

TENSIONS IN THE EAST CHINA SEA

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Preface: An international workshop on tensions in the East China Sea

The announcement in September 2012 by Japan's government to purchase three of the disputed Senkaku/Diaoyu Islands sparked a downward spiral in relations between Japan and China. According to the Japanese government, the purchase was designed to thwart the plans of ultra-nationalist mayor of Tokyo, Shintaro Ishihara, to buy the islands and 'develop' them. According to the Chinese government, Japan unilaterally changed the status quo, which Beijing deems unacceptable.

In the year since the Japanese Government's decision, both sides have increased efforts to assert sovereignty over the islands. China has routinely flown aircraft over and sent law enforcement vessels into the territorial waters surrounding the disputed waters, challenging Tokyo's effective control of the islands. Japan, in turn, has stepped up its coastguard presence near the islands. China has also dispatched fighter jets and unmanned aerial vehicles, or drones, to the skies near the islands, prompting Japan to scramble fighter jets. The risk of miscalculation rises with each patrol.

In June 2013 the East Asia Program at the Lowy Institute convened an international workshop with the aim of gaining a more nuanced understanding of the Senkaku/Diaoyu Islands dispute and the factors driving the actions of key stakeholders. Attended by 25 experts from China, Japan, the United States and Australia, the workshop explored developments in the months following the nationalisation by Japan's central government of the islands and prospects for moving past the current impasse. The following set of papers, written in advance of the workshop, provide assessments of the tensions viewed from Beijing, Tokyo, Washington DC and Taipei. They also try to identify policy options available to respective governments.

In the first paper, Lt General Noboru Yamaguchi (retired) identifies the domestic political factors behind the Noda Government's decision to nationalise the islands. Following criticism of the governing Democratic Party of Japan's handling of the detention of a Chinese fishing captain in 2010, Lt Gen Yamaguchi argues that the purchase was largely driven by a number of factors including an unsettled relationship with the landowner, upcoming elections and a

desire to reassert Prime Minister Yoshihiko Noda's national security credentials. Yamaguchi also points that out it is not just the more frequent presence of maritime surveillance ships in the waters near the islands that are a cause for concern. Because China's navy is increasing in size and also becoming more active, the navies of Japan, China and the United States come into contact more frequently in international waters in the East China Sea. This heightens the chance for miscalculation, according to Yamaguchi.

Professor Jin Canrong of China's Renmin University and his co-author Wang Hao consider the factors behind the Chinese government's more assertive approach to the dispute and Chinese perceptions of Japan's motivations. According to Jin, the Japanese central government's purchase of the islands reflects a hardening of Tokyo's position since the detainment of a Chinese fishing captain in 2010. Tokyo's tougher stance combined with demands of special interest groups compelled China to react to Japan's attempts to what Beijing perceives as a unilateral change of the status quo.

Ms Bonnie Glaser, Senior Adviser for Asia at the Center for Strategic and International Studies, provides an assessment of the United States' diplomatic balancing of Japan and China over the islands. The United States has sought to avoid encouraging either side to behave assertively or take risks. She recommends that the United States continue its 'quiet diplomacy' unless Japan agrees to recognise the existence of a dispute over the islands' sovereignty, adding that it is after all the responsibility of China and Japan to work out the modalities to any solution.

In the fourth paper, Ms Linda Jakobson, the Lowy Institute's East Asia Program Director, considers the position of Taiwan, the third and oft-ignored claimant to the islands. In April 2013 Taipei reached agreement with Tokyo to permit Taiwanese fishing vessels access to fishing areas near the Senkaku/Diaoyu Islands and inside Japan's exclusive economic zone, while putting questions of sovereignty to one side. Ms Jakobson explores the drivers behind this agreement in Taiwan and Japan, and how it has impacted cross-Strait relations. The agreement to put aside questions of sovereignty and focus on the shared exploitation of resources could, potentially, provide a useful template for soothing China-Japan tensions, although in the current tense environment substantial challenges remain.

The report concludes with a brief assessment by Linda Jakobson of the state of tensions in the East China Sea as final revisions were included (December 2013).¹

¹ The report was edited by members of the East Asia Program: Linda Jakobson, Masato Kawaguchi, Eva O'Dea, Dirk van der Kley, Tracy Tang, and Aimee Yi.

About the Authors

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Professor JIN Canrong is Associate Dean and Professor in the School of International Studies at Renmin University in Beijing. Before joining Renmin University, he worked at the Institute of American Studies at the Chinese Academy of Social Sciences (CASS) from 1987 to 2002. His studies focus on American politics (in particular the US Congress), American foreign policy, Sino-US relations and China's foreign policy. He has published extensively in academic journals and mainstream media and has also written seven books and translated five books, including *The Liberal Tradition in America* (Houghton Mifflin Harcourt, 1991) by Louis Hart; *Between Hope and History* (Random House, 1996) by former President Bill

Clinton and *Diplomacy* (Simon & Schuster, 2011) by Henry Kissinger. Prof Jin holds a BA in political science from Fudan University, an MA from the Graduate School of the Chinese Academy of Social Sciences, and a PhD from the School of International Studies at Peking University.

Lieutenant General Noboru YAMAGUCHI, JGSDF (Ret.) is a Professor and Director for International Programs at the National Defense Academy (NDA) of Japan. He graduated from the NDA majoring in applied physics in 1974 and trained as an army aviator, mainly flying helicopters. He received his MA from the Fletcher School of Law and Diplomacy, Tufts University, in 1988 and was a National Security Fellow at the John M. Olin Institute for Strategic Studies, Harvard University 1991-1992. Lt Gen Yamaguchi's major assignments include Senior Defense Attaché at the Japanese Embassy in the United States (1999-2001), Vice President of the National Institute for Defense Studies (2005-2006) and Commanding General of the GSDF Research and Development Command (2006-2008).

Mr WANG Hao is a graduate student at the School of International Relations, Renmin University of China.

Abbreviations

ADIZ	Air Defence Identification Zone
APEC	Asia-Pacific Economic Cooperation
DPJ	Democratic Party of Japan
DPP	Democratic Progressive Party
EEZ	Exclusive Economic Zone
GDP	Gross Domestic Product
GOJ	Government of Japan
ICJ	International Court of Justice
JCG	Japanese Coast Guard
JASDF	Japan Air Self-Defence Force
JMSDF	Japan Maritime Self-Defence Force
JSDF	Japan Self-Defence Force
KMT	Kuomintang Party
LDP	Liberal Democratic Party
MOD	Ministry of Defence
MP	Member of Parliament
MST	(US-Japan) Mutual Security Treaty
PLA	People's Liberation Army
PLAAF	People's Liberation Army Air Force
PLAN	People's Liberation Army Navy
PRC	People's Republic of China
SOA	State Oceanic Administration
UNCLOS	United Nations Convention on the Law of the Sea

A Japanese perspective on the Senkaku/Diaoyu Islands crisis

By Noboru Yamaguchi*

Tensions between China and Japan have increased over the disputed Senkaku or Diaoyu Islands since fall 2012 when the Government of Japan (GOJ) decided to purchase the three major islands. Although Prime Minister Yoshihiko Noda's decision was designed to avoid further tension over the islands by preventing the then Governor of Tokyo from purchasing them and thus provoking China, China's reaction was far more severe than expected. Chinese Premier Wen Jiabao warned Japan saying that 'the government and the people of China would never yield even a half step' just a day before the GOJ's announcement on 11 September 2012. The two countries are now facing a serious crisis. The GOJ's purchase should be understood in light of domestic political factors at the time.

The DPJ's hangover from the September 2010 Senkaku incident

On September 7, 2010, two years before Prime Minister Yoshihiko Noda's decision to purchase the islands, a Chinese fishing trawler rammed into a Japanese Coast Guard's (JCG) patrol ship. The Chinese skipper was arrested and held for seventeen days before being released. The then ruling Democratic Party of Japan (DPJ) led by Prime Minister Naoto Kan was severely criticised by the Japanese public for conceding too much to China in its handling of the incident.¹ This domestic pressure put Prime Minister Kan's DPJ successor, Yoshihiko Noda, in a situation where he could not afford to look too weak on the issue. At the same time, both the Chinese government and the Chinese

* The Lowy Institute is grateful for support from the Ministry of Foreign Affairs of Japan to cover Lieutenant General Yamaguchi's travel to the June 2013 workshop.

¹ In particular, the decision to release the Chinese skipper was widely considered a political one made under pressure from China, despite claims from cabinet that the prosecution made the decision based entirely on legal grounds. Opposition leaders such as the then former LDP Prime Minister Shinzo Abe and Yoshimi Watanabe, the leader of Your Party criticised this decision as being a result of DPJ's "weak-kneed diplomacy." See: 容認できない！民主議員も釈放撤回求め抗議文 ["Unacceptable! Members of DPJ Also Release Protest Note Demanding Revocation of Parole,"], *Yomiuri Online*, 24 September 2010, <http://web.archive.org/web/20100925204048/http://www.yomiuri.co.jp/politics/news/20100924-OYT1T00944.htm>.

public heavily criticised the GOJ for being too assertive.

There was intense pressure on Prime Minister Kan and his Cabinet Secretary General Yoshito Sengoku from the Japanese public and the conservative opposition, the Liberal Democratic Party (LDP). Kan and Sengoku were accused of having inappropriately exercised their political influence on the decision of the prosecution to suspend the indictment and release the Chinese skipper.² Criticism of the DPJ's management of national security issues and, in particular, accusations of mismanagement of the Japan-US alliance had been made since the party came to power in September 2009 under Prime Minister Yukio Hatoyama. The Kan administration's handling of the Chinese trawler/JCG patrol ship incident therefore reinforced the public's discontent with the DPJ's apparent weakness on national security. This meant that when Yoshihiko Noda succeeded Naoto Kan as Prime Minister and leader of the DPJ in September 2011 he had no choice other than to take a tougher stance on national security policy than his predecessors and be as hardline as the LDP. Prime Minister Noda declared that his administration 'would protect sovereignty of Japan and defend its territories with an unwavering resolve.'³

The GOJ's position: Remaining the same while being sharpened

The GOJ's position on the Senkaku Islands has been a combination of two policies for decades: avoidance of confrontation with China and reinforcement of Japan's claims to administrative control and territorial sovereignty. Based on this position, the GOJ has sought to prevent any person from landing on the islands regardless of nationality, in order to maintain peace and stability. For example, requests for landing from the Mayor of Ishigaki City, whose jurisdiction includes the islands, were rejected in January 2011 by the Ministry of Internal Affairs and Communications.⁴ Meanwhile, Japan's position

² Ibid.; interviews with key officials of the Kan administration.

³ Yoshihiko Noda,

『明日への責任～震災復興を成し遂げ、希望と誇りある日本を築く～』 [“Responsibility for Tomorrow: Establish Our Japan with Hope and Confidence After Achieving Post-earthquake Reconstruction”], Democratic Party of Japan, 10 September 2012, http://www.dpj.or.jp/global/images/presidentialelection2012/20120910_noda.pdf.

⁴ 『総務省自治税務局固定資産税課長、「尖閣諸島への上陸申請に対する政府の検討結果について（平成23年1月7日、総税固第1号）」 [“Requests from the Mayor of Ishigaki City for Landing on the Islands Rejected in January 2013 by the Ministry of Internal Affairs and Communications for Peaceful and Stable Maintenance of the Islands”], Ministry of Internal Affairs and Communications, 7 January

on the sovereignty of the islands has been reiterated to the international community as follows:

There is no doubt that the Senkaku Islands are clearly an inherent part of the territory of Japan, in light of historical facts and based upon international law. Indeed, the Senkaku Islands are under the valid control of Japan. There exists no issue of territorial sovereignty to be resolved concerning the Senkaku Islands.⁵

It is worth noting the complexity that exists in relation to Japan's position on the sovereignty of the islands and US treaty obligations to defend Japan. The United States has repeated that it does not take any position on territorial disputes including that of the Senkaku Islands. On the other hand, Article 5 of the U.S.-Japan Mutual Security Treaty (MST) applies when 'an armed attack' occurs 'in the territories under the administration of Japan.'⁶ As the Senkaku/Diaoyu Islands have been under the control of Japan since the 1972 reversion of administrative responsibility over Okinawa from the US Military to Japan, Article 5 of the MST applies to any armed attack on the islands. It is fortuitous for Japan that this point has been clearly stated by the Obama Administration. On April 29, 2013, U.S. Secretary of Defense Chuck Hagel met Japan's Defense Minister Itsunori Onodera in Washington DC and reaffirmed that the treaty obligation based on the MST applies to the Senkaku/Diaoyu Islands. Defense Secretary Hagel further stated that 'the U.S. will oppose any unilateral and suppressive action to undermine Japan's administrative control over the islands.'⁷

2011, http://www.soumu.go.jp/menu_news/s-news/01zeimu05_01000001.html.

⁵ "The Basic View on the Sovereignty over the Senkaku Islands," Ministry of Foreign Affairs, English translation, May 2013, http://www.mofa.go.jp/region/asia-paci/senkaku/basic_view.html.

⁶ Article 5, *Treaty of Mutual Cooperation and Security between Japan and the United States of America*, Ministry of Foreign Affairs of Japan, 19 January 1960, <http://www.mofa.go.jp/region/n-america/us/q&a/ref/1.html>.

⁷ Press Conference with Secretary Hagel and Defense Minister Onodera from the Pentagon, U.S. Department of Defense, news transcript, 29 April 2013, <http://www.defense.gov/transcripts/transcript.aspx?transcriptid=5230>. In addition to the executive branch of the U.S. Government, law-makers have also made their opposition to the use of coercive measures in territorial disputes clear. On 30 July 2013 the U.S. Senate approved a resolution that condemned, "the use of coercion, threats, or force by naval maritime security or fishing vessels and military or civilian aircraft in South China Sea and the East China Sea to assert disputed maritime or territorial claims or alter the status quo." See: "Senate Resolution 167: Reaffirming the Strong Support of the United States for the

Competition between Governor Ishihara and Prime Minister Noda for the purchase

The owner of the islands began shifting his attitude toward the islands in the aftermath of the September 2010 Senkaku incident. The owner had previously been firmly determined not to sell the islands to anybody, particularly the national government, due to his lack of confidence in politicians.⁸ In the summer of 2011, he reportedly suggested the possibility of transferring the islands' ownership during discussions with an LDP Member of Parliament, Akiko Santo.⁹

On April 16, 2011 during a speech at the Heritage Foundation in Washington D.C. the then Tokyo Governor Shintaro Ishihara revealed a plan to purchase three of the five major islets of the Senkakus, suggesting that he had received in-principle agreement from the owner.¹⁰ He said he planned to strengthen Japan's effective control over the islands by constructing permanent facilities such as a port of refuge.

