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China-Japan Thaw: Can the Two Countries Better Manage the Diaoyu/Senkaku Islands Dispute?

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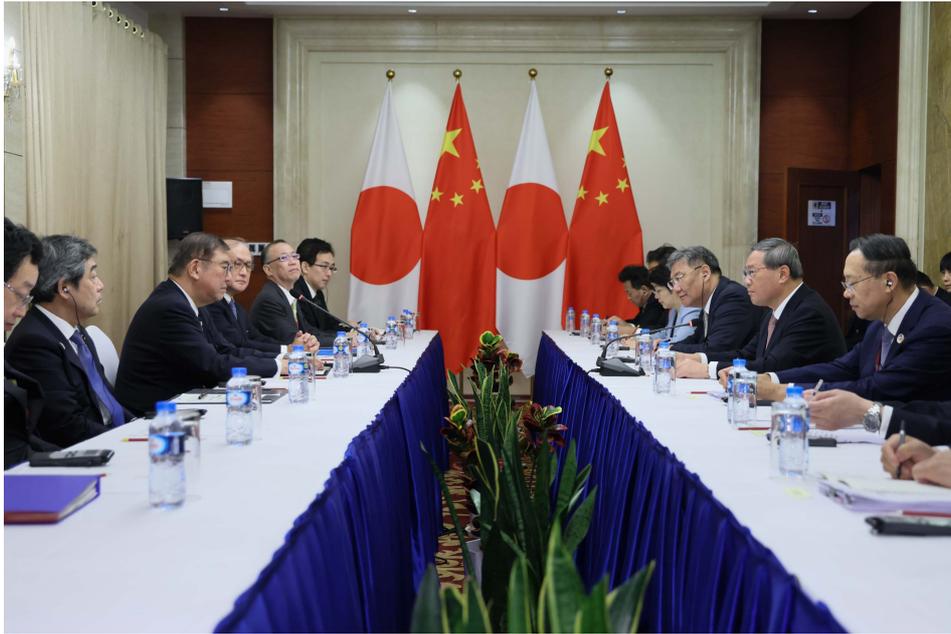
SYNOPSIS

*While recent diplomatic engagements show signs of improvement in China-Japan relations, the Diaoyu/Senkaku Islands dispute remains a major obstacle, marked by maritime conflicts and increased security competition between the two countries. **Wang Yuchen** and **Li Mingjiang** suggest that implementing cooperative crisis management mechanisms, such as those seen in the recent India-China disengagement arrangement, could help reduce tensions and foster stability.*

COMMENTARY

Signs of improvement in China-Japan relations seemed to emerge in recent months, as seen in a series of diplomatic engagements and some resolution to contentious issues, for instance, the dispute over the Japanese release of treated nuclear wastewater from the Fukushima Daiichi plant into the ocean. This issue had been a major point of tension in the past, with China imposing a ban on Japanese seafood imports. Following diplomatic discussions, China has begun easing the restriction, signalling a move towards compromise.

Notwithstanding mutual interest in maintaining stability in bilateral relations, China-Japan ties in the past decade or so have been mainly characterised by tensions over territorial disputes, historical grievances, geopolitical alignments, and partial economic and technological decoupling. A major challenge for Beijing and Tokyo is the Diaoyu/Senkaku Islands dispute, which has led to increased military presence, maritime standoffs, and nationalistic rhetoric from both sides in recent years. If not handled properly, the dispute could continue to be a significant source of friction that could be highly disruptive to China-Japan relations, stalling efforts to improve bilateral ties.



Japanese prime minister Shigeru Ishiba and Chinese premier Li Qiang met in Vientiane, Laos, on 10 October 2024. The Diaoyu/Senkaku Islands dispute remains a key challenge for China-Japan relations. *Image from Prime Minister's Office of Japan website.*

Unabated Tensions over Sovereignty of the Diaoyu/Senkaku Islands

The Diaoyu/Senkaku Islands are a cluster of small, uninhabited islands in the East China Sea totalling 6.3 square kilometres. Sovereignty over these islands has long been a contentious issue between China and Japan. Recent months have seen a notable increase in confrontation and incidents around the disputed waters.

In April 2024, Chinese coast guard ships [confronted](#) a group of Japanese lawmakers, led by former defence minister Tomomi Inada, who were inspecting the disputed islands. In June, China passed [new maritime patrol regulations](#) allowing Chinese authorities to detain for up to 30 days foreign vessels and individuals suspected of illegally entering China's territorial waters. The regulations permit the Chinese coast guard to establish and enforce exclusion zones, conduct more rigorous surveillance, and deploy drones and other monitoring equipment around contested maritime areas. These regulations caused significant concern in Japan.

