

# SHOCKWAVES FROM THE CHINA/JAPAN ISLAND DISPUTE

## ABOUT

The Chinese have long been obsessed with strategic culture, power balances and geopolitical shifts. Academic institutions, think tanks, journals and web-based debate are growing in number and quality and give China's foreign policy breadth and depth.

China Analysis, which is published in both French and English, introduces European audiences to these debates inside China's expert and think-tank world and helps the European policy community understand how China's leadership thinks about domestic and foreign policy issues. While freedom of expression and information remain restricted in China's media, these published sources and debates provide an important way of understanding emerging trends within China.

Each issue of China Analysis focuses on a specific theme and draws mainly on Chinese mainland sources. However, it also monitors content in Chinese-language publications from Hong Kong and Taiwan, which occasionally include news and analysis that is not published in the mainland and reflects the diversity of Chinese thinking.

The French version of China Analysis can be accessed online at [www.centreasia.eu](http://www.centreasia.eu).

## Introduction by François Godement

Do Chinese think tanks adjust their views to the current official party line? This question comes up when reading this issue of *China Analysis*, which focuses on the implications of the conflict between China and Japan over the Senkaku/Diaoyu islands. The sources analysed in this issue were published in December 2012 – that is, after the 18<sup>th</sup> Party Congress but just before the Japanese elections, which brought Shinzo Abe and the Liberal Democratic Party (LDP) back to power. We have also included sources from Taiwan, which present a more even-handed debate. But the positions of the writers from mainland China are strikingly homogenous.

For example, in previous round tables about Chinese foreign policy held by the think tank China Institutes of Contemporary International Relations (CICIR), some Chinese experts expressed more moderate views on Sino-Japanese relations and put some emphasis on the economic aspects of China's relationships in the region, particularly with Japan. By contrast, the sources in this issue of *China Analysis* look monolithic. All recent Chinese actions in the region are ignored, as if there were simply no causal relation between them and the tensions between China and Japan. No mention is made of recent entries and intrusions of fishing boats, paramilitary ships and even planes in economic zones or even territorial waters from which China was absent so far, whatever its claims may have been. China is portrayed as passive or at least reactive. Only in Taiwan

do people discuss the landing of Chinese activists on one of the disputed islands in August 2012.

Chinese views of Japan are implacable. Some see Japan as being engaged in a neo-nationalist revival. According to that view, Shintaro Ishihara, the right-wing governor of Tokyo who contributed to the crisis as he attempted to buy the islands from their private owner, is the strategic source of inspiration for the Japanese government. Even former Prime Minister Yukio Hatoyama, who irritated the US in 2009 by proposing the establishment of an “Asian community”, is described as a “neo-Asiatist”. Others see Japan as a “dwarf” that is following or supporting the US policy of encirclement against China. These views, which were published right before the Japanese elections, which Prime Minister Yoshihiko Noda looked likely to lose, were mainly targeted at representatives of Noda’s government and party and in particular Minister of Defence Seiji Maehara. But the mention of “hatred” between China and Japan refers explicitly – be it right or wrong – to public opinion in both countries.

Views of the US are even more contradictory. Chinese writers see the US encirclement strategy as forcing its allies into conflict by fanning the flames of regional conflicts. And this goes back a long way: they see the retrocession of Okinawa by the US to Japan in 1972 (which implicitly disposed of the disputed islands in favour of Japan) as a deal between the US and Japan against China. Yet one of the writers notes that Japan “is mistaken” about US intentions: Washington avoids as much as possible any involvement on the issue of sovereignty and wants to protect its relationship with China. Another states that China has an advantage in the South China Sea, and is “almost on equal grounds” with Japan in East China Sea.

This reasoning is in line with the first statements of the new Chinese head of state, Xi Jinping, about the “revival of the Chinese nation”, the necessary intransigence on sovereignty and China’s “core interests” (which, however, remain very vaguely defined). It is this very demanding line that think tanks and the experts they publish, seem to be toeing a few weeks after the Party Congress. By contrast, some in Taipei emphasise the risk that Taiwan might be split from its historical allies (notably the US) by forming a “united front” with the PRC that would leave no space for Taiwanese diplomacy and compromise.

How long and how far will this stand endure? There seems to be no “line in the sand” (or rather in the water) that China is not prepared to cross. Until very recently, it has been reassuring that the PLA navy was not directly involved in the dispute over the islands, which limited the risk of escalation. Yet we are steadily moving to a situation in which military posturing is also involved and where backing off involves loss of face for either side. Will there need to be a genuine – that is, military – incident to justify a return to compromise as a lasting solution? Europe and NATO are

seeking to engage China’s security policy in third countries around some converging interests. They, and particularly the Europeans, should now emphasise the various legal and arbitration roads to solving this type of conflict and highlight the responsibility of those who are pushing for confrontation.

## 1. China needs new strategies to secure its maritime borders

Antoine Bondaz

### Sources:

Jin Canrong, “The context and resolution of Chinese maritime territorial disputes”, *Xiandai Guoji Guanxi*, No. 8, 2012<sup>1</sup>.

Chu Shulong, “The current situation in remote Chinese territorial waters and its external strategic design”, *Xiandai Guoji Guanxi*, No. 8, 2012<sup>2</sup>.

Lin Hongyu, “Causes of Chinese maritime distress and measures to take in response”, *Xiandai Guoji Guanxi*, No. 8, 2012<sup>3</sup>.

Liu Jianfei, “The challenges of maritime territories issues for the rise of China”, *Xiandai Guoji Guanxi*, n°8, 2012<sup>4</sup>.

These articles come from a special issue of the CICIR’s journal, *Xiandai Guoji Guanxi*. The journal devoted an issue to China’s “disputes in territorial waters” (领土领海争端, *lingtu linghai zhengduan*), after the research centre brought together more than 30 Chinese experts at a conference on 3 August 2012 to discuss “the problem of Chinese maritime borders and China’s international strategy”.