Since 1972, the GOJ has exercised control over the islands of Taishojima and Kubajima. These two islands are part of a network of 20 air spaces and 28 water areas designated as training areas for U.S. Forces in Okinawa. Fishermen and private aircraft are restricted from entering into those zones.¹¹ Taishojima is a state demesne and Kubajima has been rented by the GOJ.¹² From 2002, the GOJ had rented the other three islands, Uotsurijima, Kitakojima and Minamikojima, to ensure their 'peaceful and stable maintenance.'¹³ This was to prevent any party – not only from China but also from

Peaceful Resolution of Territorial, Sovereignty, and Jurisdictional Disputes in the Asia-Pacific Maritime Domains," *Congressional Record*, 159 (81), 10 June 2013, [http://beta.congress.gov/congressional-record/2013/06/10/senate-section/article/s4062-](http://beta.congress.gov/congressional-record/2013/06/10/senate-section/article/s4062-2/?q=%7B%22search%22%3A%5B%22Senate+Resolution+167%22%5D%7D)

[2/?q=%7B%22search%22%3A%5B%22Senate+Resolution+167%22%5D%7D](http://beta.congress.gov/congressional-record/2013/06/10/senate-section/article/s4062-2/?q=%7B%22search%22%3A%5B%22Senate+Resolution+167%22%5D%7D).

⁸ Tsuyoshi Sunohara, *暗闘：尖閣国有化 [Struggle: Nationalization of the Senkakus]*, (Tokyo: Shincho-sha, 2013), 57-59.

⁹ Ibid.

¹⁰ "Ishihara Thumbs His Nose at the Central Government," *The Asahi Shimbun*, 18 April 2012, http://ajw.asahi.com/article/behind_news/politics/AJ201204180054.

¹¹ "Air Spaces / Water Areas Used for US Forces Training in Japan," Okinawa Prefecture Government, 18 November 2013, <http://www.pref.okinawa.jp/site/chijiko/kichitai/documents/p3.pdf>.

¹² Ibid; Jun Hongo, "Tokyo's Intentions for Senkaku Islets," *The Japan Times*, 19 April 2012, <http://www.japantimes.co.jp/news/2012/04/19/news/tokyos-intentions-for-senkaku-islets/#.Uq9ZVvQW1oM>.

¹³ Yomiuri Shimbun, *基礎からわかる日本の領土・海洋問題 [Japan's Territorial Disputes from the Ground]*, (Tokyo: Chuko-Shinsho LaClef, 2012), 24.

Japan – from causing trouble over the islands through transfers of ownership and landings on the islands.

Tokyo Governor Ishihara's plan was openly criticised by Japan's Ambassador to Beijing, Uichiro Niwa, who said it could trigger an 'extremely grave crisis' between East Asia's leading powers.¹⁴ The Ambassador was rebuked by nationalistic voices in Japan and he was relieved of his position at the end of the 2011 summer.

At the end of August and prior to the GOJ's purchase, the Noda Administration sent Vice Foreign Minister Tsuyoshi Yamaguchi to Beijing to inform the Chinese government of the pending purchase and to convince China that it would be a better means of ensuring the 'peaceful and stable maintenance' of the territory. These efforts do not appear to have been very effective. The cabinet decision to go ahead with the purchase was made on 11 September, only two days after Prime Minister Noda directly informed Chinese leader Hu Jintao of the plan during a brief conversation at the Vladivostok Summit.¹⁵ The Noda Administration may have overestimated the effects of their communications with China. The then U.S. Assistant Secretary of State Kurt Campbell pointed out that while Japan 'thought they had gained the support of China, or some [in the administration] did, ... [the U.S. was] certain that they had not.'¹⁶

The landowner had been a tough and difficult negotiator with Prime Minister Noda's staff up until an agreement for the GOJ's purchase was reached, and the Noda Administration was not sure about how long the agreement could remain intact.¹⁷ This was an important factor underpinning the Administration's urgent decision in September 2012 to purchase the islands.

¹⁴ Mure Dickie, "Tokyo Warned Over Plans to Buy Islands," *Financial Times*, 6 June 2012, <http://www.ft.com/intl/cms/s/0/af98fc54-aef7-11e1-a4e0-00144feabdc0.html?siteedition=uk#axzz2lG01L1xO>.

¹⁵ 『APEC 野田首相と中国・胡主席が立ち話』 [“Standing chat between Yoshihiko Noda and Hu Jintao at APEC”], *Nippon Television News 24*, 9 September 2012, <http://www.news24.jp/articles/2012/09/09/10213469.html>.

¹⁶ Kurt Campbell, "U.S. Warned Government Against Buying Senkaku Islands," *Japan Times*, 10 April 2013, <http://www.japantimes.co.jp/news/2013/04/10/national/u-s-warned-government-against-buying-senkaku-islands-campbell/#.UikdrjanpTI>.

¹⁷ Interview with a former staff member of the Noda administration.

Political transitions and Prime Minister Noda's decision

In the latter half of 2012, important power transitions took place within both the DPJ and the LDP. In September 2012, around the time that the Noda Administration made its final decision to purchase the islands, both the DPJ and the LDP held their party president elections. Yoshihiko Noda was re-elected for the DPJ and Shinzo Abe was elected by the LDP.

The Senkaku dispute was more seriously discussed in the lead-up to the DPJ's party president election than it was in the LDP's campaign.¹⁸ Prime Minister Noda made a clear reference to the 'nationalization of the Senkaku Islands and their protection' while his DPJ opponent, Kazuhiro Haraguchi MP, more generally proposed 'establishing a legal system to protect national sovereignty and the interests of remote islands including the Senkaku Islands.'¹⁹

LDP candidates did not discuss policies regarding the disputed islands at any length, but rather focused on initiatives such as the stationing of GOJ officials and maintenance of infrastructure.²⁰ Nobuteru Ishihara, the Tokyo Governor's son and an LDP candidate, suggested that the government's decision to purchase the islands 'sent [the] wrong message' while admitting there was no way to return to the situation before the nationalisation.²¹ Shinzo Abe appeared more focused on whether or not he should run for the LDP leadership rather than Senkaku Island issues as he only announced his candidacy on 12 September, one day after Prime Minister Noda's purchase of the islands.²²

¹⁸ See: the DPJ's official election homepage: <http://www.dpj.or.jp/presidentialelection2012> and the LDP's official election homepage: https://www.jimin.jp/sousai12_top.html#k_menu.

¹⁹ See: the homepages of both the LDP and the DPJ.

²⁰ 『尖閣諸島に関する公開質問状と回答』 [“LDP Candidates' Answers to Tokyo Governor Ishihara's Questionnaire”], Tokyo Metropolitan Government website, 19 September 2012, <http://www.metro.tokyo.jp/GOVERNOR/ARC/20121031/ol20120914.htm>.

²¹ 『自民党総裁 4 候補そろって原発再稼働容認』 [“The Four LDP President Candidates Accept Resuming Nuclear Power Plant Operations”], *J-CAST News*, 19 September 2012, <http://www.j-cast.com/2012/09/19146850.html?p=all>; “The Senkaku islands belong to Tokyo: Nobuteru Ishihara,” *Want China Times*, 29 July 2012, <http://www.wantchinatimes.com/news-subclass-cnt.aspx?id=20120729000082&cid=1101>.

²² Eitaro Ogawa, *国家の命運: 国家の命運: 安倍政権奇跡のドキュメント* [*Destiny of the Nation: A Miracle Document of the Abe Administration*, (Tokyo: Gentosha, 2013), 80-86.

As Prime Minister Noda had already committed to calling an election in the near future he knew that his remaining time in office was limited. This may have been another important factor that encouraged the Noda Administration to decide to purchase the Senkaku Islands in such haste. Meanwhile Shinzo Abe seems to have been less committed to the policy of purchasing the islands than the Noda Administration and maintained some flexibility on the issue.

Heightened tension in the East China Sea

Chinese maritime law enforcement organisations such as China Maritime Surveillance have been extremely active in the areas close to the Senkaku Islands. This activity has increased markedly since the purchase of the islands in September 2012. Notably 70 to 80 per cent of its activities in the vicinity of the islands are directed against Japanese activists approaching the islands while the rest seeks to reassert Chinese control over the area around the Senkaku Islands.²³ The JCG is on high alert and encounters its Chinese counterparts almost daily. In the wider East China Sea and the western Pacific, encounters between China's PLA Navy (PLAN) and Japan's Maritime Self Defense Force (JMSDF) as well as the U.S. Navy have also become more frequent. This is simply because Chinese naval activities have expanded geographically and intensified as the PLAN has grown rapidly in recent years, leading to encounters with the JMSDF and the U.S. Navy which have long been active in those areas.

Dangers do exist. In January 2013, the Japanese Destroyer JS Yudachi operating in the East China Sea detected that she was the target of aim of fire control radar of the PLAN's Jiangwei II class frigate Lianyungang. Illuminating other ships by a fire control radar is an aiming action similar to pointing a rifle at a person. The GOJ lodged a formal protest with the Chinese government, which denied the accusation. This denial by the Chinese authorities was reported by the majority of Japanese media as evidence of China's dishonesty. In contrast, the Japanese newspaper *Asagumo Shimbun*, which is widely distributed within Japan Self Defense Force (JSDF), quoted Dr Denny Roy of

²³ The author's interviews with GOJ officials.

the East West Center, Hawaii University, who saw the Chinese denial as ‘a positive development ... as opposed to saying, “Yes we did it, and we’ll do it again,”’ and as a sign that the Chinese did ‘not want to be portrayed as an aggressor.’²⁴ The episode demonstrates that it has become an urgent necessity for regional actors and nations to form consensus on refraining from such dangerous actions.

The Chinese air force and law enforcement organisations have also become increasingly active, particularly in the past several years, as they have been rapidly modernised. According to Japan's MOD, the Japan Air Self-Defense Force (JASDF) conducted over 567 missions to secure territorial air space in 2012.²⁵ This is the highest number since the Cold War and over half were against Chinese aircraft. Most of the China PLAAF's flights were limited to the East China Sea and short of the line demarcating the two countries' EEZs. In the future, however, the Chinese sphere of activities will expand as China begins to utilise its airborne radars beyond the airspace close to China and to operate its carrier-based aircraft. As a result, Chinese and Japanese military aircraft will encounter each other more frequently and in a wider geographic area. Japan and China therefore urgently need to enhance cooperation on confidence-building measures to avoid serious incidents in the air such as the 2001 collision between a Chinese fighter and a US patrol aircraft in the South China Sea.

Japan's policy options

The GOJ has several policy options. It could:

1. Compete with China for stronger administrative control over the islands.
2. Work with China to freeze the current balance between the two neighbouring nations and to gradually reduce current tensions.
3. Develop and employ a new style of rhetoric that acknowledges in some ways

²⁴ Chris Buckley, “China Denies Directing Radar at Japanese Naval Vessel and Copter,” *New York Times*, 8 February 2013, http://www.nytimes.com/2013/02/09/world/asia/china-denies-directing-radar-at-japanese-military.html?_r=0.

²⁵ 『平成24年度の緊急発進実施状況について』 [“JASDF Scramble Enforcement Situation in 2012”], Japanese Ministry of Defense, 17 April 2013, http://www.mod.go.jp/js/Press/press2013/press_pdf/p20130417_02.pdf.

the existence of the territorial dispute over the islands in order to start a bilateral dialogue.

4. Ask a third party such as the International Court of Justice (ICJ) to mediate.
5. Work with China to focus on avoiding immediate risks such as incidents at sea.

The first option is for the GOJ to seek to strengthen its claims to territorial sovereignty by strengthening its administrative control over the islands. This approach is favoured by the conservative side of Japanese politics. Strong voices from the conservatives including Governor Ishihara have urged specific actions including construction of permanent facilities such as a port of refuge. This option risks leading to a game of ‘chicken’ or ‘one-upmanship’, inciting stronger responses from China and thus escalating tensions further. It also raises the possibility that the international community including the United States could see Japan as responsible for such escalation. This could have serious repercussions if the U.S. Government were to lose confidence in Tokyo’s ability to manage the issue. This course of action is usually seen as a response to calls by conservatives for the government not to be too weak over territorial issues. The Abe Administration already has a reputation for being highly conservative and as such would not have to pay too much attention to this point.

The second option is to freeze the currently existing balance or status quo between Japan and China on the Senkaku Islands and to cooperate to gradually reduce tensions. Japan could work with China and Taiwan to develop specific policies to restrain activists of the three territories from provoking each other, and thus gradually reduce tensions. This option, however, forces Japan to acknowledge the current situation where the activities of Chinese government ships around the islands have increased, which for Japan is a deterioration in the status quo that existed before 2012. Meanwhile for China and Taiwan this option would require them to acknowledge Japan’s nationalisation of the islands, which may be regarded by both of them as ground lost.

The third option is to make some changes to the GOJ’s position that ‘there exists no issue of territorial sovereignty to be resolved concerning the Senkaku Islands’, in order to make room for discussions with China. This option may not be well received by the Japanese public, which may consider it a unilateral concession by the government. On

the other hand, in a 2012 public opinion poll, more than sixty per cent of the Japanese public recognised that there is a territorial dispute with China.²⁶ As such, it may be possible for the government to explain the policy to the public if it were backed by strong political leadership and bureaucratic rhetoric. It has been reported that the GOJ has considered adopting a new position that, while not admitting the existence of the territorial dispute, would handle the Senkaku Islands problem as a ‘diplomatic issue’, which would not prevent China from claiming its right of possession.²⁷ Similar ideas have been expressed by experts in Tokyo such as a combination of this option and China taking the issue to the ICJ.

The fourth option is to ask for mediation by a third party such as the ICJ whose decision would be unconditionally supported by Japan. As Japan is legally obliged to go to the court if called to do so by the ICJ, the case could be decided by the court if China were to take it there.²⁸ However, as China does not recognise the compulsory jurisdiction of the ICJ it has no such obligation. Thus, if Japan were to take the issue to the ICJ it does not guarantee that the court will be able to make a decision. In addition, if Japan were to refer the issue to the ICJ it would first require Japan to recognise the existence of the territorial dispute. The viability of option four therefore rests on China’s willingness to take the issue to the ICJ and Japan’s readiness to change its fundamental position on the Senkaku dispute.