In October, the [Chinese coast guard reported](#) that a Japanese fishing vessel had illegally entered China's territorial waters around the Diaoyu/Senkaku Islands, prompting warnings for the vessel to leave.

Political and Security Complications over the Dispute

These conflicts can be understood in the context of Chinese domestic politics and Sino-Japanese geostrategic contestations.

For many years, Chinese leaders have repeatedly taken a more assertive stance, occasionally verging on military action, to defend China's "core interests". During an inspection of the command office for the East China Sea area of the Chinese coast

guard in December 2023, Chinese president Xi Jinping [stressed](#) the need for effective maritime law enforcement and resolute protection of China's territorial sovereignty and maritime rights and interests. Consequently, China has increased its presence around the Diaoyu/Senkaku Islands, with records showing [heightened activity in the area over the past year](#).

China's assertive stance regarding the islands is rooted in nationalist sentiments and historical grievances, particularly those linked to the "Century of Humiliation". According to China, the Treaty of Shimonoseki, which ended the Sino-Japanese War of 1894–1895, ceded the Diaoyu Islands to Japan. For Beijing, sovereignty over the islands symbolises overcoming past humiliations.

The dispute is also deeply influenced by regional geopolitics, in particular, the "security dilemma" between Japan and China. Japan has grown increasingly wary of China's hard-line approach. Amid rising tensions with China, Japan in December 2022 revised its National Security Strategy (NSS) for the first time in nearly a decade, explicitly [addressing the growing threat from China in the East China Sea](#). In the updated NSS, China is defined as the biggest security challenge facing Japan. Furthermore, Japan's [2024 Defense White Paper](#) underscores the importance of strengthening Japan's coast guard and naval capabilities to counter China's frequent activities around the Senkaku Islands.

The ongoing tensions have also deepened Japan's reliance on its security alliance with the United States. For instance, the United States and Japan reached [over 70 agreements on defence cooperation](#) during the then Japanese prime minister's state visit to the United States in April 2024. The agreements included commitments to deepen integration of their military forces, develop new defence technologies, and increase joint exercises. These commitments were further highlighted in July 2024 during a [meeting between the foreign and defence ministers](#) of the two countries on extended deterrence.

Looking ahead, with the absence of strategic trust, China and Japan may find themselves caught in a cycle of continuously upgrading their defence capabilities. This security dilemma further complicates regional stability as neither side wants to appear weak or vulnerable, especially in the eyes of their respective domestic audiences.

Breaking the Vicious Cycle

Over the years, China and Japan have attempted several measures to manage their maritime disputes over the East China Sea and the Diaoyu/Senkaku Islands under the [East China Sea Peace, Cooperation and Friendship Initiative](#). These measures include a common understanding to jointly develop oil and gas fields in the East China Sea reached in 2008, talks on fisheries cooperation in the East China Sea, cooperation on non-traditional security issues such as maritime environmental protection, resource conservation, fisheries management and disaster prevention, a maritime and air liaison hotline established in 2018, and vice-ministerial-level talks focused on crisis management. However, sovereignty concerns have often overshadowed these cooperative goals, leading to limited progress.

The most challenging issue for the two countries is their respective coast guard activities in the disputed area. Both countries have stepped up their coast guard patrols in disputed waters. China regularly sends coast guard vessels into the waters near the Diaoyu/Senkaku Islands, while Japan's coast guard continues its monitoring efforts. Tensions have periodically spiked due to these patrols, although both sides have so far managed to prevent direct military confrontation.

While it is useful for China and Japan to continue to interact under the East China Sea Peace, Cooperation and Friendship Initiative, they may benefit from focusing on efforts to regulate their respective coast guards. The two countries could draw inspiration from the recent [disengagement agreement between India and China](#) along the disputed Himalayan border, which involves a phased withdrawal of troops, changes in patrolling arrangements, and the creation of buffer zones to reduce the risk of future conflicts. As part of the agreement, India and China agreed to implement a system of staggered patrols at different times to avoid face-offs along the Line of Actual Control (LAC). This arrangement allows patrols from each country to access disputed areas on pre-determined schedules, reducing the risk of both sides encountering each other, which had previously led to tension and confrontation.

Without a commitment to establishing a functioning crisis management mechanism, it will be difficult for China and Japan to achieve sustained improvement in their bilateral relations. Some kind of disengagement arrangement in the waters near the Diaoyu/Senkaku Islands would go a long way towards improving ties between the two countries.

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