The articles suggest that, by increasing maritime trade and modernising its navy, China has gradually created real naval strength. However, its maritime rise has been met with opposition by its neighbours and by the United States. Maritime territorial disputes are not an isolated problem. Instead, they are part of a wider security issue that is characterised by China’s emergence and the US’s new strategy in the Asia-Pacific region. To secure its position, the articles suggest, China must develop a real maritime strategy and assert its rights.

### Becoming a power at sea as well as on land

Although China lies on the edge of the Eurasian continent, the authors agree that it has neglected the sea in favour of building strength on land. It has continued this policy even though all the “humiliations suffered from the 19<sup>th</sup> century onwards have come from the sea” (饱受海洋之屈辱, *baoshou haiyang zhiquru*), according to Lin Hongyu. These humiliations were mostly brought

<sup>1</sup> Jin Canrong is vice-dean and professor at the School of International Studies at Renmin University of China, Beijing.

<sup>2</sup> Chu Shulong is deputy director of the Institute of International Strategic and Development Studies and professor of Political Science and International Relations at Tsinghua University in Beijing.

<sup>3</sup> Lin Hongyu is professor of International Relations and dean of the Department of International Politics at the China Institutes of Contemporary International Relations (CICIR).

<sup>4</sup> Liu Jianfei is director of the Chinese Foreign Affairs Division and professor at the Institute of International Strategic Studies at the Central Party School of the Communist Party of China.

about by Chinese negligence. Lin Hongyu says the country had not yet developed a “maritime awareness” (海洋意识, *haiyang yishi*), so it could not competently manage its maritime borders. Chu Shulong points out that all China’s wars between 1949 and 1979 – with Korea, India, and the USSR – were land-based. After the fall of the USSR, China again prioritised resolving land-based territorial disputes. China has only recently started to concern itself with maritime issues, coming to a new realisation that it is not only a “continental Loess civilisation” (黄土文明, *huangtu wenming*) but also a “marine blue civilisation” (蔚蓝色文明, *weilanse wenming*). Jin Canrong says that all China is doing is normalising its strength, developing real power that is based not on its history as a continental power, but on its geography, which makes it a dual power – that is, a power both on the continent and at sea.

China has the second largest economy in the world and is the world’s largest trading power. But it has waited a long time to upgrade its power at sea. Its naval strength is nowhere near that of its neighbours such as Japan or India, much less that of the United States. Lin Hongyu says that China faces several major obstacles in increasing its maritime power. Its geography is unfavourable – where the US has access to three oceans, the Atlantic, the Pacific, and the Arctic, China has no direct access to the ocean, not even to the Pacific. It has to contend with several ongoing territorial disputes. And the US, the world’s strongest military power, has an interest in what would otherwise be China’s maritime sphere of influence. Chu Shulong says that, in the face of this “precarious maritime situation” (海洋困境, *haiyang kunjing*), China is not actually being “aggressive” (咄咄逼人, *duoduobiren*), but is in fact projecting “weakness” (软弱, *ruanruo*). Similarly, Lin criticises China for being “on the defensive” (防御的状态, *fangyu de zhuangtai*), underlining its inferiority in maritime affairs.

### Territorial disputes and the US

China is currently involved in territorial disputes in all of its bordering seas. Jin Canrong says that these disputes have become more pressing since 2010. In that year, the South Korean warship *Cheonan* was sunk by a North Korean torpedo in the Yellow Sea. A collision between a Chinese fishing boat and the Japanese coastguard in the East China Sea caused friction with Japan. And tensions increased between China, Vietnam, and the Philippines in the South China Sea. Chu Shulong, however, says that these territorial disputes, which are historical and non-cyclical, are not just China’s problem. In fact, China is not even a key player in some of the regional disputes. China is in a strong position in the South China Sea. It is at a slight disadvantage to Japan in the East China Sea, but its regional position is gradually improving. More importantly, China’s neighbours are the ones who are revising their views on the situation; China, Chu says, is completely comfortable with the status quo.

Some internal factors have helped to intensify China’s

territorial disputes. Jin Canrong talks about the modernisation of the Chinese navy, which has obtained submarines as well as the country's first aircraft carrier, the Liaoning. This modernisation has finally given China a "blue-water navy" (远洋蓝水, *yuanyang lanshui*). China's interest in defending its maritime borders is increased by the fact that 9.7 percent of the country's GDP depends on the maritime economy. Liu Jianfei also says that nationalism is very important to the Chinese people. He thinks that they commonly see their government as too timid, and that public opinion favours a radicalisation of the country's foreign policy.

The writers believe that the US is playing a crucial role in the deterioration of the regional situation. Jin Canrong says the US cannot accept China gaining true maritime power. If China were to become a major naval power, it would challenge US hegemony over international waters and so would be detrimental to its national interests. The

All China is doing is normalising its strength, developing real power that is based not on its history but on its geography.

US already benefits from two key advantages over China: it has superior materiel and it maintains an effective system of regional alliances.

To give it an added edge, the US is also trying to legitimise its intervention in China's territorial disputes. Washington hopes to fan the flames (煽风点火, *shanfeng dianhuo*) by relying on neighbouring countries, which want to involve the US in order to internationalise the conflicts and balance Chinese power.

Liu Jianfei says that US involvement in the dispute allows it to legitimise its "pivot" to Asia. This strategy is aimed at containing China and gaining support from China's neighbours. The US is using the territorial disputes as its "trump card to put pressure on China" (美国打压中国的一张牌, *Meiguo daya Zhongguo de yizhangpai*). At the same time, it officially remains in the background, manipulating its allies "from behind the scenes" (自己则站在幕后, *ziji zezhan zai muhou*). This stance encourages China's neighbours, particularly Japan and Vietnam, to adopt offensive strategies that negate Chinese efforts to build a policy of good neighbourliness.

