

The Sino-Japanese Conflict Today: An analysis of the territorial dispute over the Senkaku/Diaoyu Isles

OIC381

Abstract

The territorial dispute between China and Japan over the Senkaku/Diaoyu Islands have been a crucial issue since the early 70's. While there were incidents in the past, the escalation of the dispute since the 2012 Japanese nationalisation on the majority of the islands seems to be the most serious in the history of the case. China's power rose significantly in the recent years and today it is able to challenge Japan both diplomatically both militarily, leading to uncertainties and worries concerning the outcome of the dispute. In this essay I am going to analyze the situation based on the theoretical framework of neorealism (more specifically, the commitments) to find out, what are the factors that hinder diplomatic processes and raise tensions between the countries. My hypothesis is that the stalemate in negotiations and the raising tension between Japan and China is present due to uncertainties in information, commitments, and due to the mutual lack of willingness to make a compromise.

INTRODUCTION	1
HISTORICAL BACKGROUND	2
CURRENT CONFLICT.....	4
THEORETICAL FRAMEWORK.....	5
A PRIME EXAMPLE: THE MELIAN DIALOGUE	8
MOTIVATION/UNITARY RATIONAL ACTORS	11
INFORMATION	13
COMPROMISE	15
AUDIENCE COSTS	18
CREDIBILITY.....	19
CONCLUSION.....	19
REFERENCES	22

Introduction

The issue of commitments and especially commitment problems were always an important part in the studies of international relations, but their role became even more important nowadays, as in the recent years several conflict rose due to problems related to commitments. The best way to demonstrate it is to examine the relationship between the West and the other dominant powers (especially China and Russia) through actual conflicts, like the one in Syria and Ukraine. In both of these cases, the possibility of a serious global conflict was a real threat, and its avoidance was only possible because the involved actors were able to make compromises based on the level of their commitments and motivations.

The territorial conflict over the Senkaku/Diaoyu Isles is a really fascinating for me, because it represents the issue of commitments and commitment problems. But that is not the only reason why I chose this particular topic. The current dispute is also both actual and relevant, making it a very useful and interesting issue to research upon.

The Senkaku/Diaoyu Islands (the former is the Japanese name, while the latter is the Chinese) are a group of islands on the East China Sea, taking up a central position between China, Japan, Taiwan and South Korea. It's part of Japan, under the administration of Okinawa Prefecture (Economist, 2013a).

“They are uninhabited islands sustaining scarce flora of little economic value, except for some fishing and feather collecting activities. Their military significance is high as a strategic outpost. The islands are too small to be delineated on most maps and they sit on the edge of the continental shelf of mainland Asia. They are separated from the Japanese Okinawa islands by a deep (2270 meter) sea trench.” (Lohmeyer, 2008, pp. 11)

Since the early 70's, China and Taiwan have been pressing their claims for the islands, which created a tense territorial dispute between them and Japan, who did not accept the opposing arguments and states that the islands are its own rightful claim (Shaw, 1999). Since then, the issue of the dispute is still present and in 2012 escalated to a point, where both

diplomatic and domestic tension reached a new high (Khan, 2012).

In this essay my primary goal is to present and analyze the current conflict and its background in the form of a foreign policy analysis. The following chapters are going to include several important aspects related to the issue. First, I am going to present the historical background of the dispute between Japan and China. In this section we are going to go back to the very beginnings and as we move forward in the timeline, I will highlight the important milestones. By the last paragraph we will arrive to the current conflict, which is going to be elaborated to get an adequate insight in the current situation. The method used here is going to be similar to the presentation of the historical background, as I am going to emphasize on displaying the main events and processes, which had great impact related to the issue.

After that, I am going to continue with the presentation and elaboration of my theoretical framework. Here I will write about the model used to structure my thoughts in detail. Also I am going to share my thoughts upon my chosen IR theory for the research and the essay, which namely is the Waltzian neorealism. I am going to highlight the reasons why I chose this theory for the case, and also analyze its disadvantages. I have to stress that because of its inherent limitations, I am not going to stick to its assumptions strictly, but rather creating a base with it to build up my analysis on it (in the relevant chapter you are going to understand why).

Following the introduction of the theoretical framework, I am going to present it on a famous example concerning neorealism, which is none other than the Melian Dialogue. Then I am going to move on with the actual analysis itself. The chapters in this section will go into the detailed description of the issue from the perspectives drawn up in the theoretical framework part. Therefore, the analysis part is going to contain five subsections, namely motivation, information, compromise, audience costs and credibility. In the end I am going to summarize the content of the essay and conclude my final thoughts about the issue.

Historical Background

The dispute over the Senkaku/Diaoyu is not a creation of the 21th century. The origin of

the dispute goes back to the late 18th century. It all began in 1884 when Japan discovered the islands and marked it as “terra nullius” (a territory which belongs to no one). During the First Sino-Japan War (1894-1895), on the 14th of January of 1895, Japan annexed the islands and since then they treated it as an integral part of their territory (Economist, 2012).

After the end of the war, the two states signed the Treaty of Shimonoseki, which included that China would cede the island of Formosa (Taiwan) and the nearby islands to the Japanese (Treaty of Shimonoseki, 1895, Article 2). Theoretically this included the Senkaku/Diaoyu islands, but the boundaries were not defined clearly. In 1952, this treaty was overwritten by the Treaty of San Francisco, which was signed as the result of the defeat of Japan in the Second World War. The treaty included that Japan has to give up control of the Ryukyu Islands. The relinquished territories went under american administration in the form of a trusteeship (Treaty of San Francisco, 1952, Article 2).