The fifth option is the treatment of symptoms. Japan could work with China and also Taiwan to develop specific policies on confidence-building measures to avoid unexpected incidents in the East China Sea such as collisions between ships that may further escalate tensions. Crisis communications between maritime law enforcement organisations of China and Japan as well as Taiwan that operate around the island are

²⁶ 『言論NPO 第8回日中共同世論調査の結果発表』 [“The 8th Genron NPO Japan-China Joint Public Opinion Poll Results Announcement”], *Genron NPO*, 20 June 2012, <http://www.genron-npo.net/press/2012/06/npo-10.html>.

²⁷ 『<尖閣諸島> 「外交問題は存在する」前提に日中首脳会談開催も—安倍政権、対中打開の道探る』 [“The Senkaku Issue: Japan-China Ministerial Meeting Based on ‘the Existence of a Diplomatic Issue’ – the Abe Administration Seeks a Possible Solution to Sino-Japan Relations”], *Record China*, 23 July 2013, <http://www.recordchina.co.jp/group.php?groupid=74595>.

²⁸ Japan made optional declarations accepting the ICJ’s jurisdiction as compulsory based on Article 36(2) of the Statute of the International Court of Justice. See *Statute of the International Court of Justice*, <http://www.icj-cij.org/documents/?p1=4&p2=2&p3=0>.

crucial. Policies to avoid incidents at sea and air particularly between the PLA and the JSDF are also critical for maintaining peace and stability in the wider area including the East China Sea as a whole. Since to a certain extent there does remain working-level communication between the PLA and the JSDF, it may be possible for the two countries to avoid immediate risks by developing specific policies through low-profile working-level efforts by professionals of the two militaries.

Conclusion

None of the policy options available to the GOJ present an ideal resolution to the Senkaku dispute. The first option of continuous competition with China gained greater support following the rise of nationalism in Japan after the collision between the Chinese fishing boat and a Japanese patrol ship in 2010 and as part of the criticism against the DPJ's handling of the incident. This option would not be widely supported since it has high probability of further escalation. The GOJ has to overcome considerable difficulties to take any of the other options, yet none of them would yield decisive results. It may be desirable to follow the second option of freezing the current status quo for the time being to ease the immediate tension over the islands and, in the meantime, to pursue the fifth option of fostering confidence-building measures to create a system to avoid physical dangers in the East China Sea. The third and fourth options should be kept under consideration as acknowledgement of the territorial dispute and third party mediation may well complement the other policies that the GOJ pursues.

Developments post-Japanese nationalisation of the Diaoyu/Senkaku Islands:

A perspective from Beijing

By Jin Canrong and Wang Hao

Introduction

The purchase of the Diaoyu/Senkaku Islands (hereafter Diaoyu Islands) by the Japanese government in September 2012 represented a significant change in the status quo that had previously existed between China and Japan. The purchase in fact reflected a shift in Japanese policy that can be traced back to 2010. This more assertive stance by the Japanese government necessitated a reaction from China. Both sides need to try to avoid the dispute becoming overly politicised and allow professional diplomats to negotiate a solution.

Before nationalisation

The Diaoyu Islands dispute enjoyed a relatively stable status quo from the time of the normalisation of bilateral relations between China and Japan in 1972 until recent years. The basic approach, as articulated by Mao Zedong and Deng Xiaoping, was to acknowledge the existence of a sovereignty dispute between the two nations but at the same time ‘shelve differences’ and defer resolution of the dispute in order to prioritise the normalisation of relations.

The Japanese government’s policy towards the Diaoyu Islands began to change in 2010. First, Japanese ministers began to deny that the sovereignty of the Diaoyu Islands was disputed. The then foreign minister Seiji Maehara was the first senior government official to officially deny the existence of a sovereignty dispute;¹ prior to this there were no high-level denials that sovereignty of the islands was contested. By the end of 2010, denial of the existence of the dispute was regarded as official policy.² Recently Prime Minister Shinzo Abe himself has said, ‘We have never agreed with the Chinese to shelve the issue of the Senkaku

¹ Paul Jackson, “Japan, What Island Dispute?” *The Diplomat*, 6 October 2010, <http://thediplomat.com/tokyo-notes/2010/10/06/japan-what-island-dispute/>.

² “Recent Developments in Japan-China Relations: Basic Facts on the Senkaku Islands and the Recent Incident,” Ministry of Foreign Affairs of Japan, October 2010, 10, <http://www.mofa.go.jp/region/asia-paci/china/pdfs/facts1010.pdf>.

Islands. To say that we have in the past is a complete lie by the Chinese.’³

Detainment of a Chinese fishing captain by the Japanese coastguard in September 2010 after his fishing boat and two Japanese coastguard vessels collided in waters near the Diaoyu Islands represented an attempt by Japan to unilaterally change the status quo. The captain’s detention and prosecution under Japanese law was a violation of a 1997 bilateral fishing agreement, which stipulated that the captain ought to have been returned to his home country and tried under domestic law.⁴

China felt compelled to react to this unilateral attempt to change the status quo in 2010 by Japan. Sino-Japanese relations deteriorated markedly during this period. Large-scale protests targeting Japanese businesses and individuals broke out in a number of major cities across China, official visits to Japan were cancelled, and tourism to Japan declined.⁵ A 2008 agreement that had sought to enable joint exploration of hydrocarbon resources in the East China Sea was derailed by the incident.⁶ Chinese maritime patrols and surveillance of the waters surrounding Diaoyu were also increased.

Nationalisation of the islands by Japan

The purchase of the islands by the Japanese government in September 2012 followed months of threats by the ultra-nationalist former Governor of Tokyo, Shintaro Ishihara, to purchase the islands and develop them. At one level, the Chinese government understands that the Japanese government’s actions prevented Ishihara from purchasing the islands and thereby avoided what could have been a far worse scenario. At the same time, however, the government’s purchase must be viewed in light of the events of the preceding two years. The Japanese government’s purchase of the Diaoyu Islands was consistent with its more assertive approach to the dispute from 2010.

³ Shinzo Abe and Jonathon Tepperman, “Japan is Back: A Conversation with Shinzo Abe,” *Foreign Affairs*, July/August 2013, <http://www.foreignaffairs.com/discussions/interviews/japan-is-back>.

⁴ See Article 5(2) of the *Sino-Japanese Fisheries Agreement 1997*.

⁵ Bao Daozu, “China Warns Japan of Strong Response,” *China Daily*, 20 September 2010, http://www.chinadaily.com.cn/china/2010-09/20/content_11325545.htm.

⁶ Paul J. Smith, “The Senkaku/Diaoyu Island Controversy: A Crisis Postponed,” *Naval War College Review*, 66 no. 2 (Spring 2013): 28.

Drivers of Japan's actions

The actions of the Japanese government are being driven by its domestic politics, its response to the changing strategic balance in the region, and the impact of US support for Japan.

The nature of partisan politics in Japan means that politicians use the Diaoyu Islands issue to bolster their domestic support. This environment also makes it more difficult for political leaders to adopt an even-handed approach to the dispute without compromising their political career prospects. More balanced Japanese voices on the Diaoyu Islands tend to come from individuals who have already retired from public life.

After two decades of economic stagnation there is a strong orientation towards conservatism in Japanese society, which in turn leads to strident nationalist sentiment and the desire for strong leadership. This is reflected in the 'coming back' strategy of the Abe administration, and the desire to amend Japan's pacifist constitution and 'normalise' Japan. In 2010, China's GDP overtook Japan's, making China the second largest economy in the world and the largest in the East Asian region. Japan's declining relative position in the region reinforces support for nationalist policies. A core objective of the Abe government's diplomatic strategy is to reinvigorate Japan's status as a big power not only economically but also politically and militarily. The Diaoyu Islands dispute provides Japan with an ideal opportunity to realise these goals. This also helps to explain why Japan has simultaneously intensified conflicts with China, Russia and South Korea in recent years.

The third major factor influencing Japan's actions over the Diaoyu Islands is the effect of the United States' support for Japan. The unresolved sovereignty question over the Diaoyu Islands was in large part a by-product of the *San Francisco Peace Treaty* between the United States and Japan in 1951 (which was itself a violation of the *Potsdam Proclamation*). While on the one hand the United States continues to maintain its neutrality on the sovereignty of the Diaoyu Islands, on the other hand, it has included the islands under the auspices of the US-Japan alliance. This was clearly articulated by former Secretary of State Hillary Clinton at a joint press conference in October 2010 with the then Japanese foreign minister Seiji Maehara. Clinton stated that the islands 'fall within the scope of Article 5 of the 1960 U.S.-

Japan Treaty of Mutual Cooperation and Security'.⁷ Combined with the United States' pivot strategy, US support has emboldened Japan to assume a more provocative stance against China.

Factors behind China's tough reaction

The re-emergence of the Diaoyu Islands dispute does not serve the interests of the Chinese government. However the Japanese government's purchase and its more assertive policy approach represented such a significant change in the status quo that China has felt compelled to react. Both the government and popular opinion within China consider China the victim of Japan's unilateral action.

There are three major factors influencing China's recent actions on the Diaoyu Islands: the recent leadership transition, increasing social pressures and the influence of special interest groups.

The purchase of the Diaoyu Islands by the Japanese government occurred just before the once-in-a-decade leadership transition of the Chinese government. This was a particularly sensitive time for the Chinese government and the timing of Japan's actions was interpreted by China as deliberate. During the period of leadership transition both incoming and outgoing leaders are inclined to appear very tough on issues of national sovereignty in order to establish their support bases and to shore up their positions.

The Chinese government is facing similar societal pressures as the Japanese government. After three decades of reform, China has moved from having a strong state and weak society to a relatively strong state and an increasingly strong society. Online blogs and social media such as Weibo are transforming the government's relationship with society and, to an extent, are reducing the elitist nature of Chinese politics. At the same time, they are complicating the environment in which government decisions are made. These energetic netizens tend to support nationalist causes and put strong nationalist pressure on the government. This is a new domestic political context for Chinese foreign policy-making and applies to almost all foreign policy issues. As Robert Putnam has described, much like in Western countries,

⁷ Hillary Rodham Clinton, "Joint Press Availability with Japanese Foreign Minister Seiji Maehara," U.S. Department of State, transcript, 27 October 2010, <http://www.state.gov/secretary/rm/2010/10/150110.htm>.

Chinese policy-makers now face a double bargaining process both with their external counterparts and special interest groups within China.⁸

The continued relevancy of the long-held policy established by Deng Xiaoping of deferring decisions on contentious issues is increasingly questioned by some netizens. Many argue that the time for resolving disputes of which Deng spoke has arrived. Most Chinese political elites consider that time remains on China's side, short of some serious economic, political or strategic mistake. In the coming years China will overtake the United States in terms of GDP and this will improve its negotiating position. Despite enjoying less than universal support within China, the policy of deferral does appear to remain the government's preferred approach. This was reflected in the speech of PLA Deputy Chief of Staff Qi Jianguo (戚建国) at the 2013 Shangri-La Dialogue, where he reiterated support for the policy.⁹

Special interest groups on maritime issues have a significant influence on China's actions in the East China Sea. Many coastal groups pressure the central government to pay more attention to maritime issues. The State Oceanic Administration (SOA), as well as the navy, local government and executives of energy companies all influence China's policies and actions relating to contested areas of the East and South China Seas. For example, the Hainan government has had a large impact on China's policy in the South China Sea. The provincial government first proposed the idea of Sansha city as early as 1998 but it was always rejected by the top leadership, until the Scarborough Shoal incident convinced the central government to agree to its creation.

Some special interest groups consist of activists who take it upon themselves to draw attention to the Diaoyu dispute and pressure government to take a hard line. This has been evident in the approach of activist groups such as the Hong Kong-based Action Committee for Defending the Diaoyu Islands, which has sailed to the Diaoyu Islands region a number of times in recent years.¹⁰ On the whole these different types of special interest groups are

⁸ Robert Putnam, "Diplomacy and Domestic Politics: The Logic of Two-Level Games," *International Organizations*, 42 no. 3 (Summer 1988): 427-460.

⁹ Lieutenant General Qi Jianguo, "New Trends in Asia-Pacific Security," Speech at the Shangri-La Dialogue 2013 Fourth Plenary Session, (English translation by IISS), 2 June 2013, <http://www.iiss.org/en/events/shangri%20la%20dialogue/archive/shangri-la-dialogue-2013-c890/fourth-plenary-session-0f17/qi-jianguo-a156>.

¹⁰ For example, see Simpson Cheung and Amy Nip, "HK Activists Vow to Set Sail Anew for Diaoyu Isles," *South China Morning Post*, 15 September 2012, <http://www.scmp.com/news/china/article/1037224/hk->

becoming more active and the Chinese government has less control over them than it did previously.

The central government has set about increasing involvement of top central government leaders in maritime policy and also improving coordination on maritime policy. During the summer of 2012, the Politburo set up a team headed by Xi Jinping, the Leading Small Group on Maritime Rights (中央海洋权益工作领导小组), to deal with maritime issues. The creation in March 2013 of the National Oceanic Commission, which reports to the State Council, will enable China to develop its first comprehensive maritime strategy incorporating maritime rights, the maritime economy and naval capabilities.¹¹ The SOA, reorganised in March 2013, has integrated maritime governance by combining four of the five maritime law enforcement agencies. It is hoped that the SOA restructure will increase the efficiency of maritime governance and help to reduce the competing voices on maritime policy. However, while these maritime organisations are now unified in name, in practice a unified maritime law enforcement unit is yet to be achieved. The new SOA structure is also unlikely to result in substantial changes in maritime policy as major decisions will continue to be made at higher levels of government. Furthermore, the SOA lacks an enforcement plan, which is likely to seriously undermine its effectiveness.

Conclusions

It is worth noting that for most countries in East Asia the process of nation building remains unfinished. While the boundaries of European nations are largely settled, many nations in East Asia are yet to resolve questions over their national borders. In China's case, with the exceptions of India and Bhutan, its land borders are now largely resolved. Now is the time to address the question of its maritime boundaries. The European experience of resolving border disputes often involved war and self-destruction, and as such it does not provide a useful model for Asian nations to follow. East Asia must develop its own principles and find its own ways to resolve these questions.

activists-vow-set-sail-anew-diaoyu-isles.

¹¹ International Crisis Group, 凶险水域：中日关系触礁[“Dangerous Waters: Sino-Japanese Relations on the Rocks”], *Asia Report* No. 245, 8 April 2013, <http://www.crisisgroup.org/~media/Files/asia/north-east-asia/Chinese/245-dangerous-waters-china-japan-relations-on-the-rocks-chinese.pdf>.