### Developing a major maritime strategy

The authors suggest several ways to reinforce Chinese maritime strength and promote Chinese interests in the various territorial disputes. Liu Jianfei thinks China must above all try to improve its international reputation, so as not to risk fuelling the "Chinese threat theory" (中国威胁论, *Zhongguo weixie lun*). Beijing must also "maintain stability" (维稳, *weiwen*) throughout the region and within China.

Jin Canrong says the territorial disputes must be viewed

in the regional context of Chinese emergence and the US return to the Asia-Pacific region. He thinks the solution lies in communication and coordination between China and the US, so as to put an end to the "mutual strategic distrust" (战略互疑, *zhanlüe huyi*) and "chronic lack of confidence" (互信赤字, *huxin chizi*). The two countries must recognise each other's interests. Washington must accept a stronger China, along with the enhancement of China's maritime power. China must build cooperation with its Asian neighbours. It should advance the idea of an "ocean GDP" (海洋GDP), which would enable some of the wealth of the sea to be shared with neighbouring countries, thus perhaps encouraging them to drop some of their demands. China must also develop a structured defence of its rights on the basis of law and of historical claims.

Lin Hongyu thinks that competitiveness and maritime security are essential to China's economic development. Beijing must develop true maritime awareness. He thinks that there is a role here both for the government and, more surprisingly, for civil society. Through NGOs, civil society should help build patriotism among the Chinese people. Specific projects should be created to support the disputed islands, and financial contributions should be solicited to support these projects. At a strategic level, China must do everything to break through the encirclement created by the first island chain<sup>5</sup>. By strengthening its sea power, and transforming itself from a "maritime nation" (海洋大国, *haiyang daguo*) to a "marine superpower" (海洋强国, *haiyang qiangguo*), China would protect its influence in the Pacific while creating a real deterrent against other navies in the region.

Referencing Sun Yat-Sen's statement that the twentieth century was dominated by continental powers, Lin says that the 21<sup>st</sup> century belongs to the maritime powers. China must develop maritime strength proportionate to its economic power. Direct confrontation with the US is not an option, but China should still modernise its navy and assert its territorial claims. The situation is uncertain, but not disastrous. Liu Jianfei says that China has one significant advantage on its side: time. Its leverage over its neighbours will grow along with its economy. And it will continue to grow in influence as its neighbours, including the US, become increasingly dependent on the Chinese economy – which will limit their room for manoeuvre.

<sup>5</sup> Theorised by the man responsible for modernising the Chinese navy, Admiral Liu Huaqing (who is praised by Liu Hongyu elsewhere in his article), the first chain of islands corresponds to the archipelagos that separate the seas bordering China from the Pacific Ocean, including Japan, Taiwan, and the Philippines.

## 2. The Diaoyu islands crisis and Taiwan-China relations

Tanguy Le Pesant

### Sources:

Chen I-hsin, "Why Taiwan cannot cooperate with the mainland to protect the Diaoyu Islands", *Zhongguo Shibao*, 27 July 2012<sup>6</sup>.

Editorial, "Cross-strait relations seen through the Diaoyu Islands issue", *Lianhebao*, 27 September 2012.

Editorial, "Behind the Diaoyu Islands can be heard the horn of final unification", *Ziyou Shibao*, 18 August 2012.

Tensions between China and Japan escalated after Tokyo announced the nationalisation of the Senkaku islands (Diaoyudao, 釣魚島 for Beijing; Diaoyutai, 釣魚台 for Taipei) in early September 2012. But the crisis has also had serious repercussions for relations between Taiwan and Beijing. As early as summer 2012, Beijing saw the crisis as an opportunity to present the international community with the image of a united Chinese nation, with both sides of the Formosa Strait joining together against "Japanese imperialism".

Published in August and September 2012, these analyses describe Taiwan's options in dealing with the crisis. They lay out the arguments of those who support a strategic alliance between the RoC (Republic of China – Taipei) and the PRC (People's Republic of China – Beijing), as well as the arguments of those who believe such an alliance would, for Taiwan, be risky to the point of suicidal.

### The case against cooperating with China

Chen I-hsin sees several reasons why it is not feasible for Taiwan to cooperate with the PRC to defend the Diaoyu Islands. If the two sides of the strait were to collaborate, it would reduce Taiwan's room for manoeuvre in diplomacy with Japan. Mainland China has taken a much more extreme position on the issue than has Taiwan, so collaboration would mean that Taiwan would have to prepare for the possibility of armed conflict. This is not in Taiwan's interest, since the island would lose its status as a "promoter of peace"<sup>7</sup>.

In any case, the two sides do not trust each other enough to build an alliance. Chen I-hsin says Beijing continues to pressure the US to stop its arms sales to Taiwan and to end the Taiwan Relations Act, under which the US is legally

committed to ensure the island's protection. The PRC is also doing everything it can to limit Taiwan's presence on the world stage. So, it would be hard for the two sides to build cooperation on an equal footing. Taiwan would be put in an awkward position, especially as the Diaoyu conflict is not an isolated problem – there are other territorial disputes in the South China Sea. Cooperation with the PRC against Japan would pull Taiwan into a web that would be hard to escape if Taiwan wished to deal differently with future conflicts of sovereignty.

Chen I-hsin sees even more important consequences to an alliance between the two Chinas. Extended cooperation with China could desensitise the Taiwanese population and lead to a collapse of the nation's will to stand alone. Beijing could seize its opportunity to end the status quo, and might find a more efficient way to speed up the unification process than its current tack of putting pressure on the US to "abandon Taiwan" (棄台, *qitai*). Chen thinks the Communist Party views the joint defence of the Diaoyu Islands as a first step towards unification. This could explain why the communist government has tried so hard to cooperate with the mainland on the issue. If Taiwan were to take the PRC's side in the conflict with Japan, it would inevitably distance the island from its historical protector, the US. Washington would be extremely disappointed by Taipei's choice and might consider ending arms sales to Taiwan. Chen I-hsin says that Beijing hopes to use the Diaoyu islands to drive a wedge between Taiwan and the US and Japan.