In 1968, a report conducted by the United States Economic Council for Asia and the Far East (ECAFE) was released, which revealed that there are vast amounts of underwater oil reserves near the islands. It immediately drew the attention of the People’s Republic of China and the Republic of China. The Japanese set up a national marker in 1969, emphasizing their rights over the islands. This raised the tensions between them and the Chinese (both the People Republic of China and Taiwan), as they were also interested in claiming the sovereignty and the rights of inspecting and exploiting the oil reserves. The possibility of claiming such rights was based on the unclear information on that which state had control over the islands first. Several anti-Japanese protests took place during the following years, both in Taiwan and in China, but as time passed, these patriotic movements started to fade away (Shaw, 1999).

In 1971, Japan and the USA signed the Okinawa Reversion Agreement, which overwrote the points of the 1951 Treaty of San Francisco. Technically it meant that Japan regained administration rights over the Ryukyu (which includes Senkaku/Diaoyu islands) and Daito islands from the americans.(Okinawa Reversion Agreement, 1971, Article 2) While this agreement raised tensions further in the Sino-Japanese relationship, the dispute of the islands were eventually shelved in favor of greater interstate issues (Shaw, 1999).

In the following decades several incidents took place. In 1978, hundreds of Chinese fishing vessels approached the near vicinity of the islands. While this incident was greatly publicized by the Japanese media initially, it was eventually turned down in favor of the Treaty of Peace and Friendship between PRC and Japan. In 1990 a lighthouse was erected by a Japanese right-wing party, which in turn led to the reaction of Taiwan, who wanted to bring the olympic torch of the “Taiwan Area Athletic Games” as a sign of Chinese sovereignty. While it was announced beforehand, Japanese forces turned the approaching taiwanese vessels back, which led to massive anti-Japanese protests in Taiwan. In 1996, another lighthouse was erected and later a Japanese flag was planted by right-wing activists. In turn, several Chinese activists tried to approach the islands, but were driven away. One activist drowned while trying to swim to the islands, which meant that the territorial dispute eventually led to the loss of a human life (Shaw, 1999).

Current Conflict

Today’s new conflict between Japan and China began when the Japanese government in 2012 nationalised 3 islands (Minami-kojima, Kita-kojima, and Uotsuri) by buying them from their private owner. Those islands are all part of The Senkaku/Diaoyu Islands, therefore the transaction created a great uproar in China, which immediately led to massive anti-Japanese protests. Further escalating the tensions, one Chinese airline called back it’s routes to Japan, while demand for Japanese products in China decreased by a great extent, leading to temporary operation shutdowns of the Japanese firms (e.g.: Honda, Toyota) in the country. Since the nationalisation, the violation of the Japanese territorial waters by Chinese vessels became even more frequent (Khan, 2012).

About a year later, in the November of 2013 China set up an ADIZ (Air Defense Identification Zone) on the East Chinese Sea, which is problematic due to the fact that it overlaps with Japanese ADIZ (Xinhua, 2013). This move provoked both the Japanese and the american government, who in turn, sent several of their aircrafts in the Chinese ADIZ without identifying themselves, therefore discrediting the zone and the measures taken by the Chinese government (Keck, 2013).

The most recent action is taken by the Japanese side. Their revised teaching guidelines applied by educational institutions all across the country, suggest to the teachers that the Senkakus are undoubtedly part of Japan. While the use of guidelines is not mandatory and it only comes into action in 2016, it created a great uproar in China (McCurry, 2014a). Its impact on the issue is intensified even more due to the fact that few days before the announcement Katsuto Momii, head of the NHK (the national broadcaster of Japan) made a statement defending the use of wartime sex slaves during World War 2, which was subjected to significant indignation both on a domestic, but more importantly in a regional level, which includes China and South Korea (McCurry, 2014b). Unsurprisingly, these two events deteriorated the relationship between Japan and China even more, increasing the tensions concerning the territorial dispute.

Theoretical Framework

For the detailed analysis of the case of the Senkaku/Diaoyu Islands, I am going to utilize the theoretical framework of neorealism. The theory itself was founded by Kenneth Waltz as the continuation/actualization of realism to be able to cope with the questions raised by the changes of international relations over time. The theory shares its assumptions with its predecessor about the existence of anarchy in IR and about the human nature.

But what are these assumptions actually? The most important assumption of the theory is that the world exists in a state of anarchy. Simply put, it means that there is no single dominant actor who would be able to govern and control other actors, enforcing laws and organizing cooperation for mutual benefits. At the section about the possibility of compromise it will be shown that this is an essential assumption, which explains the actual real life situation. The other key statement is that the main actors are the states themselves. Because of this homogeneity which is due to the fact that it does not consider other interest groups as actors, realism considers states as black boxes, whose inner workings are irrelevant, only the actions of the box itself matter. From that comes the next assumption which is that states are unitary, rational actors. It means that states behave and act as a single, homogenous unit, without any inner discrepancies and the goal of their actions is the granting of survival, which can be achieved through the maximization

of power relative to other states. This leads to our next point, which is that actors are self-interested, which simply means that the actors are not willing to work together to maximize absolute gains, rather work against each other to maximize relative gains and therefore dominance in power. At this point it is very important to note that in this theory, power is considered to be a military one, not calculating with other aspects. The main difference between classical and neorealism theories is that realism neglects state level, despite it's importance in international relations, which is included in neorealism (Steans, 2010, pp. 57-58).

