illegally in Korean waters), Russia, and Southern neighbours.

Both Chinese and Taiwanese sources agree that the Japanese Coast Guard only started to enforce a no-fishing zone around the Senkaku-Diaoyu islands in the decade since 2000, beginning with the Taiwanese fishermen and then expanding to the Chinese fishermen (in the Koizumi years). Coast guard tactics started with loudspeakers but, beginning in 2009-2010, gradually have expanded to more hard-ball methods to try to corner individual fishing boats, seize their fish and machinery and thus extract fines from the (mostly poor) fishermen. It is in that context that the clash occurred with Captain Zhan Qixiong in September 2010.

### The Political Reality

Under Deng Xiaoping, China accepted a status quo with Japan as the basis for the renewal of diplomatic relations in the late 1970s. That status quo including postponing fundamental resolution to future generations, with both sides accepting not to take any move away from the status quo. During this time, Chinese fishing was still allowed. While Japan committed to preventing any landing or construction on the islands, China also committed to prevent activists from landing on the islands, or from taking forceful action. In the midst of growing tension in the Koizumi years, a further secret agreement seems to have been reached to reduce conflicts.<sup>12</sup> That agreement stipulated that Japan would not bring under Japanese legal jurisdiction any arrested Chinese fishing boat captains, but would only expel them back to China (after, probably, extracting a material cost on them).

Thus, the 2010 arrest of Captain Zhan Qixiong--after a probable attempt by the Coast Guard to trap him and his violent ramming of Japanese Coast Guard ships, and the unprecedented decision made by Prime Minister Kan (led by the Minister in charge of the Coast Guard at the time, Seiji Maehara) was seen by China as a historic break from the status quo. This explains why China took such a strong response, in part too because of great mobilizing pressures from netizens across China

and beyond. Sources in Japan indicate that Maehara and Kan, as newly empowered DPJ leaders seeking to take leadership from bureaucrats, had probably not obtained full information on past agreements with China from ministry officials and also lacked good intelligence and understanding on how China would react.<sup>13</sup>

In light of these events, the September 11, 2012 nationalization of the Diaoyus/ Senkakus possibly as a response by Japan's PM Noda to the 2010 crisis (when Japan lost face) is viewed by China as a significant and further attempt to alter the agreed upon status quo. PM Noda made the case that nationalization was a better outcome than a takeover by the Tokyo government under rightwing leader Ishihara, thus akin to retaining the status quo, the Chinese do not accept this argument. In the first place, Noda is not trusted in light of his past statements against the Tokyo Tribunal outcomes, on the war, and on comfort women. Chinese leaders see him as partially connected to the likes of Ishihara in his outlook on history and relations with China.



Beijing Protest @istockphoto.com/LCKK

China refuses to be trapped in a Manichean choice of Tokyo takeover vs. Noda nationalization. Especially in a Chinese context, it seems unthinkable that there would not be a third option where the national government could step in to prevent the Tokyo deal without doing a full nationalization. While Noda's refusal was almost due to domestic political exigencies--Ishihara had boxed him in--China cannot accept this as a reason for changing the status quo in Sino-Japanese relations.

Indeed, China sent a long series of strong signals to Noda in August and September warning Noda not to nationalize, following the Chinese tradition (*xian li hou bing*: reasonable arguments before force).<sup>14</sup> These included messages delivered through diplomatic channels, through the Chinese ambassador and a final strong personal warning by President Hu Jintao to Prime Minister Noda on September 9 during their brief meeting on the margins of the APEC meeting in Russia. For Noda to nationalize a mere two days after this personal plea at the highest level is seen by China as a deliberate act on the part of Japan to hurt China and make President Hu lose face personally.

In this context, China considers that Noda destroyed the status quo unilaterally and this frees China from its traditional passive (*beidong*) stance in the issue. This also explains why China chose to declare its sovereignty markers formally to the UN in September. China has now decided that it also cannot live with the old status quo and will use this chance to change it.<sup>15</sup> Thus, it is likely that China will follow up with more interventions in the zone by Chinese fishery administration boats and other government boats. Indeed, there appears to be great support for a massive arrival of Chinese fishing boats in the Diaoyu zone (up to 1000 boats) that will be accompanied by a dozen of Chinese government boats.<sup>16</sup> Such a massive arrival of Chinese fishing boats was actually announced in mid-September but did not yet materialize to date. It is possible that the flow of fish has moved away from the islands and directed the fishing boats elsewhere. Or, if such fishing boats can be coordinated by local party cells or government (which is not clear), China may have chosen to wait for the right strategic moment.

For China, the political stakes are extremely high, nearly as high as with Taiwan. The issues are about sovereignty and about the legitimacy of the leadership in front of the Chinese populace. China is very unlikely to back down. It will work hard to make sure that Japan gives up its nationalization claim or face a great economic cost for it, unless Japan finds ways to give very strong credible signals of a change in direction.