### A beneficial strategic alliance?

The editorial in *Lianhebao* is much more positive about the strategic alliance with the PRC. The writer says that Japan is the main loser in the crisis. The nationalisation of the Diaoyu Islands has breathed new life into this conflict of sovereignty, which was previously not a Chinese priority. A new wave of anti-Japanese feeling has arisen on the Chinese mainland. The central government and the population have come together against Japan, which risks suffering serious economic losses. The PRC has been given an opportunity to show off its new diplomatic, economic, and military assets, and to prove that it has the means to further its ambitions.

*Lianhebao* sees a link between the Diaoyu Islands issue and Taiwan's relationship with China. By showing its determination in the crisis against Japan, the PRC is also sending a message to the US about Taiwan. Beijing is presenting itself as a protective older brother, trying to demonstrate that discrepancies in power do not prevent the two Chinas from working together against a hostile foreign threat.

The editorial says Taiwan must learn to leverage the PRC's strength intelligently to help it meet its objectives and deal with its opponents. Using two *chengyu*, it says Taiwan must "borrow force to use it" (借力使力, *jielishili*), and "use the fox's trick to turn the tiger's strength to its advantage"

<sup>6</sup> Chen I-hsin is professor of political sciences at the Graduate Institute of the Americas at Tamkang University in Taipei. He is also vice-president of the Foundation on Asia-Pacific Peace Studies, a think tank created in 2008 and closely linked to the Kuomintang.

<sup>7</sup> In fact, on 5 August 2012, a few days after the publication of Chen I-hsin's article, Ma Ying-jeou presented an "Initiative for Peace in the Eastern Sea" (東海和平倡議).

(狐假虎威, *hujiahuwei*). The editorial gives an example of how this strategy could work: Taiwan could use its alliance with the PRC to come out ahead in its negotiation with Japan about fishing rights in the disputed waters.

*Lianhebao* then considers the form that the relationship between the two sides of the strait could – and should – take. The editorial says that “the Diaoyutai have always been part of Chinese territory” (釣魚台自古就是中國的領土, *diaoyutai zigu jiushi zhongguo de lingtu*). The problem is defining which “China” that means. If Taiwan wants to use the PRC’s strength to push back Japan, then the challenge is to find a space for Taiwan to manoeuvre. But the PRC is likely to be as intransigent about Taiwan as it has been on the Diaoyu Islands issue.

The editorial says the current crisis calls for reflection about Taiwan’s future. The Diaoyu Islands experience shows that China still thinks (Taiwan’s) “independence is not an

In any case, the two sides do not trust each other enough to build an alliance.

option” (台獨已經無可能, *taidu yi jue wu keneng*). So, Taiwan must find a “way out for Taiwan within

the concept of China” (必須在中國概念中, 找到台灣的出路, *bixu zai Zhongguo gainian zhong, zhaodao Taiwan de chulu*). This implies finding a “common denominator for the PRC, China, and the RoC” (在中華民國 / 中國 / 中華人民共和國 三者之間找到交集, *zai Zhonghua minguo / Zhongguo / Zhonghua renmin gongheguo san zhe zhijian zhaodao jiaoji*). At the same time, the two Chinas must be differentiated. *Lianhebao* thinks the solution to this equation can be found in the idea of “one China under a big roof” (大屋頂中國, *dawuding Zhongguo*), with the RoC as democratic China and the PRC as communist China. The concept of “China” should not be seen as a divisive factor, but instead as an “interface” (介面, *jiemian*) in defining the relationship between the two sides of the strait.

### Taiwanese government missteps

The editorial in *Ziyou Shibao* is critical of the attitude of Ma Ying-jeou’s government and of its management of relations with China, Japan, and the US. It begins by talking about the Chinese nationalists from Hong Kong who landed on the disputed islands and raised the flags of the PRC and RoC. *Ziyou Shibao* criticises the “‘very Chinese’ reaction of Ma Ying-jeou” (馬英九總統的反應“很中國”, *Ma Yingjiu zongtong de fanying “hen Zhongguo”*) to the escapade. Ma neither defends Taiwan’s sovereignty over the Diaoyu Islands nor makes a clear distinction between Taiwan’s position and Beijing’s. This risks giving the impression that Taipei fully agreed with the PRC’s action against Japan. The editorial writer sees no doubt that the Chinese government was behind the landing of these activists. Ma’s government made two mistakes. Firstly, instead of opposing Beijing, which stated on the day after the landing in an article in

the *Global Times* that “Chinese had landed on the Diaoyu Islands” (中國人昨天登上釣魚島, *zhongguoren zuotian dengshang Diaoyudao*), Ma demanded that Japan free the activists who had been captured by Japanese coastguards. Secondly, the spokesperson of the Taiwanese foreign ministry declared that the Hong Kong activists had done nothing particularly shocking – they had simply exercised their freedom of speech.