The self-interested nature of the actors in realism creates an interesting process, which is the constant pursuit of balance of power. It is founded on the idea that because the main priority of the states is self preservation through dominance in relative power. It comes from that if one actor becomes significantly stronger, it is going to be considered a threat to other actors, due to their relative weakness against the hegemon. To counter that imbalanced situation, weaker actors may stand together against their stronger opponent as long as it is significantly more powerful than them. After that situation dissipates, the cooperating countries cease working together and return to their original state of selfishness (actually, they did the same so far, but their mean to achieve it was identical) (Steans, 2010, pp. 61)

The structure of the essay is inspired by and based on the lecture of Steven Pickering, and his analysis on the Melian Dialogue and on the Cuban Missile Crisis. He approaches these issues through the topics of rational unitary actors, information, credibility of commitments, compromise, audience costs, resolve and deterrence (Youtube, 2012). It is important to note that he based his model on the works of Thomas c. Schelling, especially on his essay on bargaining (Schelling, 1980). The works of Thomas Schelling modelled strategic behavior of actors in conflict situations. Strategic behavior here means that players in the international arena have self-interests, preferences, anticipate certain moves from the other player(s), attach probabilities and pay-offs to these moves and decide which move to make accordingly, in order to maximize their utility under the conditions of uncertainty and incomplete information. In my present research, I am going to focus on the topics of rational unitary actors, information, compromise, audience costs and the credibility of commitments.

First, I am going to define the rational unitary actor statement on this issue, which means that the actors in question are self-interested and mainly care about relative gains. This is a very interesting assumption, because while it might not apply to the conflicting states in reality, but rather the states justify their acts with the assumption of unitary, rational actors, making the theory of neorealism applicable to the case. In our case it is very important, because the theory itself gives us a base for the analysis, therefore identifying the nature and form of our actors is crucial.

After that, I am going to analyze the role of information in the issue. It is a crucial part in the issues of negotiations, because the quantity and quality of information can massively affect the behaviour of the participating actors. Because of this, it is imperative for us to get familiar with the condition of informational flow, so we can assume how informed the actors are, therefore we can conclude the rate of the shadow of the future related to the issue. The shadow of the future is the amount of uncertainty in the given bargaining process, the higher it is, the less predictable the future events become, making the actors less certain about their current bargaining position (Fearon, 1998, pp. 270-271). Also, in many cases, the lack of information is the foundation of the conflicts themselves, therefore it is very important to examine, whether the conflict is existing due to the lack of information, or inversely because of its availability.

In the subsequent paragraphs, I will carry on with the analysis of compromise. It is going to be very interesting, because in these paragraphs I am going to examine the possibility of a compromise between the states, which would lead to the resolve of the conflict. Of course, we will see that in a decades-old dispute finding such possibility is not an easy one and we will see why. A very important thing to detail here is the legal nature of the problem to understand whether the conflict is existing due to the lack of adequate international legal background or it is just simply not taken into account by one or more actors. If the latter is true, it brings us to more questions: Who has the hegemony of violence to enforce international law? Is there anyone at all?

Later on, I am going to analyze the audience costs of both countries concerning the current conflict. It is basically used to determine that in the case of backing down from a conflict who are those actors whose attitude towards the surrendering state would deteriorate. It's useful

for us to understand that how the pressure from other actor's can manipulate the decision making of a state. We are going to see that the relative costs of participating in a conflict can be lower than surrendering, therefore losing face at other actors, which would lead to undesirable consequences. It is very important to note here, that while due to the basic assumption of neorealism, states are the only actors in the model, but because of the more complex nature of the issue I am going to soften this assumption a bit, for the sake of a more detailed analysis and conclusion. Therefore I am going to differentiate domestic and international audiences. The former consists different groups found inside the state, while international audiences in this case are mainly other states.

Last but not least, I am going to finalize my research with the credibility of commitments through both the Chinese and the Japanese sides. This section's importance is to set up the arguments against each other and draw our conclusions about the background and credibility of the threats stated by both countries. The important part here is to understand the difference between communicated and perceived commitments can differ from each other, creating a discordance, which further increases uncertainty and also making bargaining more difficult.

A Prime Example: The Melian Dialogue

Before we start off with our analysis of the Sino-Japanese dispute over the Senkaku Isles, I would like to demonstrate the framework used by me through a quick example, which at this point not surprisingly is the Melian Dialogue by Thucydides, which can be considered to be one of the most classic stories employed by IR studies and especially realism without a doubt. In the following paragraphs we are going to go through each aspect used by the model in the case of the dialogue, therefore gaining an insight into the logic of the structure.

All right, so here is the situation. The Athenians and the Melians are discussing the upcoming event of the invasion of Melos by the Athenians. The Athenians offer the Melians the choice between paying tribute or utter destruction. The Melians object that they are a small, neutral polis, therefore they refuse to ally themselves with Athen, because this kind of „bullying” is unfair. The Athenian replies that they cannot allow leaving the Melians, because they are so small and insignificant that it would be a shame for Athen to not to rule them. The Melian suggests that if they are really that insignificant, they should be left alone, which is ignored by the Athenian. He also mentions that the gods will protect them because of their just nature, but it was quickly turned down by the other one, insisting that the gods are not concerned. The Melian also implies that by attacking a neutral state, Athen makes the other neutral countries hostile to them and that Sparta would aid them in a war, increasing the costs of war. In the end, Melos chose to resist Athen and defend itself, only to be destroyed by it, while Sparta and the other city states chose to stay out of the conflict (Thucydides, 431 BC).

It is clear, why this story became a symbol for realism, as it presents us the main assumptions of the theory rather simply but very effectively. In the following paragraphs I am going to get around the story through the aspects of my theoretical framework. Therefore we are going to approach the dialogue through the aspects of motivation, information, compromise, audience costs and th credibility of commitments.