There are contradictions in the Chinese government's approach to the Diaoyu Islands dispute: on the one hand it is seeking to resolve maritime boundary issues while on the other it continues to want to defer their resolution. While Chinese elites generally consider that time is on China's side, unless it makes a significant mistake, Beijing is somewhat anxious over the conservative and nationalist movement in Japan. It is a matter of balancing these competing views within China.

There are a number of schools of thought on the best means of resolving territorial issues. Some academics advocate resolution of such conflicts via military means while others favour more liberal approaches such as win-win and mutually beneficial solutions. China's future policies will largely be influenced by which school dominates elite-level thinking in the future.

Given that the policy to defer resolution of the dispute remains the preferred approach of China's central government, what is China seeking from Japan? Fundamentally, China wants the Japanese government to recognise that a dispute over the sovereignty of the Diaoyu Islands exists. Once this has occurred, the Chinese government is keen for both sides to put the dispute to one side for future generations to resolve and to focus on cooperation. This would enable governments on both sides to focus on the domestic problems that each is facing.

Of course, the issue of Japan's recent unilateral changes to the status quo needs to be addressed. Beijing is looking for positive signs from Tokyo in this regard. Now that the 2013 upper house elections in Japan have been held it is time for Prime Minister Abe to show a positive signal to China over the dispute. Such a move would help to get the dispute under control and reduce tensions in the East China Sea.

Achieving these objectives requires a two-fold approach on China's part, encompassing both a hard and a soft side. The harder side of the approach ought to include routine patrols of the region and more publications reiterating China's stance. There is also the potential for economic pressure to be applied to Japan, as occurred following the detainment of the Chinese fishing captain in 2010.

The softer side of China's response should include continued engagement of officials and

technocrats at high levels. Despite the tensions over the Diaoyu Islands, free trade agreement negotiations have continued among Chinese and Japanese technocrats. The bilateral economic relationship is also still critical to the economic prosperity of both countries and the broader region.

Both sides need to leave the dispute in the hands of professional diplomats and seek to avoid it becoming too 'hot'. The more attention the dispute receives in the media and among netizens of both countries the more difficult it becomes to reach agreement or resolution. While social media like Weibo has made Chinese politics less elitist, it also makes handling foreign policy issues, such as maritime disputes, more complicated for the government.

Crisis management needs to be better handled, which means that foreign ministries and military offices should establish effective hotlines. Given the potential for the Diaoyu dispute to unintentionally escalate, management of the conflict requires the attention and involvement of officials at the highest levels on both sides.

US policy considerations in the Senkaku/Diaoyu Islands crisis

By Bonnie S. Glaser

This paper examines decision-making in the US government regarding the crisis during the period from September 2012 to April 2013. It seeks to identify the key factors that influenced US policy and analyse US objectives in handling the crisis. The paper concludes with recommendations for US policy toward the territorial dispute going forward.

US-Japan divergence over China's reaction

Prior to Tokyo's announcement that it would purchase three of the five islands, in-depth discussions between US and Japanese officials revealed divergent estimations of Beijing's likely reaction. Obama administration officials predicted that China would respond harshly. This forecast was based in large part on US assessment of recent Chinese foreign policy behaviour, especially in the Scarborough Shoal incident between China and the Philippines in April-June 2012. In that incident, Beijing reacted strongly to an attempt by a Philippine warship to arrest Chinese fishermen. Through the employment of economic coercion, law enforcement vessels, and crafty diplomacy, China had seized control of the Shoal and barred Filipino fishermen from entering. American officials worried that China would similarly exploit a decision by Tokyo to purchase the islands to assert Chinese sovereignty and alter the status quo to its advantage. Based on their conversations with Chinese foreign ministry officials, however, Japanese officials voiced confidence that Beijing understood Japan's motives and would not overreact. According to former Assistant Secretary of State Kurt Campbell, the United States gave Japan 'very strong advice not to go in this direction', stressing that the move could 'trigger a crisis' with China.¹ Japanese officials admit that US officials advised Tokyo to be 'careful' in handling the matter, but deny that the United States warned against the purchase.²

¹ "U.S. Warned Government Against Buying Senkaku Islands: Campbell," *Japan Times*, 10 April 2013, <http://www.japantimes.co.jp/news/2013/04/10/national/u-s-warned-government-against-buying-senkaku-islands-campbell/>.

² Ibid. Japanese Ambassador to the United States Sasae Kenichiro told the *Asahi Shimbun* in an interview that before even approaching and seeking to mollify China, Japan solicited the position of the United States on the purchase of the islands and was told that the United States 'did not oppose.' Stephen Harner, "The

Devising a strategy

As Sino-Japanese tensions escalated in the days following the Japanese Government's announced intention to purchase the islands, US officials devised a strategy to manage the crisis. An important premise for US policy-makers was that the existence of weak governments in both Tokyo and Beijing and the absence of good communication channels between the two capitals had contributed to miscalculation and would complicate the ability of both nations to handle the crisis. Therefore, Washington would have to play an active role, albeit with low visibility, to reduce tensions and help create an atmosphere in which Japan and China could find a mutually acceptable way to climb down from the crisis.

The long-standing US policy of not taking a position on the sovereignty of the islands would be strictly maintained. There was recognition that the issue is historically, legally and emotionally complicated, and if the United States were to become entangled in the dispute it would risk relations with both parties, and possibly also with Taiwan, the third claimant. US officials were also concerned about the likely negative economic impact of the crisis on the Japanese economy and the potential for a disruption in the global supply chain. The best outcome for the United States, as well as for Japan and China, would be an agreement by both sides to shelve the dispute, to reduce the operational tempo of patrols by law enforcement vessels, especially within the 12-nautical mile territorial waters, and to resume Sino-Japanese talks on establishing crisis management mechanisms.

At the same time, US policy-makers were aware that they faced a delicate balancing act: they would have to communicate sufficient resolve so as to discourage Chinese aggression against Japan, but also had to avoid signaling unconditional support to Tokyo, lest that be interpreted by Japan as a green light to take potentially provocative or reckless actions that would increase tensions and possibly pull the United States into a conflict.

US strategy to manage the crisis included the following steps: 1) encouraging both sides to resolve their differences through dialogue, recognising that there is much at stake for both

U.S. Could Have Prevented the Senkaku/Diaoyu Crisis. Why Did It Not?" *Forbes*, 14 February 2013, <http://www.forbes.com/sites/stephenharner/2013/02/14/the-u-s-could-have-prevented-the-senkakudiaoyu-crisis-why-did-it-not/>.

sides in the preservation of a positive Sino-Japanese relationship; 2) urging both parties to be restrained and to avoid taking actions that might increase the possibility of miscalculation that could result in escalation of the conflict and even violence; 3) reassuring Japan that the United States would abide by its commitments under the US-Japan Security Treaty to avert a loss of Japanese confidence in the alliance, but avoiding emboldening Tokyo to respond to Chinese challenges in provocative ways; 4) being even-handed in calling for restraint and exercising caution to prevent damage to the overall US relationship with China; and 5) clearly stating US redlines to avoid miscalculation by China.

Washington attempts to manage the crisis

In the days and weeks following Japan's decision to buy the islands and China's strong rhetorical response, accompanied by its deployment of paramilitary vessels to the waters around the islands with naval ships positioned at a distance, US officials publicly expressed their hope that both sides would act calmly, exercise restraint and settle the issue through dialogue and diplomacy. They did not deviate from the long-standing US stance that Washington takes no position on the issue of sovereignty over the islands. At times they struggled to find ways to reassure Tokyo that US support for Japan under the security treaty was unquestionable, while not agitating Beijing or emboldening Japan to confront China.

Speaking at the Asia-Pacific Economic Cooperation (APEC) Summit, Secretary of State Hillary Clinton said on 9 September that whether speaking about the Dokdo/Takeshima islands dispute between South Korea and Japan or the Senkaku/Diaoyu Islands dispute between Japan and China, all parties need to make efforts to reduce tensions and strengthen their diplomatic relations.³ She noted that heightened tensions could be harmful to efforts to resuscitate the global economy. Two weeks later, Clinton delivered a similar message to Chinese Foreign Minister Yang Jiechi when they met on the margins of the UN General Assembly meeting in New York.⁴

³ "APEC Summit: Clinton Warns Asia Leaders over Disputes," *BBC News*, 9 September 2012, <http://www.bbc.co.uk/news/world-asia-19538066>.

⁴ Andrew Quinn and Paul Eckert, "U.S. call for 'cool heads' in China-Japan island dispute goes unheeded," *Reuters*, 28 September 2012, <http://www.reuters.com/article/2012/09/28/us-china-japan-usa-idUSBRE88Q1ZL20120928>.

On 15 September ahead of his visit to Tokyo and Beijing, US Defense Secretary Panetta voiced his concern about the situation, saying, 'I am concerned that when these countries engage in provocations of one kind or another over these various islands, that it raises the possibility that a misjudgment on one side or the other could result in violence, and could result in conflict.'⁵ The US defense secretary also confirmed in a press conference that since Japan has administrative control over the Senkaku/Diaoyu islands, they are under the scope of the 1960 U.S.-Japan Security Treaty and, therefore the United States would fulfill its obligations under the treaty. While in Beijing, Panetta restated that commitment to China's defence minister Liang Guanglie to ensure that China fully understood US redlines. However, Panetta's remarks to Liang were not made public to keep the focus on the need for a peaceful resolution and to avoid ratcheting up tensions.⁶

In late October, at the U.S.-China Asia-Pacific Consultations, Assistant Secretary Kurt Campbell expressed US concerns about the continuing tensions between China and Japan in the East China Sea and reiterated US security obligations to Japan. In addition, he told his counterpart Assistant Foreign Minister Cui Tiankai that China's actions were putting in jeopardy peace and stability in the region, which would unavoidably have a negative impact on US-China relations. Campbell reminded his interlocutors that at a time of leadership transition in China and on the eve of US presidential elections, sustaining a stable US-China relationship was of the utmost importance.⁷

From the onset of the crisis, neither Beijing nor Tokyo was satisfied with US policy pronouncements, and officials from both countries sought to influence US positions. Japan repeatedly pressed the United States to make more forceful statements criticising China's behaviour as provocative and reinforcing American obligations under the U.S.-Japan Mutual Security Treaty. Additionally, the Japanese urged the United States to recognise Japanese

⁵ "Secretary of Defense Leon E. Panetta Holds a Press Briefing En Route to Tokyo," US Department of Defense, news transcript, 15 September 2012, <http://www.defense.gov/transcripts/transcript.aspx?transcriptid=5113>.

⁶ "Panetta tells China that Senkakus under Japan-U.S. Security Treaty," *The Asahi Shimbun*, 21 September 2012, <http://ajw.asahi.com/article/asia/china/AJ201209210061>. US policy was also articulated publicly by Kurt Campbell in testimony on 20 September before the Senate Foreign Relations Committee on East Asian and Pacific Affairs. Campbell said that 'We do acknowledge clearly... that Japan maintains effective administrative control... and, as such, this falls clearly under Article 5 of the Security Treaty.' See Paul Eckert, "Treaty with Japan Covers Islets in China Spat: U.S. official," *Reuters*, 20 September 2012, <http://www.reuters.com/article/2012/09/20/us-china-japan-usa-idUSBRE88J1HJ20120920>.

⁷ Interview with former US official, 21 March 2013.

sovereignty over the islands, arguing that doing so would send an unmistakable signal to China and to other Japanese about the special relationship between the two countries.⁸ The Chinese repeatedly urged the United States to remain neutral, claiming that US involvement would make it more difficult to manage and de-escalate the crisis. Months later after leaving office, Kurt Campbell recalled that both sides were trying to ‘maneuver’ the US position to their respective advantage. He highlighted the difficulty of ‘trying to keep a clear set of strategic principles and values in place at the same time’ that it avoided ‘alienating one party or the other.’⁹ To reinforce US messages and signal that they had bipartisan support, Secretary Clinton dispatched four senior former officials to Tokyo and Beijing in late October.¹⁰

Tokyo’s continued pressure on the Obama administration to signal to Beijing that it would fail in its attempt to call into question the application and relevance of the U.S.-Japan Security Treaty by contesting Japanese administrative control of the Senkaku/Diaoyu islands resulted in Senate passage of an amendment to the National Defense Authorization Act Fiscal Year 2013. The Webb amendment, unanimously approved on 29 November, reiterated the elements of US policy toward the island dispute, but importantly added that ‘the unilateral actions of a third party will not affect United States acknowledgment of the administration of Japan over the Senkaku Islands.’¹¹

Another two and a half months passed before a senior official in the executive branch made a similar statement. On 18 January, after meeting with Japanese Foreign Minister Fumio Kishida, Secretary Clinton told the press that ‘although the United States does not take a position on the ultimate sovereignty of the islands, we acknowledge they are under the

⁸ Brad Glosserman, “Disturbing Disconnects in the U.S.-Japan Alliance, *PacNet 26*, Pacific Forum CSIS, 18 April 2013, <http://csis.org/files/publication/Pac1326.pdf>.

⁹ Kurt Campbell, address to Alliance 21 Emerging Asia, 14 February 2013, <http://alliance21.org.au/site/assets/media/KURT-CAMPBELL-TRANSCRIPT-PART-2.pdf>.

¹⁰ According to a former State Department official, former Deputy Secretary of State Richard Armitage, former Deputy Secretary of State James Steinberg, former National Security Adviser Stephen Hadley and former Undersecretary of Defense Joseph Nye were ‘instructed to deliver a clear message to both sides that you are going down a path that doesn’t advance your economic and political interests.’ For US ally Japan, the message was ‘we are with you,’ but do your utmost to prevent escalation and defuse the crisis diplomatically. Interview with former US State Department official, 21 March 2013.

