CHAPTER 6

CONCLUSIONS

The previous five chapters have provided a comprehensive critical examination of the various foreign policy options available to China to pursue its interests over the Senkaku/Diaoyu Islands. This final chapter seeks to review the key arguments presented within this research, as well as to contextualize the Senkaku/Diaoyu Islands dispute in the larger context of Chinese security interests.

6.1 The Importance of the Senkaku/Diaoyu Islands

In Chapter 2, this research has focused on discussing three main areas where the Senkaku/Diaoyu Islands are relevant to Chinese interests:

First, realist security seeking behaviour rests on the assumption that preserving the territorial integrity of the state from external threats is a paramount interest of any nation. Since 1949 the People’s Republic of China has experienced significant economic and demographic changes that affect Chinese defence planning. The most important of these changes is the shift of China’s centre of gravity, both in terms of its population and economy, from the interior provinces to the coastal regions. This significantly increases demands to effectively defend these provinces from external threats. This research argues that to improve the security of the coastal regions China needs to expand into the maritime realm. The Senkaku/Diaoyu Islands play a crucial role in such a strategy. On one hand, China has incorporated small islands into its coastal defence strategy at least since the Ming Dynasty. On the other, the islands provide a platform for China to project power into the East China Sea. As the only other features on the East China Sea belong to the Japanese Ryukyu Islands, the Senkaku/Diaoyu Islands represent China’s only option to establish a bastion on the East China Sea beyond the Chinese coast.
Second, increasing Chinese control over the East China Sea is not only important to improve the territorial security of China. The PRC is a trading state, deriving a significant portion of its GDP from the distribution of goods manufactured in China. Key sea lines of communications on which the wellbeing of the Chinese economy depends cross the East China Sea. These not only export Chinese goods but ensure the influx of key imports, such as oil. The Senkaku/Diaoyu Islands occupy a strategic location, on the one hand, to monitor and control shipping on the East China Sea, and on the other, to prevent hostile interference with China shipping.

Beyond the strategic significance, ensuring that nothing disrupts Chinese shipping is also important as the Chinese Communist Party has tied its legitimacy to continuous economic growth in China in the absence of democratic elections. Limited disruption of Chinese SLOCs might not be sufficient to bring the PRC to its knees, but a slowing Chinese economy would magnify dissent within China against continued CCP rule. Thus, any threat to the Chinese economy is a direct threat to regime survival in the eyes of the CCP.

Furthermore, the East China Sea is expected to contain vast reserves of strategic natural resources, such as oil and natural gas. The PRC is a net oil importer and it is forced to secure supplies from instable regions such as Sudan. Besides the instability of production countries, ports of embarkation are connected to China through long SLOCs passing some of the most pirate infested regions of the world. Securing a major source of oil close to home would improve Chinese energy security and reduce the leverage states along China’s SLOCs can exert over Beijing. At the same time, while natural gas is cheaply and readily available on the international markets, China is increasingly shifting away from coal to consume more of it. This is partially due to attempts to reduce environmental degradation within the country that is increasingly becoming an internal security issue. Once again, securing supply close to home would improve China’s energy
security and reduce the PRC’s exposure to market fluctuations and external political pressure.

Third, the islands have strong political significance, thus they affect China’s internal security. Besides economic development, nationalism is a key source of legitimacy for the CCP. The communist party justifies its rule not only by lifting China out of poverty, but by protecting it from enemies domestic and foreign and liberating it from foreign imperialism. A key Chinese nationalist concept here is the Century of Humiliation, a period of foreign imperialist interference that was ended by the formation of the PRC in 1949. Due to the dominance of the Century of Humiliation in Chinese political discourse, the territorial integrity of China, as defined by the territory of Qing Imperial China, is treated as sacrosanct. To wipe away the shame of the Century of Humiliation China has to recover the territory it lost and never allow any force, domestic or foreign, to violate the PRC’s territorial integrity ever again. The Senkaku/Diaoyu Islands are considered to be territory lost to Japanese imperial aggression. Thus their recovery is the sacred mission of the PRC. Wavering from such a course would undermine the nationalist credentials of the CCP, opening it up to criticism at home. For a CCP aware of its weakening legitimacy and terrified to lose control over the country this presents an unacceptable political cost.