The motivation/unitary rational actor part can be easily defined in this case. We can see that both the Athenians and the Melians are willing to act together, as an unit, without any internal discrepancies. Also, it is very important to notice that the logic behind each member’s arguments are valid, as both of their preference is to ensure their own safety through the maximization of relative power.

Information in this case is lacking, therefore increases uncertainty in the situation. First, neither side can predict the other states’s reaction to their acts, only guess it. This means that Athen can only assume that the chance of uprising in other city states will be high in case of letting Melos go, while Melians can only guess that other neutral city states and Sparta would aid

them, based on the logic of balance of power. From that we can see, that the main issue here is the estimation and comparison of effective military strength on both sides to decide which alternative has lesser costs. In the end, Athen most probably minimized its cost by destroying Melos compared to losing face at the allies or tributes. But I have to stress that it was indeed a game of luck due to the many uncertainities created by the limited nature of information.

The possibility of a compromise is a very interesting issue in our case. As we can see, the appearance of the legal part in the form of gods tries to convince us that there is a supreme power that governs the city states, but the other, more powerful state states that this power is not concerned with the issue. This suggests that the Athenians ignore the ruling power of the gods due to their dominant status in the conflict, technically eliminating the legal means which would be beneficial for the weaker Melos. The other part of this section is the availability of possible compromises between the two actors. We already know one, where Melos pays tribute to Athen (we don't really consider the utter destruction of Melos as a viable compromise). As we saw it was not good enough for the Melians. So the question rises: are there any alternatives which are acceptable by both sides? The problem here is that the goals of the two city states are very different and it is very hard to find a common agreement which would satisfy both sides.

The audience costs are very high in our story, due to the noticeable indirect involvement of other actors. In the case of Athen, the audience cost comes into consideration when deciding on whether it wants to invade Melos or let it go. If the former event happens, Athen is going to be able to show its high level of commitment towards the other smaller, invaded city states, therefore ensuring its dominant positions. If the latter comes into effect, the opposite happens: the small vassal countries will perceive that Athen is weakened due to its withdrawal from the dispute, making them more eager to get into a conflict with Athen due to its lowered bargaining power. From another perspective, if Athen decides to go into war with Melos, it might draw the attention and the anger of other small neutral city states and Sparta, risking a prolonged and bloody armed conflict instead of a simple invasion of a weak opponent.

After analysing these points, we came to draw the conclusion by talking about the credibility of commitments on both sides. It is clear that both sides have a clarified, rational and

well communicated goal, which are backed up by appropriate arguments and actions. Therefore, we can safely assume that both sides have a high level of commitment toward a specific goal. In the case of Athen it is the expansion and the maintenance of respect in the eyes of the other vassals. That is why we are very confident to state that attacking and destroying Melos is not only an empty threat but a rather existing and real option, which is executed actually, not to our surprise. On the other hand, we can notice the same level of commitment on the Melian side, but to another goal. For them it is the maintenance of their neutrality and their peaceful existence along with other states. Their argument is built upon the defense of these values and their ultimate decision, the rejection of the Athenians and their fight to the death confirms the strength of their commitment.

We can see now how Athen managed to seize and destroy Melos, but what is more important, we now understand the theoretical background of the dispute. The analysis of the Senkakus dispute is going to be more detailed, but the same structure of logic is going to apply for it. We will see though that due to the exemplary role of the Melian Dialogue, the real life analysis is going to be more controversial and is going to have much more key factors to define.

Motivation/Unitary Rational Actors

To start off our analysis on the subject matter, we have to clarify a few things first. The most important is that we have to find out that whether China and Japan are unitary, rational actors or not in this issue. That means we have to find out that both states act according to their self-interest and mainly care about relative gains over absolute ones. The best way to do that is to analyze their motivation. Is it really about maximizing power? Or maybe it's just a diversion from other issues?

What we have to consider here, is that the conflict has more sides. On one side, the occupation of Senkaku/Diaoyu Islands definitely has strategic advantages. While the islands themselves may be considered as only a few rocks, the resources gained by occupying the islands makes it very appealing. The underwater oil and natural gas reserves mean a great incentive in terms of resources. Also, the strategic importance of the location of the islands give an upper

hand to the owner, in case of a war. The islands take place in a central location, between Japan, Taiwan, China and South Korea, which means that it is a prime location to establish a defensive chokepoint (Yoshida, 2012). Last, there are several important sea routes in the vicinity of the islands, and gaining ownership upon the islands would also mean control over these sea routes, which yields many benefits (Auerback, 2013, referring Lees, n.a.).

So, at first it seems rational to dispute over these islands, but is it really the reason behind the conflict? If it was only for the strategic advantages, why did not the dispute escalated into a full-blown military conflict in the previous decades? We have to see that that the countries are also motivated by different political reasons. China's recent transition of leadership in 2012 was tainted by severe power struggles and diversing the state's focus from that issue was definitely a necessary one (Wagner, 2012). The inauguration of Xi Jinping, the current General Secretary of the Communist Party of China was the result of months of sharp political manouverings, which would have raised domestic tensions, if the renewed dispute of Senkaku/Diaoyu Islands were not present. In Japan the 2012 reshuffle of the Noda cabinet was also a period of domestic tensions, so backing out from the dispute would have deteriorated further the already negative public opinion on the government due to the low economic performace of the country (Nishiyama, 2012).

Many argued that with the end of leadership transitions, the dispute would eventually be shelved again, but that was not the case. This was due to the mentality of both Japan's and China's new leadership. In China, Xi Jinping reform concept about the "Chinese Dream" is based on the resurgence of a once powerful state, which was humiliated for almost two centuries. The aim of the concept is to reform the Chinese economy and politics, but it has very strong connections to nationalist ideas and acts due to the characteristics of the rising, powerful state and as a consequence of being initially weak by not being elected by the public, but by the party (Kuhn, 2013).