*Ziyou Shibao* asks why Taipei reacted so differently to Japanese and PRC violations of Taipei’s sovereignty on the Diaoyu Islands. Ma has declared repeatedly that Taiwan is “not to step back one inch” (寸步不讓, *cunbuburang*) and that the RoC’s sovereignty will be defended. Why, then, did he not oppose Beijing after the violation of Taiwan’s territory, and why did he demand that Japanese authorities free the Hong Kong activists? Ma told Tokyo that he would “not hesitate to resort to war” (不惜一戰, *buxi yizhan*) – so why does this belligerence give way to a “mute president” when it comes to defending Taiwan against Beijing? The government is ready to risk a diplomatic crisis to defend the right to fly the RoC flag by individuals who are not even RoC citizens. So why were Taiwanese people not allowed to display the same RoC flag in opposition to Chen Yunlin’s visit to Taiwan in 2008?<sup>8</sup>

The editorial says these events clearly show that even though Ma has many times reiterated his refusal to cooperate with China, the Kuomintang and the Chinese Communist Party are in fact working hand in hand. Ma, just like the activists who raised the PRC and RoC flags on the disputed islands, is a “pan-Chinese nationalist” (中華民族主義者, *Zhonghua minzuzhuyi zhe*). *Ziyou Shibao* thinks Taipei’s different reactions to Beijing and Tokyo serve the interest of the PRC, which wants to present the image of a common pan-Chinese front and aims to break the US-Japan-Taiwan diplomatic triangle. Ma’s government has fallen into the PRC’s trap. By appearing to agree to a rapprochement with Beijing, Taiwan is not only moving away from Japan, but also from the US. This increases the risk of a war against Japan, which has a bilateral defence agreement with the US. But *Ziyou Shibao* says that Ma Ying-jeou does not think this consideration is important: more than anything else, “he wants to contribute to the historic mission of unification of the motherland”.

<sup>8</sup> Chen Yunlin is the president of the Association for Relations Across the Taiwan Straits (ARATS), the Chinese institution in charge of negotiations with Taiwan.

### 3. The US factor in the China-Japan dispute over the Diaoyutai

Antoine Bondaz

#### Sources:

Feng Zhaokui, “The US factor in Chinese-Japanese diplomatic relations since their re-establishment 40 years ago”, *Riben Xueke*, No. 5, November 2012<sup>9</sup>.

Hu Dekun, “Neutralising the United States and building good neighbourly relations along China’s maritime periphery”, *Xindai Guoji Guanxi*, August 2012<sup>10</sup>.

Lian Degui, “Analysing the ambiguity of US policy on the Diaoyu Islands”, *Xindai Guoji Guanxi*, October 2012<sup>11</sup>.

Ren Weidong, “China wants to resist pressure from the United States and force the Japanese to give up”, *Zhongguo Wang*, 3 November 2012<sup>12</sup>.

Editorial, “If Japan is an American puppet, China and the United States must play together”, *Huanqiu Shibao*, 14 September 2012.

Editorial, “China cannot convince the United States to remain neutral by words alone”, *Huanqiu Shibao*, 19 September 2012.

The US factor (美国因素, *Meiguo yinsu*) is crucial in the territorial dispute between China and Japan over the Diaoyu Islands. Ren Weidong says the dispute is directly linked to the changing regional context. The United States has returned to East Asia, and its strategy there consists of “containing” (牵制, *qianzhi*), “encircling” (包围圈, *baoweiquan*), and even “suffocating” (扼制, *ezhi*) China. Lian Degui thinks Washington’s approach to the Diaoyu dispute and to East Asia in general is to adopt “a policy of ambiguity” (模糊的政策, *mohu de zhengce*). This policy has enabled it to maximise its interests in the region while maintaining room for manoeuvre against China. Hu Dekun says the US is using Japan to help it hold onto a leading position in Asia, allowing it to benefit from the region’s economic vitality as well as to control China. Feng Zhaokui contends that since Japan is still occupied by US forces, it is not really a sovereign state, so the US is able to use Japan to carry out its own strategy. But the editorialists in *Huanqiu Shibao* believe that Japan and the US have different strategies on the Diaoyu Islands. The US is using its apparent neutrality to stir up conflict by encouraging Japan to confront China. Japan is trying to internationalise

<sup>9</sup> Feng Zhaokui is a former vice-president and honorary researcher at the Institute of Japanese Studies at the Chinese Academy of Social Sciences (CASS). He is also vice-president of the National Society of Japanese Economy.

<sup>10</sup> Hu Dekun is the dean of the China Institute of Boundary and Ocean Studies at Wuhan University.

<sup>11</sup> Lian Degui is an associate researcher at the Centre for Japanese Studies at the Shanghai Institutes for International Studies (SIIS).

<sup>12</sup> Ren Weidong is a research fellow at the China Institutes of Contemporary International Relations (CICIR).

the dispute by forcing the US to lend support. Each country is trying to make the other take the lead, while at the same time trying to avoid a direct confrontation with China.

#### US policy: encirclement and equivocation

Ren Weidong says the US is not a helpful mediator. The US is trying to suffocate China by deploying new military equipment, strengthening its alliance with Japan, and stepping up military exercises along maritime boundaries. These exercises include the US supercarrier, USS George Washington. Ren is reminded of the crisis of 1996, when the US sent an aircraft carrier to the Taiwan Strait to intimidate China. That intervention was part of a policy of “China bashing” (欺凌, *qiling*) that aimed to isolate the country, as had happened during the 1950s. The US needs Japan to ensure that its strategic encirclement of China is effective. So, Washington is trying to placate Tokyo by pressuring China to abandon its territorial claims and accept Japan’s nationalisation of the Diaoyu Islands. Ren says that China must not accept these illegal “tricks and blackmail” (诱骗和讹诈, *youpian he ezha*).

Lian Degui examines what he perceives as ambiguities in US policy on the Diaoyu Islands. He thinks the US is being deliberately vague on at least three closely linked points. Are the Diaoyu Islands part of the islands that were returned to Japan in 1971? If they are, does the US-Japan military alliance cover these islands? And if it does, would the US intervene in a Chinese-Japanese war in spite of the inevitable costs? Lian says Washington is purposely encouraging this ambiguity, this “cunning confusion” (模糊的花招, *mohu de huazhao*). Since it has not stated its position clearly, the US has the freedom to deal with developments in the China-Japan territorial dispute as they arise in whatever way it thinks best. At the same time, it ensures that the dispute does not come to the attention of the American public, just as Henry Kissinger tried to do when Okinawa was given back to Japan in 1971. In the same way that the occupation of the southern Japanese islands helped contain communism in the 1950s, equivocation on the status of the Diaoyu islands in the 1970s enabled the US to pressurise Japan to keep US military bases on Okinawa and to allow the installation of strategic nuclear missiles. Today, refusing to take a firm position allows the US to maintain and control Japan’s dependence. Lian says that the ambiguity over the US approach to the Diaoyu Islands enables the US to control East Asian relations.