Overall, this highlights that there is a complex matrix of factors behind China’s continued pursuit of the islands. Most of these are not immediately obvious and it is easy to be confused about why China would be willing to risk war in order to secure a few rocks at sea. The existing literature primarily focuses on the issues of natural resources and political symbolism. However, discounting the security dimensions leads to flawed calculations that underestimate the lengths to which it is rational for China to go to seek control over the islands. Focusing only on the economic and symbolic aspects easily leads to the conclusion that none of these worth the risk of war. Thus, economic
interdependence will constrain the conflict. However, an exploration of the security dimensions highlights that China has strong survival interests connected to the islands, which limit the utility of economic interdependence in restraining competition. Highlighting the significant security implications of the disputed islands is one of the key contributions of this research to the existing literature.

6.2 The Rational Course of Action

Expanding the scope of interests that China attaches to the Senkaku/Diaoyu Islands also requires the re-evaluation of what is rational for China in the pursuit of control over the disputed islands. If the islands represent a higher value for China than previously considered, then China is expected to go for greater lengths in securing control over them. This has the potential to bring previously dismissed courses of action back into the rational choice calculation. This research examines five key avenues available to China:

   Direct use of force represent the most straightforward application of military power. This option requires China to seize and hold the disputed islands through force. While this option would allow China to establish *de facto* control over the islands, its main drawbacks are high material and political costs. China does not possesses an advantage when it comes to the military balance of power that would ensure an easy victory. Furthermore, use of force would violate international norms and is expected to result in significant political fallout.

   An alternative option that builds on China’s military power is indirect use of force. Rather than invading the islands, this option relies on China’s ability to coerce Japan to give in to Chinese demands. A clear advantage here is the lower level of military activity, which reduces both material and political costs. However, especially under the Abe Administration, Japan has demonstrated a strong willingness to resist China, which makes it unlikely that China could present an effective and credible threat. Furthermore, this
option offers high risks for escalation. The possibility of coercion shifting into direct use of force remains a significant concern.

Naturally, military force is not the only option available to China. Among non-military options one choice would be pursuing various non-binding peaceful resolution options. Bilateral negotiations are the most obvious one. However, Japan maintains that there is no dispute between China and Japan as Japan has indisputable sovereignty over the islands. In the absence of a policy change, this prevents the parties from pursuing any negotiations on the issue of sovereignty. Furthermore, previous negotiations on maritime delimitation and joint development have ended in failure. One option to break the diplomatic deadlock would be involve third parties. This option is equally unlikely to succeed as China has a strong stance against third-party options and as there is no obvious third party that would be acceptable to both China and Japan.

Adjudication and arbitration can be useful in cases where the parties are incapable of settling the dispute in a non-binding format. However, for these options to be effective, the parties have to be at least willing to submit the case. Neither Japan nor China has a track record of engaging in international legal settlements. And in light of the weaknesses of China’s claims, there is little reason for Beijing to engage in such proceedings. This is especially so as a judgment firmly in favour of Japan would eliminate the existing ambiguity that China has been exploiting to push its claims.

Finally, China has the option not to pursue any direct action as part of a delaying strategy. This strategy means the adoption of a ‘wait and see’ approach, seeking better opportunities for action in the future. The main benefit of this option is that China does not have to make a move under the current fairly unfavourable conditions. The main drawback, however, is that the situation might get worse in the future. The option also means that China does not get to fulfil any of its interests associated with the islands.
It is this research’s conclusion that in the short term one should expect China to adopt a delaying strategy. None of the potential resolution options offer an optimal avenue for China (see Graph 5.1). Non-military options and indirect use of force are burdened by too high risk of failure, while the balance of power is not conducive to direct use of force. Delaying entails only limited risks. And while the benefits are extremely limited, it is still rational for China to wait, rather than to rush head first into a conflict with Japan. This conclusion conforms to the existing literature on the subject. However, the reasoning behind it is different. Most of the existing literature attributes expected Chinese inaction to the restraining power of economic interdependence. The key problem with this is that it is derived from limiting the scope of interest China has in the islands and then extrapolating it into the conclusion that use of force would be absolutely irrational for China. This leads to the erroneous conclusion that delaying will continue to dominate Chinese strategic thinking. In contrast, this research argues that delaying is not sustainable in the long run. The islands are connected both to the territorial security of the PRC and the survival of the CCP. Eventually China will be forced to seek a resolution as it continues to rise as a great power. One can observe a gradual sense of escalation in the history of the dispute, with each cycle of escalation being harder to resolve than the one before it.