Because of this, backing down from the dispute over Senkaku/Diaoyu Islands would be contradictory due to the fact, that a rising, powerful state would never give up on their own territory. Right now, China's main goal is to show the other states that they are strong and

assertive enough to be the region's dominant power. Some even suggest that China's long-term goal is to get Taiwan under its influence, securing additional vital sea routes (Auerback, 2013, referring Lees, n.a.). On the other hand, Japan's new prime minister, Shinzo Abe tries to achieve a calm relationship with China, but he also reacts to the increasing threats from the Chinese government by stating that further violations of territorial waters and skies will be met with armed defense (Panda, 2013). Also, in 2013 it also increased the budget of the JDF (Japanese Defense Force) by 3% as a reaction to the increasing threats of armed intervention from China (Takenaka, 2013).

From the previous paragraphs I conclude that the primary reason behind the dispute is not about gaining strategic advantages through the islands, but is built up from the long-term strategy of Xi Jinping, including expansion and nationalist mentality, on the Chinese side and Shinzo Abe's reaction to it on the Japanese side. Because of that, we can apply our assumption on the unitary, rational actors here due to the fact, that China clearly pursues its own long-term goals (it is important to see that nationalism is used as a mean to gain control over the state, which is necessary to achieve long-term reforms) and Japan has the priority of defending itself, which is also considered a pursuit of national interests (more precisely, a pursuit of survival). As we can see though, we have to overcome the black box assumption of neorealism and take domestic audience costs (in the form of nationalism) into account to understand how the states are able to act as unitary actors.

Information

The role of information and uncertainty in the dispute is an important one. First, the incomplete information on the territorial belonging of the islands gave foundation to the whole dispute between China and Japan. While Japan refers to the 1884 discovery and the 1895 annexation as the point of occupation, China mainly objects that the islands were not terra nullius in the time of the 1895 Japanese annexation and that according to historical records the islands were part of the Chinese Empire since the 1400's (Economist, 2013a). While the Japanese references are considered to be more reliable, the lack of ultimate truth still gives the ground for the Chinese in claiming sovereignty over the isles.

A kind of informational asymmetry is also present in the actual dispute. Neither side knows how far they can go in bullying each other without the consequence of an actual war. On one side every actor is concerned about the future outcome of the issue, because the uncertainty bears the possibility that a full-blown military conflict would rise from the dispute, an event which is highly undesirable for most of them. Despite that (or maybe because of that), the two governments are testing how far they can go through the means of threats and violating each other's territorial boundaries, both on sea and in air (Panda, 2013). While this kind of action can be used to lower uncertainty by outlining the estimated tolerance of the other country, incautious use of such testing may step over the threshold of the other side, leading to the potential reaction of armed retaliation.

In terms of information about the distribution of military power, we can safely assume that both sides are fairly familiar with the other's capabilities. What is more interesting is that how the appearance of a third party (in this case, the USA) on the Japanese side can change the relative capabilities of the opposing sides. Because the US is obliged to enter to the conflict, in case it erupts, on the side of Japan due to their defense treaty (Defense Treaty Between the United States and Japan, 1951, Article 1), it will most certainly mean that additional military power is going to be available on the Japanese side. What is not so certain is the amount of that additional power. The US is already actively present in several conflicts and most probably would not use all of its available military resources in the conflict, which leads to the rise of uncertainty in the issue of power distribution.

As we can see, the inadequate quantity and quality of information helped in creating the dispute. And while both sides can estimate the other's military capabilities, the appearance of a third party definitely raises uncertainty about the ultimate power distribution in the conflict. Also, the uncertainty about the level of tolerance on both sides makes more wary, but the tools used to acquire more information about the other's increases the chances of falling into an armed conflict.

Compromise

There are many cases of territorial disputes in history. While many of them ended up in a war, some of these conflicts got resolved due to compromise. It is a favorable option, because it has benefits for both sides (to a lower extent, though) and it enables to avoid the costs of a military conflict. The question emerges: Why have not China and Japan found a compromise yet to end the dispute peacefully? Is it maybe because the islands cannot be divided? Or it would ruin their long-term strategies? Or maybe because they are just too stubborn?

First of all, we have to decide, whether the current legal situation is adequately defined enough to be able to decide the official ownership or not. The problem is that because both sides have multiple arguments, all of them which can be acceptable by legal standards (remember the Information chapter!) and none of the are willing to surrender themselves due to the thundering nationalism in both countries. The main issue I perceive here is that international law itself is not an effective institution in this case. Of course, this statement is strong, but there are many key factors that back it up.

The main issue is that international law is not enforceable, therefore it is not obligatory. The reason behind that is based on the theory of german sociologist Max Weber, that is to enforce any kind of law, one actor must have the exclusive ability to use physical power over the others to do so. This concept is called the monopoly of violence and it demonstrates well, how the state can enforce law on the members of the given society through supreme and legitimized physical power (Wulf, 2007, pp. 6-7.). The problem rises when we want to apply the theory on an international level, because there is no actor above the states, therefore there is no one to enforce, due to the main assumption of neorealism. Not surprisingly, there are several international organizations created to fill this role, but the fundamental problem of these organizations, namely that they are created and funded by states, makes them inefficient due to the fact that because of the financial dependence, they inadvertently become the tools of the major funding countries, eliminating objectivity in judgement and adding the selfish nature of states due to realism, it easily discredits the given organization. Because of this situation, actors cannot rely on international law, because other actors can easily disregard the related verdicts without any real

consequences. Of course, prolonged and severe violation can anger other states, making them act against the other state, but it is mainly happens through economic or military means and not through legal ones.