¹¹ “Senate Approves Webb Amendment to Reaffirm U.S. Commitment to Japan on the Senkaku Islands,” *Pacific News Center*, 30 November 2012, http://www.pacificnewscenter.com/index.php?option=com_content&id=29470:senate-approves-webb-amendment-to-reaffirm-us-commitment-to-japan-on-the-senkaku-islands&Itemid=156.

administration of Japan and we oppose any unilateral actions that would seek to undermine Japanese administration and we urge all parties to take steps to prevent incidents and manage disagreements through peaceful means.’¹²

The delay is explained in part by the desire of Obama administration officials to allow meetings between Chinese and Japanese officials, some of which were reported and others that took place through back channels, to have a positive impact.¹³ ‘The U.S. didn’t want to get out in front of that,’ stated a former US official.¹⁴ The onset of the Christmas holidays and Secretary Clinton’s brief hospitalisation may also have played a role.¹⁵ US-Japanese agreement on a date for Prime Minister Abe’s 22 February visit to Washington almost certainly impelled the bureaucracy to take action. It cannot be ruled out that prevailing differences in the Obama administration were eventually resolved about whether a clear statement criticising Chinese behaviour would be counterproductive to the US goal of easing tensions and averting miscalculation that could result in conflict. A compelling explanation was offered privately by a Japanese diplomat who pointed out that the statement was delivered in Clinton’s final days as a ‘parting gift’ to Japan from Secretary Clinton and Assistant Secretary Kurt Campbell.¹⁶

Risk of accidents spikes

Two events that took place in the East China Sea heightened concerns in the Obama administration about the potential for escalation. The first took place on 13 December, when

¹² Hillary Clinton, “Remarks with Japanese Foreign Minister Fumio Kishida After Their Meeting,” US Department of State, transcript, 18 January 2013, <http://www.state.gov/secretary/rm/2013/01/203050.htm>.

¹³ Secret talks were held between Chikao Kawai and Zhang Zhijun, vice foreign ministers for Japan and China, respectively, in Shanghai in mid-October. See Adam Westlake, “Secret Meetings Held in Shanghai Between China, Japan Officials,” *Japan Daily Press*, 24 October 2012, <http://japandailypress.com/secret-meetings-held-in-shanghai-between-china-japan-officials-2417213>; Shinsuke Sugiyama, head of the Japanese foreign ministry’s Asia-Pacific bureau, met with his Chinese counterpart Luo Zhaohui in Wuhan, Hubei province, on November 4. See Isabel Reynolds, “China Holds Discussions with Japan on Islands Spat,” *Bloomberg News*, 5 November 2012, <http://www.businessweek.com/news/2012-11-05/china-holds-working-level-discussions-with-japan-on-islands-spat>.

¹⁴ Interview with former US official, 21 March 2013.

¹⁵ According to diplomatic sources, Clinton had been thinking of visiting Japan early in January and using the occasion to make a clear statement of the US position on this issue, but illness prevented her from making the trip, and so she ended up making her declaration when Foreign Minister Kishida visited Washington. Mizumoto Tatsuya, “What Does Washington Think of Abe’s ‘Strong Japan,’” *Nippon.com*, 19 February 2013, <http://www.nippon.com/en/currents/d00070/>.

¹⁶ Conversation with Japanese official in Washington, DC, 6 March 2013.

a Chinese government airplane flew near the disputed islands, prompting Japan to scramble its F-15 fighters, leading China to scramble its J-10 fighters to counter the Japanese interceptors. In a departure from its usually deliberate even-handed remarks, the State Department spokesman noted that American officials had raised concerns directly with the Chinese government. Alluding to US obligations under the U.S.-Japan Security Treaty, the spokesman added that the officials had ‘made clear that U.S. policy and commitments regarding the Senkakus Islands (sic) are longstanding and have not changed.’¹⁷

The second was the reported use of fire-control radar by Chinese warships in two separate incidents to paint a Japan Maritime Self-Defense Force (MSDF) helicopter on 19 January and an MSDF destroyer on 30 January. The US State Department spokesperson indicated that American officials were briefed by Japan on the incident and were satisfied that ‘it does appear to have happened.’ Asked whether Secretary Clinton’s warning against unilateral steps to alter the status quo of Japanese administration of the islands remained US policy under newly appointed Secretary John Kerry, the spokesperson answered in the affirmative. China’s Ministry of National Defense spokesman subsequently denied the accusations and charged Japan with releasing ‘false information’ and ‘hying’ the threat from China.

Political transition

The transition to Obama’s second term in office resulted in changes in mid-level and top officials at the Departments of State and Defense. Kurt Campbell left the State Department in early February. On 15 May, President Obama announced his intention to nominate Daniel Russel to be Campbell’s successor, though he did not assume the post until mid-July. There are no signs, however, that this prolonged transition led to inattention to the East China Sea situation or policy confusion.

Prime Minister Shinzo Abe’s visit to Washington in late February demonstrated the consistency of US policy and underscored that the policy is being set by President Obama. During their tête-à-tête, Obama reportedly told Abe that he understood that it is China, not

¹⁷ Patrick Ventrell, “Daily Press Briefing,” US Department of State, 14 December 2012, <http://www.state.gov/r/pa/prs/dpb/2012/12/202057.htm>.

Japan, that has raised tensions over the disputed islands, which he referred to by their Japanese name, Senkaku. Obama expressed his appreciation for Tokyo's calm responses to China's actions. Meeting with Japanese Foreign Minister Kishida, Secretary of State Kerry reaffirmed that the disputed islands are covered by the U.S.-Japan Security Treaty, but he did not state this publicly. Apparently, a decision was made jointly by US and Japanese officials prior to Abe's visit to not release any public statements on the islands issue to avoid further aggravating relations with China. This was deemed especially important since Abe's visit to Washington came on the eve of China's National People's Congress; any statements at that sensitive moment would irritate the Chinese and potentially complicate the Chinese leadership succession.¹⁸

The decision to not publicise that discussion may have had unintended consequences, however. China's state media, Xinhua News Agency, claimed that Abe had been 'snubbed' by Obama.¹⁹ If Beijing believes that the United States did not express sufficiently firm support for Tokyo, it might conclude that it can drive a wedge between the allies; potentially persuade the United States to alter its position that the islands are under Japanese administrative control; and even convince the United States to urge Japan to admit that a territorial dispute exists.

To ensure China did not draw these conclusions, Secretary Kerry reiterated US positions when he visited Tokyo in mid-April. At a joint news conference with Japanese Foreign Minister Kishida, Kerry stated that the United States recognises the uninhabited islands are under Japanese administration. 'We oppose any unilateral or coercive action that would somehow aim at changing the status quo,' Kerry added. A US official privately commented that it was necessary for Secretary Kerry to make a full and clear statement of US policy since it was his first visit to Japan. He hinted, however, that the United States would not constantly reiterate its position to avoid devaluing the significance of US commitments and

¹⁸ Ida Torres, "Obama Understands China Has Raised Tensions Over Senkakus, Sources Say," *Japan Daily Press*, 4 March 2013, <http://japandailypress.com/obama-understands-china-has-raised-tensions-over-senkakus-sources-say-0424462>.

¹⁹ 'Washington weighed between a desire to enhance traditional ties with Tokyo against a growing need to cultivate healthy relations with Beijing,' Xinhua reported, adding that the US government played down the islands dispute and intentionally refrained from giving explicit support to Japan. See Yang Lina, "Abe Miscalculates Situation, Harvesting Little from U.S. Tour," *Xinhua*, 24 February 2013, http://news.xinhuanet.com/english/indepth/2013-02/24/c_132188968.htm.

potentially damaging US ties with China.²⁰

US policy options

US policy so far has effectively contributed to preventing further escalation of the crisis, but has yet to successfully persuade Beijing and Tokyo to put their territorial dispute back on the shelf and reduce the operational tempo of law enforcement patrols around the islands. Going forward, the United States has several policy options that it could pursue:²¹

1. *The United States could abandon its neutrality in the sovereignty dispute and back Japan's claim.*

This would evoke a strong negative reaction from Beijing and would sour US-China relations at a sensitive time when the two leaders are seeking to avoid strategic competition and establish a 'new type of major power relationship.' All of China's neighbours, with the exception of Japan, would be uneasy about such a shift in US policy, and the delicate balance of power in the Asia-Pacific region could be affected. This would be a poor choice for American interests.

2. *The United States could press China and Japan to seek international adjudication.*

In most territorial disputes the United States insists that they be managed and resolved peacefully and through dialogue but does not propose specific paths to resolution. Washington has supported the Philippines' decision to seek international arbitration to address its disputes in the South China Sea, however. In the East China Sea case, the dispute over the islands would not fall under the jurisdiction of UNCLOS; it would have to be referred to the International Court of Justice, where China is not a member. For this option to be pursued, Japan and China would have to agree to engage in a process of international adjudication. Since Beijing challenged Japan's sovereignty claim in 1971, it is China that

²⁰ Conversation with US official in Washington, DC, 12 April 2013.

²¹ The author thanks Alan Romberg for some of these ideas, which he discussed in his paper "American Interests in the Senkaku/Diaoyu Issue, Policy Considerations," delivered at the CNA Maritime Asia Project: Workshop on Japan's Territorial Disputes, 11 April 2013.

should initiate the adjudication process, and it is unlikely to do so. This outcome is therefore unlikely, but it would benefit US interests.

3. *The United States could distance itself from Japan, publicly stating that while its treaty commitment to Japan remains solid, the current situation does not warrant activation of that commitment.*

This option would likely be widely interpreted as US abandonment of a treaty ally, which would reverberate throughout the region, sowing doubts about US commitments. The negative fallout could include Japan, South Korea and possibly Taiwan seeking to acquire nuclear weapons. This is a bad policy choice for the United States.

4. *The United States could encourage Tokyo to admit that a territorial dispute exists among Japan, China and Taiwan.*

This option would be applauded by China, but opposed by Japan, and therefore would likely have a negative impact on the US-Japan alliance. Tokyo's position that no dispute exists regarding the Senkaku/Diaoyu islands is however different from its position on the Kuriles/Northern Territories, which are disputed with Russia, and Dokdo/Takeshima, which are disputed with South Korea. This is recognised as contradictory by some American experts and US officials, albeit privately. This policy choice should be pursued only if the United States can secure Japan's whole-hearted support. In addition, it would be essential to pin down a reciprocal step by China, such as agreeing to reduce the numbers of patrols around the islands and perhaps agreeing to only very rarely enter the 12-mile territorial waters. Both sides could then agree to refrain from landing on the islands and prevent activists from doing so. This could provide the basis for establishing a new stable status quo.

5. *The United States could continue its current stance of taking no position on the territorial dispute, while insisting that the dispute be resolved peacefully, quietly encourage more communication between Japan and China, and privately put forward possible steps that could be taken by both sides to stabilise the situation.*

This policy option reflects current US policy, which continues to serve American interests despite the fact that it has not yet produced an effective outcome. However, even while taking no position on sovereignty, the United States could and should more actively promote not only restraint by all claimants, but also compromise that produces a mutually acceptable equilibrium. US officials have already informally suggested to Japanese officials to consider making the islands and their surrounding waters a nature preserve.²² The United States could also encourage the two countries to revive a 2008 framework for joint development of disputed gas fields in the East China Sea, and to jointly exploit resources as has been advocated by Taiwan President Ma Ying-jeou in his East China Sea Peace Initiative. Additionally, the United States could press Japan and China to launch a US-Japan-China trilateral dialogue, which was agreed upon in 2009 but has never been implemented. Promoting trilateral or multilateral military exercises and confidence-building measures would also be valuable to develop habits of cooperation.

In this author's opinion, a combination of policy options four and five deserves greater consideration, with the caveat that the United States should only pursue option four if Japan is willing to acknowledge that a territorial dispute exists. Washington should not pressure Tokyo to adopt this position if Japan views it as against its interests. Ultimately, the modalities of an agreement must be worked out between Tokyo and Beijing. No step that puts in jeopardy the deep friendship and special relationship of the United States and Japan should be taken. At the same time, actions that would irreparably damage US-China relations should also be avoided.

²² Interview with former US official, 21 March 2013. In his address to Alliance 21 Emerging Asia, Kurt Campbell observed, 'We have made suggestions about how to increase trust and confidence at a very delicate time.'

Implications of Taiwan-Japan landmark fishing agreement

By Linda Jakobson

Introduction

On 10 April 2013 Taiwan and Japan signed a fishing rights accord which allows Taiwanese fishing vessels to operate in part of Japan's Exclusive Economic Zone near the disputed islands in the East China Sea. The agreement, effective as of 10 May 2013, was reached after 16 rounds of talks between Taipei and Tokyo over the past 17 years.¹

The agreement is noteworthy for two reasons. First, over the past several decades incidents involving fishing rights around disputed islands in the East China Sea have often caused tensions between Tokyo and Beijing as well as Tokyo and Taipei. The waters around the islands are rich fishing grounds and have potentially large oil and gas reserves. The disputed islands – in essence five uninhabited islands called Senkaku by Japan, Diaoyu by mainland China and Diaoyutai by Taiwan – are controlled by Japan, but are also claimed by both Beijing and Taipei.

Second, it is unlikely that the fishing agreement would have been concluded had the Japanese government not purchased three of the Senkaku islands from their private owner in September 2012, angering both Beijing and Taipei.

According to the Japanese government, the decision to nationalise the islands was made to deter the ultra-nationalist Governor of Tokyo, Shintaro Ishihara, from purchasing the islands. According to the Chinese government, Tokyo's decision ran counter to the understanding that the sovereignty dispute would be shelved and left to future generations, which was reached by the People's Republic of China (PRC) and Japan in 1972 when they agreed on diplomatic relations. According to the Taiwanese government, Japan's purchase was tantamount to 'an act of invasion and unlawful occupation.'² Beijing viewed Tokyo's decision as a fundamental change in the status quo and has dispatched regular patrols to the disputed waters since then to assert China's sovereignty over the

¹ "Republic of China (Taiwan) Signs Fisheries Agreement with Japan," Ministry of Foreign Affairs, Republic of China (Taiwan), 16 April 2013, <http://www.mofa.gov.tw/EnOfficial/ArticleDetail/DetailDefault/f017f4b3-5d0d-4408-ad7b-abe4044d7551?arfid=7b3b4d7a-8ee7-43a9-97f8-7f3d313ad781&opno=84ba3639-be42-4966-b873-78a267de8cf1>.

² "President Ma Calls for Trilateral Talks Amid Diaoyutai Tensions," Kuomintang Official Website, 10 September 2012, <http://www.kmt.org.tw/english/page.aspx?type=article&mnum=112&anum=11840>.

islands. Japanese vessels and aircraft, in turn, have also increased their patrols of the islands. Tensions between Beijing and Tokyo remain fraught. In contrast, tensions between Taipei and Tokyo eased as a result of the fishing agreement.

Beijing's and Tokyo's actions are of course at the fore in any assessment of the East China Sea. However, an understanding of the complex dynamics in the East China Sea also requires an appraisal of the decisions taken in Taiwan-Japan relations following Tokyo's announcement of its intention to purchase the islands. Taiwan is one of the claimants to the disputed islands. Taipei's actions can contribute to either an easing or an escalation of tensions in the East China Sea. Furthermore, the fishing agreement may serve as a model for Beijing and Tokyo in the event that they manage to decrease tensions to the level that they could discuss co-managing fishing and mineral rights near the disputed waters.