Hu Dekun says the US is worried about China’s economic boom. It wants to control China by encircling it and by taking advantage of Beijing’s difficulties, however small they might be. To refocus public attention away from its ongoing economic difficulties, the US hopes to turn China into its main national enemy. And the US wants to maintain its leadership role in key regions around the world, especially in East Asia. Hu says China must respond calmly to the US strategy. It should avoid direct confrontation by “reconciling

differences” (协调分歧, *xietao fengqi*) and it should do everything it can to make sure the US stays neutral in the Chinese periphery. China must use its economic strength to mitigate the effects of the global economic crisis. This will ensure the country becomes indispensable in the region and on the world stage, and will also help build neighbourly relations with Japan. China has used the last 30 years of reform and openness to become a major continental power. But since major modern geopolitical risks will come from the sea, the country must also become a true naval power.

### Japan's relationship with China and the US

Feng Zhaokui talks about the impact that the US has had on relations between China and Japan since the two countries established diplomatic relations in 1972. He says that the bilateral China-Japan relationship can only be understood in terms of a diplomatic triangle between China, the US, and Japan. Feng believes that the 1971 treaty between

Since it has not stated its position clearly, the US has the freedom to deal with developments in the China-Japan territorial dispute as they arise in whatever way it thinks best.

Washington and Tokyo, in which ownership of Okinawa and the southern islands was returned to Japan, helped u n d e r m i n e relations between Beijing and Tokyo

for decades. Today, these China-Japan tensions allow the US to strengthen its influence over Japan and stigmatise China.

The US-Japan relationship was complicated for a time by Japan's economic boom, which threatened US regional and global economic domination. But Japan's economic slowdown and the collapse of the Soviet Union in the 1990s recreated de facto inequality in the bilateral relationship. This made Japan an ideal ally of convenience for the US, especially useful in its efforts to control China's rise. Japan, “occupied by US troops” (美国占领着, *Meiguo zhanlingzhe*), who use the country as a “strategic base” (战略根据地, *zhanlie genjudi*), agreed to hand over its “national pride” (民族自尊心, *minzu zizunxin*). Unable to rival the US militarily, Japan accepted a “subordinate” role (从属, *congshu*) and allowed the US to set limits to its sovereignty. In return, the US helped Japan to offset the rise in Chinese power that threatened its security. Although the Hatoyama government (2009-2010) proposed the creation of an East Asian community, a more US-centric tone has since been adopted. This attitude will probably be reinforced now that Shinzo Abe has returned as prime minister. Feng warns Tokyo that Japan will only benefit from the region's economic vitality if it works with China. To ensure its future and move closer to its neighbour, Japan should accept a resolution to the Diaoyu dispute that favours Beijing.

The two editorial pieces from *Huanqiu Shibao*

are deliberately provocative, openly criticising US equivocation. The US says that it does not want to take sides in the territorial dispute. But in September 2012, during his visit to Beijing, US Defense Secretary Leon Panetta reaffirmed that the security treaty signed with Tokyo includes the Diaoyu islands. The editorial of 19 September says the problem is just one of China's maritime territorial disputes, and says that the US has taken a stand against China in all of them. Chinese authorities should be under no illusion about Washington's position – the United States is never neutral. The writers think that the US has made a serious mistake. It should understand that its priority in the region should be China, not Japan. Defending the Diaoyu Islands is not in the US's core interests. Faced with this genuine opposition, China should show its determination, make itself heard, and be ready to meet the US challenge. The editorial of 14 September is more cynical. It says that, out of fear of being marginalised, the Japanese government has agreed to be Washington's “puppet” (玩偶, *wanou*), becoming the “little Japan” (小日本, *xiao Riben*). This means the US can easily manipulate Japan to create inconveniences for China.

China faces an “American return” in East Asia. One expression of this shift is Washington's important but ambiguous involvement in the territorial dispute between Beijing and Tokyo. The writers say that the US is using Japan to counter-balance China and is using regional conflicts to damage China's global reputation, control its economic development, and limit its increasing strength. Ren Weidong says that in these circumstances, China must stand up to Japan and the US. If China gives in, it will never have the regional influence that it needs to ensure its security, and East Asia will remain within the Japanese-American sphere of influence. For this reason, the Diaoyu Islands question is far more than a simple legal issue of sovereignty. It is a means of undermining America's strategy of suffocating China and of reshaping regional dynamics to benefit Beijing.

However, the *Huanqiu Shibao* article of 14 September has a warning for Japan and the Chinese government. Tokyo, it says, wants to transform this Chinese-Japanese territorial dispute into a regional conflict against a backdrop of Chinese-American opposition. This approach risks turning Japan into a West Pacific “powder keg” (火药桶, *huoyatong*). The results would not be in the interests either of the United States or of China.

#### 4. China's strategy towards Japan in the Diaoyu Islands dispute

Martina Bassan

##### Sources:

Zhu Feng, "A three-pronged strategy to protect the Diaoyu Islands", *Caijing*, 9 September 2012<sup>13</sup>.

Wu Di, "The Diaoyu Islands crisis and the strategy of 'hiding one's talents and biding one's time'", *Lianhe Zaobao*, 15 September 2012<sup>14</sup>.

Editorial, "Clashing over the Diaoyu Islands", *Caijing*, 9 September 2012.