The other issue concerning international law is that while it is not able to cope with serious situations like the one with the Senkakus, it provides opportunities for the actors to generate tensions and give birth to conflicts. First of all, the UNCLOS (United States Convention on the Law of the Sea) attaches offshore resources to land as a legal way to define the ownership of the given resources (Mrosovsky, 2008, pp. 931-932). We can agree that this has caused the original disruption in the Sino-Japanese relationship due to the 1968 discovery of oil and natural gas deposits near the Senkakus, which under the terms of UNCLOS were connected legally to the isles. This rule somewhat contradicts with the 57. Article of UNCLOS, which states that coastal countries are allowed to establish exclusive economic zones (EEZ) up to 200 nautical miles from their shore (Asada, 2007). In our case, this means the overlapping of Chinese and Japanese EEZs. While with a mostly economical focus the two parties could agree on mutual collaboration concerning the exploitation of the mentioned resources through different legal means, power plays and nationalism would not bear such a cooperation, especially because in the eyes of the nationalists it is not about the resources but the isles themselves which represent sovereignty for them. This leads to a painful stalemate in the negotiating process, which is critical in resolving the current situation. It is further enhanced by the fact that due to the vague legal definition on land acquisition, both sides are able to come up with legitimate arguments, which are while acceptable by the norms of international law. We can see that the legal connection of off-shore resource deposits to land, a simple economical issue can be easily pushed to the side by the politically much more involved, therefore more important in the eyes of the politicians, questions, which can escalate the situation.

We can safely assume that if we let the two sides to decide on the issue, it will never be solved. Japan's statement is that China's argument is based on unreliable historical records, therefore considers it invalid, while China's assertiveness leaves little ground for backing down. There are chances that the dispute would be shelved again, but there is the possibility, which was created by the recent rise of China and it's expansive, nationalist politics, that it would lead to

war. So what can we do? The involvement of a third party after the previous paragraphs seems to be an ineffective choice. But in the current situation the verdict of an independent organization would definitely have more legitimacy on both sides, than their own. In this case the International Court of Justice (ICJ) is the most viable option. It already made resolutions on matters of territorial disputes, for example in the case of Nicaragua and Colombia (International Court of Justice, 2012).

The main problem with the Court is that neither side has the willingness to go to them, for good reasons. The Japanese standpoint, that there are no disputes and that they have historically more legitimate references on the issue of ownership, leaves little to no incentive in taking the issue to the courtroom. In their current viewpoint, this act would be risky, because it has the possibility of a verdict favoring China.

On the other side, China is also against of the involvement of the ICJ. The Court has already made several rulings related to several conflicts related to China, most notably in the case of Tibet and Taiwan. Because the verdict of the ICJ are not obligatory, compliance to these rulings is not compulsory, which was exploited by China in most cases (Ikeda, 2013). So even if the Court would make a decision in favor of China, it's legitimacy would be still questionable due to the aforementioned rulings ignored by the Chinese government.

The other considerable option as a third party is the United States Security Council. It has the scope of deciding in such questions and it's ruling power is much greater than of the ICJ. So why did not Japan and China brought the case to them yet? The answer to that is the veto power of the permanent council members. A resolution in favor of Japan is automatically impossible, because one of the permanent council members is China itself, who would more than gladly use it's veto power on such a resolution. In turn, the USA is also present in the council, who would definitely veto a resolution in favor of China, due to it's concern about the asian country's unacceptable level of assertiveness in foreign policy. This is actually a paradox situation and a prime example of showing the dominance of national interests over international ones, which strengthens the credibility of opinions about the disfunctionality of international law and international organizations.

We can see that the involvement at this stage of the dispute is not an option yet, which leaves the two countries to negotiate a mutually beneficial compromise. Actually there are several options they can choose from, if they are willing to soften their standpoints in the future. The use of multiple functional boundaries would give space to define different boundaries for different functions, such as territorial waters, fishery, or commerce. Also, cooperation is also a viable option in this case. Designating the islands as an area of mutual use and development would make it possible to end the dispute and to exploit the natural resources of the area by both countries. Of course, the main factor here is nationalism, which because of its high audience cost has to be weakened in both countries to let them focus on the exploitation and development of economically advantageous propositions instead of political ones.

Audience Costs

Another important aspect of the dispute is that who are those actors, who would be affected by the surrendering of one of the countries involved in the main conflict. To be more precise, who are those actors whose affiliation would deteriorate with the surrendering state

For China, the new leadership still has to prove itself both to the public and to the Communist Party, which creates a great domestic pressure on the Senkaku/Diaoyu issue. We have to remember, that Xi Jinping utilizes nationalist mentality, which in turn affects increases the state's sensitivity to territorial issues with a neighbour. Backing down from the disputes would be a great loss of face for the leaders in the eyes of the state, but even more importantly, in the eyes of the Communist Party, based on the past experiences of history. Another interesting aspect is how the negotiations about territorial disputes involving China would change. By looking weak/permissive, the neighbours of China, who are in similar dispute with it, would see a higher chance in winning the dispute, therefore pressing their claims much more (CFR, 2013).

Japan also faces with a similar setup. Shinzo Abe's government was elected recently and still has to prove himself to the Japanese state. They also have territorial disputes with South Korea and Russia, so backing out from the negotiations would mean the weakening of the status of the other negotiations over the contested territories (The New York Times, 2012).