This paper examines developments before and after the signing of the fishing agreement. It seeks to shed light on three questions. First, what role have various domestic constituencies played in the events leading up to the agreement and thereafter? Second, what effect does the fishing agreement have – if any – on cross-Strait relations? Third, what effect can the fishing agreement be expected to have – if any – on the unstable security situation in the East China Sea?

Taiwan

Commercial interests

Taiwanese (and Chinese) fishermen have for years been bitter that they have been denied the right to fish in the area around the disputed islands, which they describe as having been their traditional fishing grounds for more than 100 years.

The new agreement allows fishing by both Japanese and Taiwanese fisherman in an area 21,575 square nautical miles (74,000 km²) around the islands. The eastern border of this agreed area is the temporary enforcement line which Taiwan unilaterally announced in 2003. It was never officially recognised by Japan but has for a long time been a demarcation tacitly agreed upon by both sides.³ The new agreement also gives Taiwanese fishermen access to three separate zones on the eastern (Japanese) side of the enforcement line (see Appendix 1). In combination the three zones cover an

³ Chen Hurng-yu, "Significance of Japan Fisheries Pact," *Taipei Times*, 20 April 2013, <http://www.taipeitimes.com/News/editorials/print/2013/04/20/2003560168>.

area of 1,400 square nautical miles (4,530 km²).⁴ Taiwanese are prohibited from entering what Japan insists are its territorial waters (i.e. within 12 nautical miles of the islands).

The Taiwan-Japan agreement is important to Taiwanese fisherman for two reasons. First, two of the new zones on the eastern (Japanese) side of the demarcation line have excellent fish stocks. Previously, Taiwanese fishermen were intercepted and denied access by the Japanese in this area. Second, many Taiwanese fishing boats have been harassed by the Japanese even when in areas supposedly covered by the earlier tacit agreement.⁵ The new agreement clarifies where Taiwanese vessels are permitted to go.

The conclusion of the agreement needs to be assessed against the backdrop of the Japanese government's purchase of the disputed islands. Demonstrations on the streets of Taipei were small-scale, especially compared to the anti-Japanese protests in Chinese cities.⁶ Instead, Taiwanese fishermen took centre stage in Taiwan's nationalist response. On 25 September an advocacy group for Taiwanese fishermen, the Suao Fishermen's Association, backed by the local government in Yilan and reportedly funded by a wealthy Taiwanese businessmen, dispatched 60 fishing boats under escort by Taiwan's Coast Guard to stage a protest near the disputed islands and assert the right of Taiwanese fishermen to fish there.⁷ Though the Japanese and Taiwanese coast guards kept in constant communication and the protests were in part 'political theatre', the protests ran the risk of miscalculation leading to a clash or collision, further aggravating tensions between Tokyo and Taipei.⁸ Over one hundred vessels were manoeuvring in a small area, and Japanese and Taiwanese coast guard vessels engaged in what was described as a 'fierce' water canon exchange.⁹

⁴ Oscar Chung, "One step forward to peace," *Taiwan Review*, 1 June 2013, <http://taiwanreview.nat.gov.tw/ct.asp?ctNode=1446&xItem=204966&mp=1>.

⁵ The Taiwan Ministry of Foreign Affairs produced a map that shows the position of Taiwanese fishing vessels when they have been 'interfered' with by Japanese authorities between 2006 and 9 April 2013. Many of the interferences are on the western side of the temporary enforcement zone, see <http://www.mofa.gov.tw/UploadFiles/Upload/1a6e0bd5-fdf8-4760-b11f-c8b9b8594153.PDF>.

⁶ Mark E Manyin, "Senkaku (Diaoyu/Diaoyutai) Islands Dispute: U.S. Treaty Obligations," CRS Report for Congress, 22 January 2013, 1, <http://www.fas.org/sgp/crs/row/R42761.pdf>.

⁷ Author's research interviews in Taipei, 25-28 September 2012. The Suao Fishermen's Association (宜蘭縣蘇澳區漁會) had insufficient funds for its planned armada of over 100 fishing boats. An unnamed donor reportedly contributed NT 5 million to cover provisions for a scaled down fleet of 60 boats. See also Chen Si-hao, 60艘漁船下午出海保釣 政府單位上緊發條 ["60 Fishing Boats Put to Sea to Protect the Diaoyutai, Government Offices are Winding the Coil"], *Yahoo News Taiwan*, 24 September 2012, <http://tw.news.yahoo.com/60艘漁船下午出海保釣-政府單位上緊發條-011341818.html>.

⁸ Joel Atkinson, "With Japan Fishing Deal, Taiwan Scores a Win in East China Sea Disputes," *World Politics Review*, 7 May 2013, <http://www.worldpoliticsreview.com/articles/12927/with-japan-fishing-deal-taiwan-scores-a-win-in-east-china-sea-disputes>.

⁹ "Taiwan Wades in Water-gun Fighting," *The Economist*, 26 September 2012, <http://www.economist.com/blogs/banyan/2012/09/taiwan-wades>.

The organisers of the fishing protest intentionally emphasised the link between fishing and sovereignty. The Taiwanese fishermen were concerned that following the acquisition of the islands Japan would increase crackdowns on non-Japanese fishing vessels in the surrounding area. The fishermen's protest was far larger than any protest organised by Taiwanese 'nationalist activists'.¹⁰

The Ma administration used the large-scale fishermen's protests in September to put pressure on Japan to agree to discuss fishing rights. After a series of unofficial preparatory talks, the official 17th round took place on 10 April 2013.¹¹

Nationalist activists

Support for 'territorial nationalism' is not strong among Taiwan's general public.¹² Rather, the issue is perceived as important because of its significance for Taiwanese fishermen.¹³ Taiwan's sovereignty over the Diaoyutais is at times raised by pro-China elements in the ruling Kuomintang party (KMT) and by members of the opposition Democratic Progressive Party (DPP), who 'like to annoy China by asserting Taiwan's sovereignty.'¹⁴

Despite comprising a small group, Diaoyutai activists capture media attention when they make attempts to land on the disputed islands. They are also skilful in garnering political support. For example, one KMT Member of Parliament from Yilan, the county most active in promoting fishermen's rights, gained parliamentary approval in September 2012 to organise activist expeditions to the disputed islands.¹⁵

However, Taiwanese activists' collaboration with Diaoyu activists in mainland China and Hong Kong has complicated the Taiwanese government's policy of keeping a distance from the mainland on the islands issue. One group in particular, the Hong Kong-based 'World Chinese Alliance in

¹⁰ 台漁民22日出海保釣 ["Taiwan Fisherman to Depart on the 22nd to Protect the Diaoyus"] 觀察者 [The Observer], 18 September 2012, http://www.guancha.cn/Neighbors/2012_09_18_98428.shtml.

¹¹ Author's research interviews in Taipei, 25-28 September 2012. See also "Taiwan Wades in Water-gun Fighting," *The Economist*.

¹² Michal Thim, "Senkaku Breakthrough: Taiwan and Japan Agree on Fishing Rights," *Asia Security Watch: New Pacific Institute*, 10 April 2013, <http://asw.newpacificinstitute.org/?p=11614>.

¹³ Author's research interviews in Taipei, September 2012. See also Michal Thim, "Ma's Peace Initiative and Taiwan's Diaoyutai Debate," *China Policy Institute Blog*, 26 February 2013, <http://blogs.nottingham.ac.uk/chinapolicyinstitute/2013/02/26/mas-peace-initiative-and-taiwans-diaoyutai-debate/>.

¹⁴ "Taiwan Wades in Water-gun Fighting," *The Economist*.

¹⁵ "KMT Activists Mull Diaoyu Landing," *China Daily*, 28 September 2012, http://www.chinadaily.com.cn/china/2012-09/28/content_15791155.htm.

Defense of the Diaoyu Islands,' has been involved in at least three Taiwanese attempts to land on the islands since July 2012.¹⁶

Most recently, on 24 January 2013, a boat with Taiwanese activists, including Huang Hsi-Lin, the head of the Hong Kong-based group, attempted to land on the islands. Taiwan's Coast Guard Authority sent vessels to escort the activists' boat, but all were stopped and turned away 28 nautical miles from the islands by Japan's Coast Guard.¹⁷ Huang criticised Taiwan's president Ma Ying-jeou for pledging that his administration would not collaborate with China against Japan in asserting sovereignty over the islands. According to Huang, Japan's 'nationalisation' of the Diaoyutais has necessitated cross-Strait cooperation.¹⁸

Domestic politics

In the months prior to Japanese nationalisation of the Diaoyutai/Senkaku islands, Ma Ying-jeou faced severe domestic pressure. His approval ratings were dismal, hovering around 15 per cent, as a result of the sluggish economy and corruption scandals involving two of Ma's close aides.¹⁹ Both the DPP's strong advocacy of fishing rights and the activists' expeditions to the disputed islands in mid-2012 posed additional challenges for Ma.²⁰ He did not want Taiwan and the mainland to be seen as a single entity on the sovereignty issue.

In August Ma attempted to improve his domestic standing and raise Taiwan's international profile by announcing the 'East China Sea Peace Initiative', which called on all parties in the East China Sea to exercise restraint, shelve disputes, maintain dialogue and explore channels for cooperation and joint development.²¹ The initiative received scant attention. After the islands' nationalisation, Ma is presumed to have been under pressure from Washington to avoid an escalation of tension

¹⁶ Michiyo Nakamoto, Kathrin Hille, Enid Tsui and Simon Mundy, "Japan Arrests Activists in Senkaku Dispute," *Financial Times*, 16 August 2012, <http://www.ft.com/intl/cms/s/0/69a7af18-e6c1-11e1-965b-00144feab49a.html#axzz2V9TOFB1h>.

¹⁷ Shih Hsiu-Chuan, "Diaoyutai Activists Demand that Japan Compensate Them." *Taipei Times*, 21 February 2013, <http://www.taipeitimes.com/News/taiwan/archives/2013/02/21/2003555333>.

¹⁸ *Ibid.*

¹⁹ Michael Richardson, "Ma Ying-jeou's Unpopularity at All-time High in Wake of KMT Corruption Scandal," *Examiner.com*, 3 July 2012, <http://www.examiner.com/article/ma-ying-jeou-s-unpopularity-at-all-time-high-wake-of-kmt-corruption-scandal>; Perry Svensson, trans., "The Liberty Times Editorial: Ma Not Up to Economic Challenges," *Taipei Times*, 7 May 2013, <http://www.taipeitimes.com/News/editorials/archives/2013/05/07/2003561638/2>.

²⁰ "Cross-strait Collusion over Diaoyutai Angers US, Says DPP," *Want China Times*, 7 February 2013, <http://www.wantchinatimes.com/news-subclass-cnt.aspx?id=20130207000006&cid=1101>.

²¹ "East China Sea Peace Initiative," Ministry of Foreign Affairs, Republic of China (Taiwan), last updated 14 November 2012, <http://www.mofa.gov.tw/EnOfficial/Topics/TopicsIndex/?opno=cc7f748f-f55f-4eeb-91b4-cf4a28bbb86f>.

with Japan and not be drawn into the sovereignty dispute on the side of Beijing.²²

After reaching the agreement with Japan, Ma's government claimed a diplomatic victory.²³ Unsurprisingly, there were some voices of discontent with the agreement. Some pro-China commentators warned that the agreement could harm cross-Strait relations and that the bilateral agreement had made it easier for Japan to continue to deny the existence of a sovereignty dispute.²⁴

Nevertheless, the conclusion of more than a decade-long tussle with Japan over fishing rights was generally viewed in favourable terms in Taiwan. The opposition DPP praised it as a 'great breakthrough.'²⁵ Even former president Lee Teng-hui, who has long been critical of the KMT government's policy, lauded the agreement as 'very good.'²⁶ Pu-tsung King, Taiwan's chief representative in Washington and a trusted aide of Ma Ying-jeou, described the broader context of the agreement: '[President Ma] was thus able to clearly demonstrate... that resource issues should take precedence over territorial disputes.'²⁷ The Ma administration was adamant that the fishing agreement had no implications for Taiwan's sovereignty claims over the islands and claimed it as proof of the value of Ma's East China Sea Peace Initiative and of Taiwan's rising role as a regional peacemaker.²⁸ The Foreign Ministry went as far as to declare that the agreement was slated to become what the UN Convention of the Law of the Sea refers to as a joint development zone.²⁹

²² Tsai Mon-han and Chen I-chung, "Devil is in the Detail of Fisheries Agreement," *Taipei Times*, 20 May 2013, <http://www.taipeitimes.com/News/editorials/archives/2013/05/20/2003562695>.

²³ For an example of pan-blue (pro-KMT) coverage see Yang Shumin, "日出動局長 台日漁業協議有成" ["Taiwan-Japan Fishing Agreement Achieves Success"], *Yam News*, 10 April 2013, <http://n.yam.com/cna/fn/20130410/20130410375791.html>; for examples of pan-green (pro-DPP) see Chen Huiping, "台北報導17年談判// 台日簽協議 釣島12浬外可捕魚" ["17 Years of Talks: Taiwan and Japan Sign Agreement, Diaoyus Open for Fishing Outside of 12 Nautical Mile Zone"], *自由時報* [*The Liberty Times*], 11 April 2013, <http://www.libertytimes.com.tw/2013/new/apr/11/today-t1.htm>; Tsai Zheng-jia, "Fisheries Agreement is a Positive Precedent," *Taipei Times*, 14 April 2013, <http://www.taipeitimes.com/News/editorials/archives/2013/04/14/2003559570/1>.

²⁴ "社論—台日漁業協議得未必償失" ["Editorial: The Losses from the Taiwan-Japan Fishing Agreement Outweigh the Gains"], *中時電子報* [*China Times*], 6 May 2013, <http://news.chinatimes.com/forum/11051402/112013050600350.html>.

²⁵ "台日簽署漁業協定 民進黨：將強化區域和平穩定" ["Taiwan Signed the Fishing Agreement with Japan. The DPP Will Strengthen Regional Stability and Peace"], *Sina*, 10 April 2013, <http://dailynews.sina.com/bg/tw/twpolitics/bcc/20130410/21504436170.html>.

²⁶ "李登輝贊台日漁業協議簽訂'很好'" ["Lee Teng-hui Praises the Taiwan-Japan Fishing Agreement Signing as 'Very Good'"], 多维新闻 [DW News], 11 April 2013, <http://taiwan.dwnews.com/news/2013-04-11/59163515.html>.