A speedy resolution of the long-standing dispute between China and Japan over the sovereignty of the Diaoyu Islands (Senkaku in Japanese) does not seem likely. But most Chinese experts agree that this diplomatic row has reached a critical stage. The writers say that China has not had to face such a serious "Japanese threat" (日本威胁, *riben weixie*) since the end of World War II. Zhu Feng says that military conflict between China and Japan over the Diaoyu Islands is inevitable, but that things have not yet come to that. Zhu says it is "extreme" (偏激, *pianji*) and "not common sense" (缺乏常识的看法, *quefa changshi de kanfa*) to think that protecting Chinese sovereignty can legitimise the use of military force at every opportunity. Shi Yinhong, quoted in *Caijing's* editorial of 9 September, agrees<sup>15</sup>. He says the situation is serious, but he does not believe that the relationship between China and Japan can be completely compromised right now. The experts rule out a military solution. Instead, they consider which strategy China should adopt so as to resolve the dispute without endangering the country's economic and strategic interests.

#### Crisis diplomacy, patriotism, and power

Zhu Feng proposes a "three-pronged strategy to protect the islands", centred on three principles: complete military preparedness (充分的军事准备, *chongfen de junshi zhunbei*); effective crisis diplomacy (成功的危机外交, *chenggong de weiji waijiao*); and combining the efforts of the Chinese government and society (中国政府与社会共同努力, *Zhongguo zhengfu yu shehui gongtong nuli*).

He spends most time developing the second point, saying that "effective crisis diplomacy" does not just mean the ability of a government or a country to manage a diplomatic controversy. The country needs to announce that it has good intentions and is willing to cooperate, and by doing so, obtain international support in the dispute. To achieve

this, the government must focus on contact, dialogue, and communication, while remaining unshakeable on protecting the country's interests and sovereignty. International alliances must also be considered, and the government should give some thought to logical potential strategic allies. For example, China's territorial disputes with Japan also concern Russia and South Korea<sup>16</sup>. China could capitalise on a shared opposition to the Japanese right wing, which, Zhu says, is "a common enemy of the political community of East Asia" (东亚政治共同的敌人, *dongya zhengzhi gongtong de diren*). China, he says, should join South Korea in opposing Japan. In an international crisis like the dispute over the Diaoyu Islands, "effective crisis diplomacy" must be implemented as soon as possible to reassert China's position.

Zhu says that media patriotism and public opinion must be respected. But it should not be allowed to descend into "puerile patriotism" (爱国主义幼稚病, *aiguo zhuyi youzhi bing*) or a "patriotic frenzy" (爱国主义狂躁症, *aiguo zhuyi kuangzao bing*). He says China should "complain less and act more" (少放炮、多做事, *shao fangpao, duo zuo shi*). It will need to do this in the conflicts it will face in the future, which will be increasingly frequent and hard to manage.

Wang Yizhou thinks China's problem is that it "still has a deep-rooted war mentality, but lacks a commitment to producing international public goods"<sup>17</sup>. He says that any solution must be in line with the Chinese government's diplomatic agenda, and should be based on a mixture of soft and hard power. Beijing should definitely not give up on hard power. If China wants to become a major maritime power, it must use whatever means it can to protect its maritime space: warships, fishing boats, the coast guard, and so on. But China must also plan and articulate a clear soft power strategy. It needs to learn and apply the rules for managing international waters, including those that relate to fishing, protecting marine biodiversity, or exploiting natural resources. Wang says that "China must become the guardian of security in international waters" (中国要做国际海洋安全的保护者, *zhongguo yao zuo guoji haiyang anquan de baohuzhe*). By its actions, it should present itself as a protector, and using its ideological positions, it should take on a leadership role.

#### Using economic leverage against Japan

Zhao Quansheng and Wu Di propose an economic solution to the standoff<sup>18</sup>. Zhao says China should use its economic dominance to put pressure on Japan and to reward regional

<sup>13</sup> Zhu Feng is a professor at the School of International Studies, Peking University.

<sup>14</sup> Wu Di is a member of the Research Centre on Transnational Corporations in the Chinese Ministry of Commerce.

<sup>15</sup> Shi Yinhong is professor of International Relations and director of the Centre on American Studies at the People's University of China, Beijing.

<sup>16</sup> Aside from the standoff over the Diaoyu/Senkaku Islands, Japan is also dealing with other disputes, in particular with South Korea over the Dokdo/Takeshima Islands, and with Russia over four islands in the Kouriles archipelago.

<sup>17</sup> Quoted in the *Caijing* editorial of 9 September 2012. Wang Yizhou is vice-dean of the School of International Studies at Peking University.

<sup>18</sup> Quoted in the *Caijing* editorial of 9 September 2012. Zhao Quansheng is director of the Centre for Asian Studies at the School of International Service, American University.

security. Wu says that there is no point in getting ready ships and artillery – he thinks China’s most useful weapon against Japan is time. Japan’s economy is suffering from a “terminal illness of the economy” (经济绝症, *jingji juezheng*). This will eventually weaken the country so much that it will not be able to make any demands on the international stage. Wu says that Japan’s economic situation is not viable in the long term. In 2011, debt-to-GDP ratio was greater than 200 percent, while GDP was at the same level as it was in 2007. The country’s fiscal deficit is largely underpinned by the savings of national companies, which have become less and less internationally competitive. Soon, they will no longer be able to underwrite Japan’s growing debt. When the country’s debt reaches the level of Greece, it will most likely have to call on China for financial help. Wu expects this to happen around 2016. He quotes a macroeconomic report saying that by then, Japan will have completely exhausted its national savings, so its national debt will represent 100 percent of domestic savings<sup>19</sup>. At the same time, China’s

Japan’s economy is suffering from a “terminal illness of the economy”. This will eventually weaken the country so much that it will not be able to make any demands on the international stage.