Some of the possible actions discussed in China include more obstacles for Japanese imports (such as

import checks), less favorable conditions for Japanese investments, or boycott on tourism. There are signs that all these actions have partially begun. Most recently, it was suddenly announced that key Chinese banks were cancelling their participation to the annual meeting of the World Bank and IMF (scheduled to take place in Tokyo this year on Oct 9-14). This seems part of a growing series of cancellations of Sino-Japanese events.<sup>17</sup> China is aware that sanctions against a key economic partner are very difficult to operationalize in the globalized economy. But the fact is that a great range of actions are being considered, even actions that would be costly for China.



*Kitakojima and Minamikojima Islands from the Senkaku Island.  
© National Land Image Information (Color Aerial Photographs), Ministry of Land, Infrastructure, Transport and Tourism Japan*

## Conclusion

For Canadian leaders, the key is probably to understand the issue in all its dimensions to avoid taking too quick a position without full consideration of all sides. The best position is probably one that acknowledges strong historical heritage from both sides and urges dialogue and confidence building in recognition of the stakes for the global economy. Eventually, Canada could encourage the two countries to seek a joint institutional solution, such as a joint organization to manage the fish supply and regulate access for all sides.

The Diaoyu/Senkaku dispute will probably continue to rock the waters of the Asia Pacific for some time. If cooler leaders cannot find an institutional solution that facilitates the sharing of fishing rights and recognizes a shared history in the area, things could escalate further

given the high political stakes on both sides. It can be hoped that both sides will learn to understand the other sides more thoroughly. For Japan and China, it is clear that the issue has become a pawn in a larger political transition game. As the world famous Japanese novelist Haruki Murakami warned:

“When a territorial issue ceases to be a practical matter and enters the realm of ‘national emotions,’ it creates a dangerous situation with no exit.” (...) “It is like cheap liquor: Cheap liquor gets you drunk after only a few shots and makes you hysterical. It makes you speak loudly and act rudely. . . . But after your drunken rampage you are left with nothing but an awful headache the next morning.”<sup>18</sup>

<sup>1</sup> This piece builds on my previous article on the 2010 Diaoyu/Senkaku Dispute. It is based on interviews with policy makers, members of parliament (Japan), scholars, and samples of common people in Japan (January and July 2011), China (Beijing, Shanghai, Chongqing in May 2011 and September 2012), as well as Taiwan (2011 and July 2012). As well, I refer here to sources from Japan, China, and Taiwan.

I wish to acknowledge great RA support for my general research on this topic by Chunman Zhang, Sungwook Park, and Go Murakami.

<sup>2</sup> Source: Nikkei Shimbun, August 10, 2012, “PM Calls Lee’s Takeshima Visit ‘Totally Unacceptable’”, <http://e.nikkei.com/e/ac/tnks/Nni20120810D10JF828.htm>

<sup>3</sup> Source: Nikkei Shimbun, August 10, 2012. “S Korea President’s Trip To Takeshima ‘can’t Be Helped’:Tokyo Gov. Ishihara”, <http://e.nikkei.com/e/ac/tnks/Nni20120810D10JF836.htm>

<sup>4</sup> Taiwanese military aircraft were even in the air between Taiwan and the Diaoyu/Senkaku islands to be ready for all eventualities.

<sup>5</sup> Source: IMF. 2012. Direction of Trade Statistics (DOTS).

<sup>6</sup> See comments by Yves Tiberghien cited and emphasized by Caixin (the premier Chinese economic publication) in a larger article on this issue: Jin Chen, Caixin. September 24, 2012. (<http://international.caixin.com/2012-09-24/100441409.html>)

<sup>7</sup> Source: personal interviews in China in various cities, September 2012.

<sup>8</sup> Ministry of Foreign Affairs of China. September 26, 2012. “Diaoyu Dao, an Inherent Territory of China.” <http://www.fmprc.gov.cn/eng/zxxx/t973774.htm>

<sup>9</sup> Source: Wada, Haruki. 2010. Resolving the China-Japan Conflict over the Senkaku/Diaoyu Islands. *The Asia-Pacific Journal* (43-3-10).

<sup>10</sup> As noted in the MOFA document, the Cairo Declaration of 1943 applies to the Diaoyu/Senkaku islands when it noted: ““all the territories Japan has stolen from the Chinese, such as Manchuria, Formosa [Taiwan] and the Pescadores, shall be restored to the Republic of China.

Japan will also be expelled from all other territories which she has taken by violence and greed.”

<sup>11</sup> Source: SinoVision Net. October 1, 2010. “Diaoyu Islands: Fishermen Say Over past two years, Japanese Became more Pushy” (“Diayudao: shouwang diaoyudao de zhongwo yumin: zhe liang nien riben xiaozhang qilai”).

<sup>12</sup> Source: Aera, September 2010. See more details in Tiberghien 2010, op.cit.

<sup>13</sup> Personal interviews with several scholars of the DPJ and one DPJ Member of Parliament in Tokyo, January 2011.

<sup>14</sup> Interview with Chinese scholar, Beijing, September 19, 2012.

<sup>15</sup> Ibid.

<sup>16</sup> Ibid.

<sup>17</sup> Nikkei News. October 2, 2012. “China Banks Pull Out Of World Bank, IMF Events”

<sup>18</sup> Japan Times. September 30, 2012. “Murakami calls for cool heads amid Senkakus flare-up.”

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