²⁷ Ambassador Pu-tsung King, "Taiwan Can Lead the Way," *USA Today*, 29 April 2013, <http://www.usatoday.com/story/opinion/2013/04/29/china-taiwan-tokyo/2121539/>.

²⁸ "President Ma Gives Video Address to Stanford University," *Taiwan Insights*, 9 May 2013, <http://www.taiwaninsights.com/tag/east-china-sea-peace-initiative/>.

²⁹ "Ma Lauds Special Partnership with Japan," *Taiwan Today*, 9 May 2013, <http://www.taiwantoday.tw/ct.asp?xItem=204909&ctNode=445>.

Japan

Commercial interests

In Japan, Okinawan fishermen have for years opposed any agreement to allow Taiwanese into what Okinawans perceive as their fishing grounds. Officials and fishermen in Okinawa Prefecture harshly criticised the Taiwan-Japan fishing agreement. These sentiments were summed up by an official of the prefectural association of fishing cooperatives: ‘The agreement will give away the place where Okinawan fishermen make their living. The government has given priority to national interests in a territorial issue and abandoned fishing interests in Okinawa.’³⁰

Japanese (Okinawan) fishing boats are smaller than their Taiwanese counterparts and are therefore at a disadvantage. Japanese editorials pointed out that long line fishing requires a lot of space for the line and because Japanese boats are smaller and manned by fewer men they cannot compete and are forced to retreat.³¹ Additionally, the agreement does not stipulate limits on the size of the catch, which Japanese commentators presume will lead to Japanese fisherman losing out.

The lack of rules and regulations are also a concern for Japanese fishermen. On the first day of fishing under the agreement, no Japanese fishing vessels were operating in the area which was solely ‘occupied by Taiwanese fishing boats.’³²

Nationalist activists

Japanese activism on the disputed islands issue is directed much more strongly toward China than Taiwan. Hence, the fishing agreement has had little if any impact on Japanese ‘territorial nationalists.’ Right-wing groups such as Nihon Gambare and nationalists such as Shintaro Ishihara, who are vocal on the Senkaku dispute, have remained quiet on the fishing agreement. When ten fishing boats carrying Japanese activists sailed to the disputed area on 23 April it was in response to

³⁰ “Japan Gives Priority to Senkakus Issue over Fishing Interests,” *The Asahi Shimbun*, 11 April 2013, http://ajw.asahi.com/article/special/isles_dispute/AJ201304110083.

³¹ 社説: 日台漁業協定開始 操業ルール策定を急げ [“Editorial: Japan-Taiwan Open the Fishing Agreement But Decisions on Operational Rules Are Rushed”], *Mainichi Shimbun*, 14 May 2013, <http://mainichi.jp/opinion/news/20130514k0000m070102000c.html>; 台湾は漁船削減応じず 沖縄は不満表明 [“Taiwan Refuses to Reduce Ships – Okinawans Are Dissatisfied”], *The Okinawa Times*, 17 May 2013, http://article.okinawatimes.co.jp/article/2013-05-17_49321.

³² “Japan-Taiwan Fishing Pact Takes Effect, But Rough Waters Lie Ahead,” *The Asahi Shimbun*, 11 May 2013, http://ajw.asahi.com/article/behind_news/politics/AJ201305110065.

Chinese vessels in the area, not Taiwanese.³³

Domestic politics

There were several reasons that the Abe government finally relented after 15 years of stonewalling by successive Japanese governments and engaged in substantial talks with Taiwan over fishing rights. First, the protest on 25 September 2012 by dozens of Taiwanese fishing boats, accompanied by Taiwanese coast guard vessels, took place after Chinese law enforcement agencies had started to increase patrols in the disputed waters. Images of Taiwanese and Japanese coast guard vessels exchanging water cannon barrages on 25 September further strained the perception of effective Japanese control over the area.³⁴ Second, Tokyo's relations with China were in a downward spiral, following massive, and occasionally violent, anti-Japanese protests in China. This gave Tokyo the incentive to remove Taiwan from its Senkaku challenge, so it could concentrate fully on Beijing. Third, Abe was presumably encouraged by Washington to defuse tensions with Taiwan.

Japanese commentary about the fishing agreement has been predominantly hostile and negative. The conservative national newspaper *Yomiuri Shimbun* quoted the Okinawa Governor's criticisms that the agreement 'passes over Okinawans'. He requested that the agreement be revised as it 'is a life or death situation for Okinawans who are horrified at this occupation of the fishing grounds.'³⁵

While mainstream Japanese media did portray the agreement as a means to improve Japan's ties with Taiwan and to prevent China from using Taiwan as leverage in discussions on the Senkaku Islands, editorials questioned why Okinawan fishermen were not prioritised.³⁶ From the viewpoint of Japanese fishermen, their daily needs have been sacrificed for the greater national good.

³³ "Japan PM Abe Warns China of Force over Islands Landing," *BBC News*, 23 April 2013, <http://www.bbc.co.uk/news/world-asia-22260140>; 尖閣周辺領海に中国船3隻侵入5時間航行 ["3 Chinese vessels sail in Senkaku waters for 5 hours"], *Nikkei*, 26 May 2013, http://www.nikkei.com/article/DGXNASDE26006_W3A520C1PE8000/.

³⁴ Joel Atkinson, "With Japan Fishing Deal, Taiwan Scores a Win in East China Sea Disputes."

³⁵ 日台協定発効1週間、漁業ルール合意至らず ["One Week of Taiwan – Japan Fishing Agreement and No Rules"], *Yomiuri Shimbun*, 18 May 2013, http://premium.yomiuri.co.jp/pc/#!/news_20130518-127-OYS1T00273/list_FUKUOKA.

³⁶ 社説 [台漁業協定発効] 東アジアの公共益探れ ["Editorial: The Taiwan Fishing Agreement; The Benefits Of Cooperation in East Asia"], *The Okinawa Times*, 11 May 2013, http://article.okinawatimes.co.jp/article/2013-05-11_49091; 尖閣周辺、台湾船ばかり 日台漁業協定、不安抱えた船出 ["Only Taiwanese Boats in the Senkakus – Sailing Anxiety in the Taiwan – Japan Fishing Agreement"], *The Asahi Shimbun*, 11 May 2013, <http://www.asahi.com/politics/update/0510/TKY201305100471.html>; 社説: 日台漁業協定開始 操業ルール策定を急げ [Editorial: "Japan-Taiwan Open The Fishing Agreement But Decisions On Operational Rules Are Rushed"], *Mainichi Shimbun*, 14 May 2013, <http://mainichi.jp/opinion/news/20130514k0000m070102000c.html>.

Infringement by Taiwanese boats found fishing in waters outside of the assigned areas have been reported widely in the Japanese press – reflecting concerns that, to the detriment of Okinawan fishermen, no commercial rules and regulations have been finalised.³⁷

During the first month of the agreement there were four territorial breaches of the designated area by Taiwanese fishermen. The fisherman arrested in the latest incident said that he exited the designated area while he was looking for a cut line.³⁸ He was released after paying a fine.³⁹

Cross-Strait relations

Unsurprisingly, Beijing was not well disposed to an agreement forged between Japan and Taiwan. Beijing views Taiwan as an integral part of ‘One China’ and as an entity that does not have the right to conduct international activities on par with a sovereign state.

Nevertheless, the Chinese government’s official response to the Taiwan-Japan fishing agreement was mild. The Ministry of Foreign Affairs spokesperson said ‘China expresses its concern about the fishing agreement... and asks the Japanese side to abide by the ‘One China’ principle and its commitments on the Taiwan issue as well as handle the issue prudently.’⁴⁰

Chinese media commentary was predominantly critical. *Huanqiu Shibao* reprinted an article from a pro-PRC Hong Kong newspaper that said Japan wants to alienate Taiwan and mainland China with the fishing agreement and lure Taiwan to trade sovereignty for fishing rights.⁴¹ Some academics also expressed the view that Japan was seeking to drive a wedge between Beijing and Taipei, violating its promise to stick to the ‘one China’ principle.

³⁷ 社説:日台漁業協定開始 操業ルール策定を急げ [“Editorial: Japan-Taiwan Fishing Agreement; Operational Rules Are Hurried”], *Mainichi Shimbun*, 14 May 2013, <http://mainichi.jp/opinion/news/20130514k0000m070102000c.html>.

³⁸ 無許可操業の疑いで台湾漁船を拿捕 先島諸島沖 [“Doubt When Taiwanese Fishermen Caught Fishing Illegally In The Archipelago”] *Nikkei Newspaper*, 30 May 2013, http://www.nikkei.com/article/DGXNASJC2902G_Z20C13A5ACY000/.

³⁹ 日本で拿捕の台湾漁船、罰金430万円で解放 [“Taiwanese Fisherman Released After Paying 4.3 million yen”], *Asahi Shimbun*, 1 June 2013, <http://www.asahi.com/business/xinhujapan/AUT201306010020.html>.

⁴⁰ Foreign Ministry Spokesperson Hong Lei's Regular Press Conference on 10 April 2013, Ministry of Foreign Affairs of the People's Republic of China, 10 April 2013, <http://www.fmprc.gov.cn/eng/xwfw/s2510/2511/t1030227.shtml>.

⁴¹ 日本欲借渔业协定离间两岸 引诱台湾渔权换主权 [“Japan Wants to Drive a Wedge Between the Mainland and Taiwan Through the Fishing Agreement and Lure Taiwan into Exchanging Fishing Rights for Sovereignty”], *环球网* [*Global Times*], 11 April 2013, <http://world.huanqiu.com/exclusive/2013-04/3819698.html>.

In essence, in the first month since its signing, the fishing agreement had no effect on relations between Beijing and Taipei. Regular cross-Strait communication and official visits continued. Dr Chong-pin Lin, former deputy defense minister in Taiwan, believes that Beijing has made its priorities clear: 'Ultimately, China wants to win the hearts and minds of the Taiwanese in order to attain its goal of unification,' Dr Lin said during a visit to Sydney in May 2013. 'Buying Taiwan is cheaper than attacking it, as Beijing has found through trial and error.'⁴²

However, the fishing agreement could yet create tensions in cross-Strait relations. Chinese officials would be under pressure to retaliate if the mainland media were to report that Taiwan's Coast Guard had expelled a mainland Chinese fishing vessel from the designated area now open to Taiwanese fishermen but off bounds for mainland fishermen. This could lead to a clash and loss of life. When asked, Taiwan's Coast Guard Minister stated that the Taiwanese would expel mainland Chinese fishing vessels from the area designated to Taiwanese and Japanese fishermen.⁴³ The statement was rebuked as false, ludicrous and intolerable by the *Global Times*.⁴⁴

Conclusion

The long-awaited Taiwan-Japan fishing agreement was a victory for the Ma Ying-jeou administration and Taiwanese fishermen. Domestic public opinion in Taiwan favours robust ties with Japan and the agreement removed a major irritant in relations between Taipei and Tokyo. The Senkaku/Diaoyutai dispute is predominantly perceived by Taiwan's general public in terms of fishing rights and securing the livelihood of Taiwanese fishermen, which the agreement to a certain extent did. The largest scale protest by Taiwanese near the islands was organised by fishermen, not 'territorial nationalists'. Since the agreement was announced, no Taiwanese activists protested in the disputed area. In contrast, Japanese Senkaku activists, who are mostly right-wing nationalists, emphasise Japan's sovereignty for the sake of sovereignty.

The Shinzo Abe administration, in turn, succeeded in stabilising its relations with Taiwan. From the

⁴² Comments by Dr Chong-pin Lin, Adjunct Professor at the Graduate Institute of Strategic Studies at Taiwan's National Defense University, at the China Forum focussing on the Taiwan-Japan fishing agreement, Lowy Institute for International Policy, Sydney, 16 May 2013. Author received permission from Dr Lin to use this quote (email correspondence 2 June 2013).

⁴³ Minnie Chan, "Taiwan Would 'Expel' Mainland Trawlers Under Japan Fishing Deal," *South China Morning Post*, 12 April 2013, <http://www.scmp.com/news/china/article/1211568/china-angered-japan-taiwan-sign-fishing-agreement?page=all>.

⁴⁴ "Taiwan Should Consider Mainland's Feelings on Diaoyu," *Global Times*, 12 April 2013, <http://www.globaltimes.cn/content/774416.shtml#.UavUAdKnDSg>.

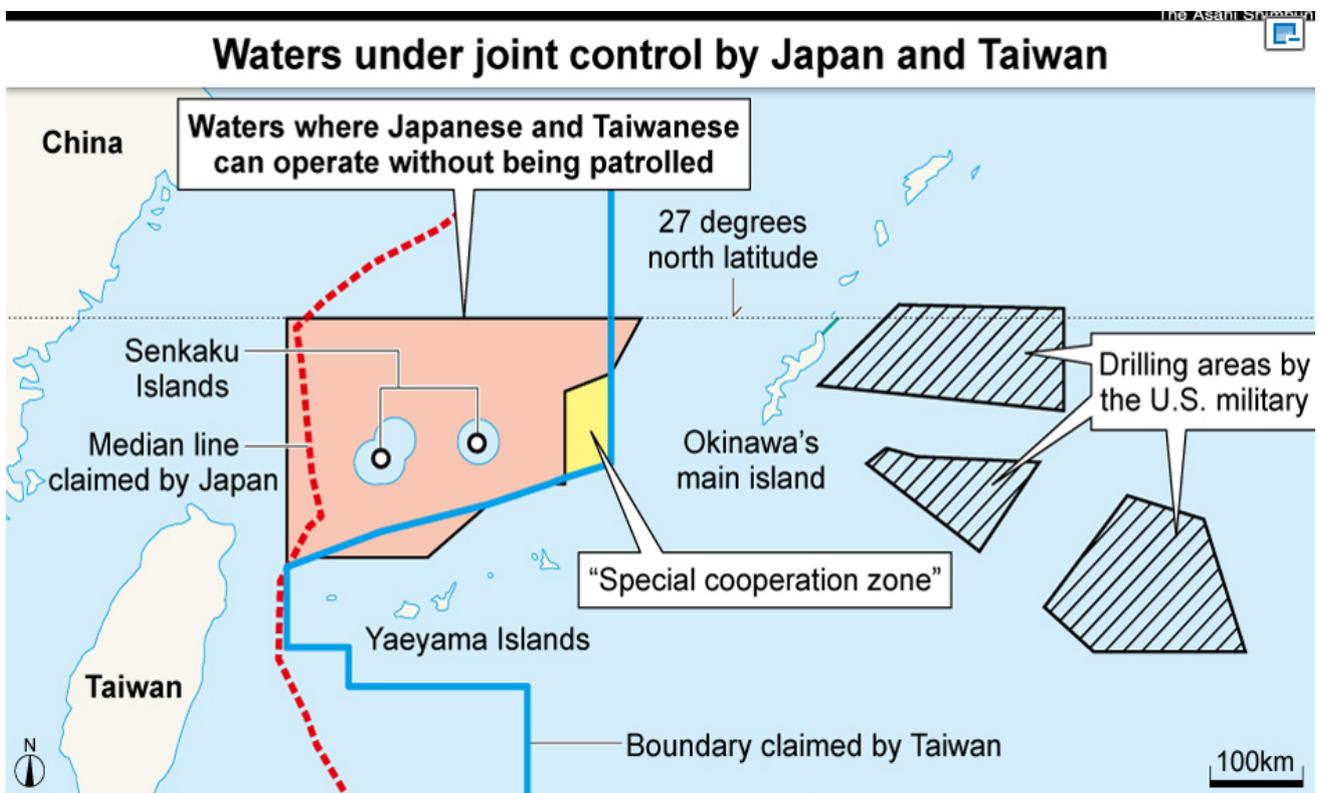
Japanese government's point of view, one irritant in the complex Senkaku challenge was removed, which could allow Tokyo to fully concentrate on Beijing in managing the dispute. From the point of view of Japanese fishermen they were sacrificed in the name of national interests. The agreement will continue to cause tension especially between the Okinawa prefectural government and Tokyo.