GDP will have overtaken that of the US. When that happens, Tokyo will be forced to ask for Beijing’s financial assistance. China will be able to use its strong

economic position to impose conditions, including a settlement on the Diaoyu Islands. Wu points out that the European economic crisis has shown that for a country on the verge of bankruptcy, “sovereignty is a luxury” (主权是奢侈品, *zhuquan shi shechipin*).

That said, the Diaoyu Islands will only be returned to China if a clear strategy is defined and implemented, gradually and deliberately, starting from now. Deng Xiaoping’s approach of “hiding your talents and biding your time” is a “game that only China has the luxury to play” (一个奢侈的游戏只有中国玩得起, *yi ge shechi de youxi zhi you Zhongguo wandeqi*). China must therefore first ensure a soft landing for its economy in the coming years – which will not be easy. Wu recommends a structural readjustment of the Chinese economy to address the challenge posed by its ageing population, a phenomenon that he describes as “a time bomb” (定时炸弹, *dingshi zhadan*). He proposes a shift from a model based on cheap labour to a knowledge-based, high-tech, high value-added model. He says that for economic growth to continue, China will have to encourage domestic consumption rather than depending on investment.

Wu says these economic issues are much more important than the issue of the Diaoyu Islands or war with Japan. China will have to take steps to address them, or risk

<sup>19</sup> The writer is referring here to economic research conducted by British observers and based on variable perceptions: in 2016, Japan’s debt is expected to reach 100 percent of domestic savings.

becoming just another ailing economy of East Asia, like its neighbour. But Wu is concerned about the prospects for success: he says that “China’s greatest strategic enemy, in the past, present, and future, is itself.” (中国最大的战略敌人过去是、现在是、将来也是中国自己, *Zhongguo zui da de zhanlüe diren guoqu shi, xianzai shi, jianglai ye shi Zhongguo ziji*).

**Translation: WordWorks, Peter Brown**  
**Editing: Justine Doody**

## About the authors:

**Martina Bassan is a PhD Candidate at the Department of Political Science and International Relations of Sciences Po, she can be reached at [martina.bassan@yahoo.com](mailto:martina.bassan@yahoo.com).**

**Antoine Bondaz is a PhD candidate at Sciences Po Paris and currently an invited research fellow at IIRI International Relations Institute (IIRI) in Seoul. He is financed by the General Directorate for Armament (DGA) and the Institute for Higher National Defence Studies (IHEDN). He can be reached at [a.bondaz@centreasia.eu](mailto:a.bondaz@centreasia.eu).**

**François Godement is the director for strategy at Asia Centre and a senior research fellow at the European Council on Foreign Relations, he can be reached at [francois.godement@ecfr.eu](mailto:francois.godement@ecfr.eu).**

**Tanguy Le Pesant is Assistant professor at Chungli National Central University in Taiwan. He can be reached at [leiposan@gmail.com](mailto:leiposan@gmail.com).**

## ABOUT ASIA CENTRE

Asia Centre, founded in August 2005, conducts research and organizes debate on international relations and strategic issues, as well as on the political and economic transformations in the Asia-Pacific; promotes cooperation and second track dialogue with partners in Asia, Europe and the world; publishes timely information and analysis from the region, executive briefs and reports from our research team.

Asia Centre programs cover the prevention of conflicts and regional integration, the challenges of democracy and governance, globalisation and national strategies, energy, proliferation and sustainable development. They also draw contributions and viewpoints from research associates and a network of research institutions.

[www.centreasia.eu](http://www.centreasia.eu)

This paper represents not the collective views of ECFR or Asia Centre, but only the view of its authors.

Copyright of this publication is held by the European Council on Foreign Relations and Asia Centre. You may not copy, reproduce, republish or circulate in any way the content from this publication except for your own personal and non-commercial use. Any other use requires prior written permission.

© ECFR / Asia Centre 2013

Contact: [london@ecfr.eu](mailto:london@ecfr.eu), [contact@centreasia.eu](mailto:contact@centreasia.eu)

## ABOUT ECFR

The European Council on Foreign Relations (ECFR) is the first pan-European think-tank. Launched in October 2007, its objective is to conduct research and promote informed debate across Europe on the development of coherent, effective and values-based European foreign policy.

ECFR has developed a strategy with three distinctive elements that define its activities:

- A pan-European Council. ECFR has brought together a distinguished Council of over one hundred Members - politicians, decision makers, thinkers and business people from the EU's member states and candidate countries - which meets once a year as a full body. Through geographical and thematic task forces, members provide ECFR staff with advice and feedback on policy ideas and help with ECFR's activities within their own countries. The Council is chaired by Martti Ahtisaari, Joschka Fischer and Mabel van Oranje.
- A physical presence in the main EU member states. ECFR, uniquely among European think-tanks, has offices in Berlin, London, Madrid, Paris, Rome and Sofia. In the future ECFR plans to open offices in Warsaw and Brussels. Our offices are platforms for research, debate, advocacy and communications.
- A distinctive research and policy development process. ECFR has brought together a team of distinguished researchers and practitioners from all over Europe to advance its objectives through innovative projects with a pan-European focus. ECFR's activities include primary research, publication of policy reports, private meetings and public debates, 'friends of ECFR' gatherings in EU capitals and outreach to strategic media outlets.

ECFR is backed by the Soros Foundations Network, the Spanish foundation FRIDE

(La Fundación para las Relaciones Internacionales y el Diálogo Exterior), the Bulgarian Communitas Foundation, the Italian UniCredit group and the Stiftung Mercator. ECFR works in partnership with other organisations but does not make grants to individuals or institutions.

[www.ecfr.eu](http://www.ecfr.eu)

This issue of China analysis was produced with the support of Stiftung Mercator.

[www.stiftung-mercator.de](http://www.stiftung-mercator.de)



ASIA CENTRE  
[centreasia.eu](http://centreasia.eu)



EUROPEAN  
COUNCIL  
ON FOREIGN  
RELATIONS  
[ecfr.eu](http://ecfr.eu)