Credibility

Defining the credibility of commitments in this issue is not an easy one, because each side makes several threats and commitments, often controversing each other. For example China's commitment about it's peaceful rise in the region seems to go against against the reactive-assertive strategy, which is currently led by the government. This mentality instills fear in neighbouring, smaller countries, which increases the chances of future hostilities between them. That's also the case in the dispute with Japan too, who, unlike the other, smaller neighbours, packs a punch in military capabilities and is able to stand against a potential Chinese offensive, especially with the US on it's side, so it's more likely to engage in a defensive war in case the negotiatons go off-track.

The commitments on the Japanese sides also seem to be a bit controversial, but to a lesser extent, than in the case of China. Shinzo Abe's foreign policy with the Chinese has the priority to be calm and peaceful, but in the case of severe violations of Japanese territorial waters, Japan is willing to fire the first shot in the name of self-defense, which would also most possibly the start of a war. These two commitments might seem controversial in the first place, but what Japan really does here is marking a red line, a point, where it turns down further negotiatons and initiates the use of it's own defense force. It's important to mention, that while Japan has a massive Defense Force (JDF), it cannot be used in offense due to the according article in the constitution (The Constitution of Japan, 1947, Article 9). What is more of a controversy in terms of commitments is that while Abe tries to establish a good relationship with China, he and his right-wing party also supports the amendment of the constitution, which would mean an army allowed to take offensive actions, not just defensive ones (Economist, 2013b). This, paired with the increase in the defense budget, also helps the undermining of the diplomatic negotiations.

Conclusion

In the previous chapters, we were able to understand the diversity of problems concerning the case of Senkaku/Diaoyu. I came to the conclusion, that there are several issues, which hinders

the effectiveness of diplomatic negotiations. First, the unclear nature of information about the origins of the islands gave foundation to the dispute, while the incomplete information about the tolerance of the two sides increases the chances of hostility through incautious testing of each other.

In terms of a compromise, the two sides in the current situation cannot really reach a mutual agreement, meaning that their negotiating process is stuck, while the involvement of a third party to resolve the dispute is not desired by either country. The reason behind it is that neither side has the incentive to turn to any of those organizations, due to differing reasons stated in the respective chapter. Also, the legal aspect of the issue also works against the resolve of the dispute due to international law's inherent limitation in enforcing its verdicts on actors and by creating rules that can produce legal disputes which can then escalate even to armed conflicts with human casualties and severe damage on both sides.

The audience costs are also very high for both sides, which also incites against backing down from the issue or from making a not so advantageous compromise. The credibility of the commitments and threats expressed by Japan and China is also hindering the negotiating processes. While both countries express their interest in keeping a mutually peaceful relationship with each other, national self-interests seem to overwrite these commitments made towards each other.

We can conclude that all of these factors examined in the analysis hinders the diplomatic processes in the negotiation over the Senkaku/Diaoyu Islands. While there are several peaceful possibilities to resolve the situation (even with the exclusion of either country backing down), the self-interest and the maximization of gains make both states (especially China) very assertive. It is no wonder the case was shelved by the two states' governments in the 70's, because it is truly a challenging issue, which cannot be solved easily without ignoring either side's interest. With all these informations, I can safely say, that my hypothesis is supported, as there are actually significant conclusions about the conflict related to its background.

The dispute is far from its end, therefore it is a great subject for future research. From one perspective, my future goal is to update the essay with the events taking place in the future and hopefully one day it becomes a great summary of the dispute. On the other hand, I am planning to involve other approaches and methodological tools, such as game theory, to expand my understanding on the dispute.

References

Asada, Masahiko (2007): Senkaku/Diaoyu Islands.

place of download: <http://opil.ouplaw.com/view/10.1093/law:epil/9780199231690/law-9780199231690-e2015>.

date of download: 2014.03.26.

Auerback, Marshall (2013): Why the Senkaku Islands Matter.

place of download: <http://macrobits.pinetreecapital.com/senkaku-islands-matter/>.

date of download: 2013.12.07.

CFR (2013): China's Maritime Disputes.

place of download: [http://www.cfr.org/asia-and-pacific/chinas-maritime-disputes/p31345#/#/](http://www.cfr.org/asia-and-pacific/chinas-maritime-disputes/p31345#/). date of download: 2014.03.26.

Defense Treaty Between the United States and Japan, 1951, Article 1

Ikeda, Tashadi (2013): Getting Senkaku History Right.

place of download: <http://thediplomat.com/2013/11/getting-senkaku-history-right/1/>.

date of download: 2013.12.07.

International Court of Justice, Press release (2012): Territorial and Maritime Dispute (Nicaragua v. Colombia)

Fearon, James D. (1998): Bargaining, Enforcement, and International Cooperation. International Organization. pp. 270-271

Keck, Zahary (2013): US Bombers Challenge China's Air Defense Identification Zone. place of download: <http://thediplomat.com/2013/11/us-bombers-challenge-chinas-air-defense-identification-zone/>.

date of download: 2013.12.07.

Khan, Shamshad A. (2012): Japan's "Nationalisation" of Senkaku: Internal and External Determinants.

place of download: http://www.idsa.in/idsacomment/JapansNationalisationofSenkaku_sakhan_250912.

date of download: 2013.12.07.

Kuhn, Robert Lawrence (2013): Xi Jinping's Chinese Dream.

place of download: <http://www.nytimes.com/2013/06/05/opinion/global/xi-jinpings-Chinese-dream.html?pagewanted=1&r=0>.

date of download: 2013.12.07.

Lohmeyer, Martin (2008): The Diaoyu / Senkaku Islands Dispute: Questions of Sovereignty and Suggestions for Resolving the Dispute. pp. 11.

place of download: http://ir.canterbury.ac.nz/bitstream/10092/4085/1/thesis_fulltext.pdf. date of download: 2013.12.07.