Given the unpredictable nature of domestic politics in Taipei and Tokyo (as well as Beijing), it is also possible that the agreement will not remove tensions between Taiwan and Japan, though since the fishing agreement was signed in April, no Taiwanese activists have attempted to approach the disputed islands. There are several points of contention to be resolved regarding the demarcation lines. Stalled talks regarding the details of the agreement could raise tensions again, especially if the influential Taiwanese fisherman associations perceive Tokyo as backing down from its commitments in the agreement. A violent incident at sea between Taiwanese and Japanese fishermen resulting from misinterpretation of demarcation lines would also lead to renewed acrimony. Additionally, there is a risk of an incident involving the Taiwanese Coast Guard and mainland fishermen, in the event that the Taiwanese coast guard officials fulfil their obligations under the agreement and expel mainland fishermen from waters near the Senkaku/Diaoyu.

Is the fishing agreement a possible model for future agreements to co-manage fishing rights in the disputed waters near the Senkaku/Diaoyu? In the fishing agreement between Tokyo and Taipei, the issue of sovereignty was put aside. This approach could be viable if Beijing and Tokyo at some point would be willing to discuss co-management of fishing rights. In the prevailing tense atmosphere this is unlikely. Nevertheless, monitoring the progress of the implementation of the agreement is a valuable exercise, particularly if it is viewed as viable and successful by all sides.

Appendix 1

Map of the waters where Taiwanese and Japanese boats can operate according to the new agreement



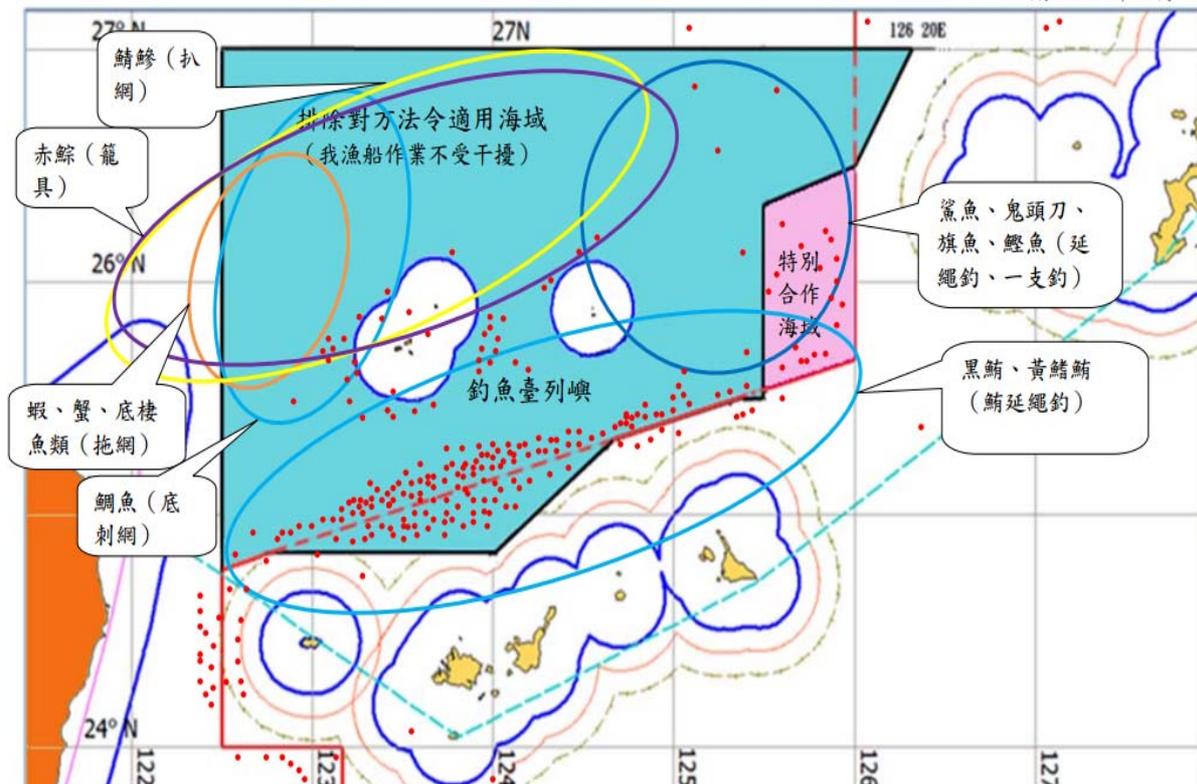
Source: *Asahi Shimbun*

Appendix 2

Distribution map of Taiwanese fishing boats that have been subject to Japanese interference between 2006 and 9 April 2013. (Produced by the Fisheries Agency under the Taiwanese Council of Agriculture)

「臺日漁業協議」適用海域之概略漁場及我漁船過往遭日方干擾分布圖

製圖單位：農委會漁業署
日期：102年4月10日



Red dots indicate the position Taiwanese fishing boats have been subject to Japanese interference between 2006 and 9 April 2013.

The coloured circles indicate major fishing grounds located within the boundaries of the new fishing agreement.

Source: Taiwan Ministry of Foreign Affairs

Concluding thoughts

By Linda Jakobson

The positions of the Beijing and Tokyo governments have hardened toward each other since submission of the final revisions to the papers for the international workshop on tensions in the East China Sea. As 2013 drew to a close, Japan's government had not budged in its insistence that no sovereignty dispute exists over the Senkaku/Diaoyu Islands. China's leadership meanwhile continued to insist that the purchase of three of the islands in September 2012 by Japan's central government signified a substantial change in the status quo. According to the Chinese government maintenance of the status quo had been agreed upon when the countries established diplomatic ties in 1972.

Leaders in both China and Japan became even more constrained by domestic politics than at the time of the Japanese government's purchase of the islands. Domestic constraints were a focus of discussion during the workshop and are a dominant thread in this report's papers by Jin Canrong and Noburo Yamaguchi.

Throughout 2013 vessels and aircraft of Japanese and Chinese maritime law enforcement agencies continued to frequently patrol the waters surrounding the islands. Though these patrols reportedly became better coordinated and more orderly, the risk of an incident at sea or in the air remains.

Further exacerbating the situation, on 23 November 2013, Beijing announced an East China Sea Air Defense Identification Zone (ADIZ), which in part overlaps with Japan's (and South Korea's) existing ADIZ and includes the disputed islands. According to the official Chinese explanation, an ADIZ is 'established by a maritime nation to guard against potential air threats. This airspace, demarcated outside the territorial airspace, allows a country to identify, monitor, control and dispose of

entering aircraft. It sets aside time for early warning and helps defend the country's airspace.¹ *Per se* an ADIZ is not necessarily a provocation. But, in this case, because Beijing's ADIZ includes the Senkaku/Diaoyu Islands, it is perceived as an attempt by Beijing to consolidate Chinese authority over disputed maritime territory.²

It is possible that China decided it needed an ADIZ for the Senkaku/Diaoyu Islands because Japan was publicising Chinese incursions into its ADIZ in an effort to rally public opinion.³ On the other hand, it is also possible that China has prepared this ADIZ for some time. According to the Japanese newspaper *Mainichi Shimbun*, as early as in 2010 a Japanese government delegation was briefed by senior members of the Chinese military about China's decision to establish an air defence identification zone in the East China Sea.⁴

As was to be expected, Japan criticised Beijing's ADIZ declaration. So did the United States as well as, among others, South Korea and Australia.

Next, it was Japan's turn to increase tensions between Beijing and Tokyo. On 26 December, Japan's Prime Minister Shinzo Abe visited the Yasukuni Shrine, a controversial Tokyo memorial that honours the war dead, including several Class-A war criminals. Since 2006 no Japanese prime minister has visited Yasukuni. Across Asia the shrine symbolises 'Imperial Japan's aggressive cruelty' as an occupier during the first half of the 20th century.⁵

¹ "China Exclusive: Defense Ministry Spokesman Responds to Air Defense Identification Zone Questions," Xinhua online, 23 November 2013, http://news.xinhuanet.com/english/china/2013-11/23/c_132912145.htm.

² Rory Medcalf, "What's Wrong with China's Air Defense Identification Zone (and What's Not)?" The Interpreter, blog, 27 November 2013, <http://www.lowyinterpreter.org/post/2013/11/27/Whats-wrong-with-Chinas-Air-Defence-Identification-Zone-%28and-whats-not%29.aspx>.

³ Q&A: What is an Air Defense Identification Zone, *Financial Times*, 12 December 2013, <http://www.ft.com/intl/cms/s/0/26cf55ce-58da-11e3-a7cb-00144feabdc0.html#axzz2pZav3GWf>.

⁴ China's PLA informed Japan on ADIZ in 2010: report, *South China Morning Post*, 2 January 2014, <http://www.scmp.com/news/asia/article/1395683/chinas-pla-informed-japan-adiz-2010-report>.

⁵ James Fallows, "Our New Champion in Self-Defeating Soft Power: Japan," *The Atlantic* online, 25 December 2013, <http://www.theatlantic.com/international/archive/2013/12/our-new-champion-in-self-defeating-soft-power-japan/282654/>.

As was to be expected, both China and South Korea criticised Abe's decision to visit Yasukuni. So did the United States. Australia did not.

Accounts of Washington's frustration with Abe's Yasukuni visit bore similarities to Bonnie Glaser's account in this workshop report of the Obama administration's strong advice to Tokyo not to purchase the islands.⁶ The United States is in a bind. Officially, the United States does not take sides on the issue of sovereignty over the islands; this is a somewhat convoluted and misleading claim since *de facto* the United States on the basis of its alliance treaty with Japan is obligated to help Japan defend the islands in the event that Japan would resist an attempt by China's military to seize the islands.

Beijing will not accept Washington as an honest broker in the East China Sea because of the US-Japan alliance. Yet, Washington is eager to minimise the effect the territorial dispute has on its relations with Beijing and certainly does not want hostilities breaking out between China and Japan on account of these uninhabited islands. Thus far the US has managed to skilfully walk a tightrope between the two.

By upping the ante both Tokyo and Beijing have each time made the relationship more fraught. Where this rather vicious tit-for-tat cycle will lead is impossible to predict. One can surmise that China will continue to increase pressure on Japan to recognise that sovereignty over the islands is indeed contested. Tokyo will presumably continue to push back, maintaining its position of having sole sovereignty over the islands. Interlocutors in Tokyo do not foresee Prime Minister Abe acknowledging the existence of a dispute.

⁶ Takashi Oshima, "U.S. Expresses Disappointment at Abe Visit to Yasukuni Shrine," *The Asahi Shimbun*, 27 December 2013, http://ajw.asahi.com/article/behind_news/politics/AJ201312270048; George Nishiyama, "Abe Visit to Controversial Japanese Shrine Draws Rare U.S. Criticism," *The Wall Street Journal* online, 26 December 2013, <http://online.wsj.com/news/articles/SB10001424052702304483804579281103015121712>; Bonnie S. Glaser, "US Policy Considerations in the Senkaku/Diaoyu Islands Crisis," in *Tensions in the East China Sea*, (Sydney: Lowy Institute, 2013), 29.

The bigger picture is important: Can two major powers co-exist without strife in Northeast Asia? How will China and Japan manage their relations in the event that China's economy continues to grow (and with it China's national strength) relative to both Japan and the rest of the world?

The sovereignty dispute is but one element of this complex matrix of power politics, one which includes historic grievances. Many if not most Chinese perceive Japanese leaders' apologies for past aggression as insincere, while many if not most Japanese perceive Japan not as an aggressor, but as a victim of the war, due to the atom bombs dropped on Hiroshima and Nagasaki and the whitewashing in school textbooks of Imperial Japan's aggressive expansion in the late 19th and early 20th centuries. Mixed into this is the dichotomy – some say competition – of a one-party authoritarian state *versus* a liberal democracy. In China a major foreign policy decision like the establishment of the ADIZ could not be criticised in mainstream media nor by specialists or elites in public. In Japan, however, elites can criticise any major decision, and can even condemn their prime minister's decision to visit Yasukuni, as now happened.⁷

The barren islands in the East China Sea have soared to a position of consequence far beyond that which they are worthy of, even if the surrounding waters do prove to be rich in resources, as is widely presumed. China is Japan's largest trading partner. Since 1990, 20,000 Japanese firms have invested almost US\$1 trillion into Chinese factories which has created over 1.6 million jobs.⁸ Economically these two nations are interdependent. One must hope that both Chinese and Japanese leaders will heed the wisdom of previous generations of leaders and agree to disagree, and leave the resolution of the sovereignty dispute to future generations.

⁷ See e.g. Statement – “Genron NPO Reproaches Prime Minister Abe over Visit to Yasukuni Shrine,” 27 January 2013, <http://www.genron-npo.net/en/opinions/archives/5088.html>.

⁸ James Topham and Izumi Nakagawa, “As China Tensions Simmer, Japan Pulls Back from ‘World’s Factory’,” *Reuters*, 23 October 2012, <http://www.reuters.com/article/2012/10/23/us-japan-china-firms-idUSBRE89M1GS20121023>.

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