McCurry, Justin (2014a): Japan: teachers to call Senkaku and Takeshima islands Japanese territory.

place of download: <http://www.theguardian.com/world/2014/jan/28/japan-teachers-call-senkaku-takeshima-island-japanese-territory>.

date of download: 2014.03.26.

McCurry, Justin (2014b): Japan public broadcasting head regrets defending use of wartime sex slaves.

place of download: <http://www.theguardian.com/world/2014/jan/27/japan-sex-slaves-korea-nhk-katsuto-momii>.

date of download: 2014.03.26.

Mrosovsky, Carlos Ramos (2008): International law's unhelpful role in the Senkaku Islands. pp. 931-932.

place of download: [https://www.law.upenn.edu/journals/jil/articles/volume29/issue4/RamosMrosovsky29U.Pa.J.Int'lL.903\(2008\).pdf](https://www.law.upenn.edu/journals/jil/articles/volume29/issue4/RamosMrosovsky29U.Pa.J.Int'lL.903(2008).pdf).

date of download: 2014.03.26.

Nishiyama, George (2012): Japan's Noda Reshuffles Cabinet.

place of download: <http://online.wsj.com/news/articles/SB10001424052702303918204577445451745387214>. date of download: 2013.12.07.

Okinawa Reversion Agreement, 1971, Article 2

Panda, Ankit (2013): Japan to Shoot Down Foreign Drones.

place of download: <http://thediplomat.com/2013/10/Japan-to-shoot-down-foreign-drones/>. date of download: 2013.12.07.

Schelling, Thomas C. (1980): The Strategy of Conflict. Harvard University Press. pp. 21-51

Shaw, Han-yi (1999): The Diaoyutai/Senkaku Islands dispute: It's history and a analysis of the ownership claims of the PRC, ROC and Japan.

place of download:

<http://digitalcommons.law.umaryland.edu/cgi/viewcontent.cgi?article=1151&context=mscas&sei-redir=1&referer=http%3A%2F%2Fwww.google.com%2Furl%3Fq%3Dhttp%253A%252F%252Fdigitalcommons.law.umaryland.edu%252Fcgi%252Fviewcontent.cgi%253Farticle%253D1151%2526context%253Dmscas%26sa%3D%26sntz%3D1%26usg%3DAFQjCNHxsZES6LgV1ZZzGse3WMfo2fq9tA#search=%22http%3A%2F%2Fdigitalcommons.law.umaryland.edu%2Fcgi%2Fviewcontent.cgi%3Farticle%3D1151%26context%3Dmscas%22>.

date of download: 2013.12.07.

Steans et al (2010): An Introduction to International Relations, Pearson Education Limited, England. pp. 57-58, pp. 61

Takenaka, Kiyoshi (2013): Japan seeks biggest defense budget rise in 22 years.

place of download: <http://www.reuters.com/article/2013/08/30/us-Japan-defence-idUSBRE97T08920130830>.

date of download: 2013.12.07.

The Constitution of Japan, 1947, Article 9

The Economist (2012): Narrative of an empty space.

place of download: <http://www.economist.com/news/christmas/21568696-behind-row-over-bunch-pacific-rocks-lies-sad-magical-history-okinawa-narrative>.

date of download: 2013.12.07.

The Economist (2013a): Who really owns the Senkaku Islands?.

place of download: <http://www.economist.com/blogs/economist-explains/2013/12/economist-explains-1>.

date of download: 2013.12.07.

The Economist (2013b): Back to the Future.

place of download: <http://www.economist.com/news/asia/21578712-shinzo-abes-plan-rewrite-japans-constitution-running-trouble-back-future>.

date of download: 2013.12.07.

The New York Times (2012): Territorial Disputes Involving Japan.

place of download: http://www.nytimes.com/interactive/2012/09/20/world/asia/Territorial-Disputes-Involving-Japan.html?_r=0.

date of download: 2014.03.26.

Thucydides (431 BC): History of the Peloponnesian War, Chapter XVII.

place of download: <https://www.mtholyoke.edu/acad/intrel/melian.htm>.

date of download: 2014.03.26.

Treaty of San Francisco, 1952, Article 2

Treaty of Shimonoseki, 1895, Article 2

Wagner, Wieland (2012): China's Power Struggle: Is a Dangerous Divide Opening Between Beijing Leaders?.

place of download: <http://www.spiegel.de/international/world/Chinese-leaders-embroiled-in-bitter-power-struggle-a-824379.html>.

date of download: 2013.12.07.

Wulf, Herbert (2007): Challenging the Weberian Concept of the State: The Future of the Monopoly of Violence. pp. 6-7.

place of download: http://nears.www.tamilnet.com/img/publish/2008/01/h_wulf_occ_paper_9.pdf.

date of download: 2014.03.26.

Xinhua (2013): Announcement of the Aircraft Identification Rules for the East China Sea Air Defense Identification Zone of the P.R.C..

place of download: http://news.xinhuanet.com/english/China/2013-11/23/c_132911634.htm.

date of download: 2013.12.07.

Yoshida, Reiji (2012): Beijing's Senkaku goal: Sub 'safe haven' in South China Sea.

place of download: <http://www.japantimes.co.jp/news/2012/11/07/news/beijings-senkaku-goal-sub-safe-haven-in-south-china-sea/#.UqSIM9LtRhY>.

date of download: 2013.12.07.

Youtube.com (2012): An Introduction to International Relations: Steven Pickering.

place of download: <http://www.youtube.com/watch?v=7oZuvKoKJBM>.

date of download: 2013.12.07.