This research argues that in the medium to long term China is expected to use force over the dispute, unless the surrounding circumstances change. The Japanese policy of denying recognition to the dispute prohibits a constructive diplomatic solution. And with coercion being unlikely to succeed, China has no other option but to resolve the conflict through the direct use of force if it wishes to pursue its interests attached to the disputed islands. This conclusion runs contrary to the existing conclusion that economic interdependence will continue to restrain the conflict and that use of force would be irrational. It is important to state that China is not expected to use force because it is the
optimal course of action. But rather because it will be the least bad option available to Beijing.

6.3 The Senkaku/Diaoyu Islands as part of China’s Security Interests

It is important to remember that the Senkaku/Diaoyu Islands is merely part of a larger set of Chinese interests. While Chapter 2 discusses how the disputed islands contribute to larger Chinese interests, such as external and internal security, the dispute does not hold a monopoly on influencing these interests. Overestimating the importance of the disputed islands is just as erroneous as underestimating them.

At the moment, no direct threat to China’s territorial integrity has materialized. In other words, China does not faces any threat of attack from any external power that could devastate the coastal provinces. When discussing the islands importance for defence, it is in the context of realist security seeking behaviour. Controlling the islands is important to counter potential future threats, rather than to defend against an existing one. This security seeking behaviour is born out of realism’s argument that, if survival is at stake, it is prudent to be risk averse when it comes to managing external threats. However, overly emphasizing such behaviour, while neglecting more immediate issues is a recipe for disaster.

Contemporary China faces a host of internal issues that threatens the internal cohesion of the country, and that are especially a source of worry for the Communist Party. China’s quest for economic development imposes significant social and environmental costs. The environmental degradation of the country is a well-publicized issue. Air and water pollution are significant issues and are increasingly threatening the very habitability of certain areas.¹

Similarly, the social costs of development also have been enormous. While the PRC touts itself as a communist country, there is a significant income gap between the interior and the coastal provinces, as well as between peasants and the urban population: According to the China’s Bureau of Statistics, in 2014 the per capita disposable income of urban households was 29 381 Yuan, while the same for the rural population has been 9 892 Yuan.²

Map 6.1: Income Distribution by Province³

The rapid economic development of China led to the disenfranchisement of its rural population. This can lead to significant unrest in rural areas.⁴ But the rural areas are not the only ones prone to upheaval. Protests by factory workers are increasingly

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Even veteran personnel of the PLA has taken to the streets. And when not dealing with dissatisfaction due to socioeconomic conditions, Beijing is forced to deal with the restive ethnic minority provinces of Tibet and Xingjian. The latter ethnic conflicts represent a significant threat to the perceived territorial sanctity of the PRC, while the former socioeconomic dissatisfaction undermines CCP legitimacy. These are all significant internal security threats. More importantly, these threats have already materialized and pose a concrete hazard for the CCP, while external threats remain merely a potential.

Prioritizing the Senkaku/Diaoyu Islands dispute at the expense of these issues would be clearly irrational. China needs to solve its issues at home before it can confidently project power abroad. However, the Senkaku/Diaoyu Islands dispute also represents potential for the CCP to mitigate these issues: Seeking a victory by gaining control over the islands would bolster the nationalist credentials of the CCP and would potentially distract from internal issues to deflect some criticism. Beijing might seek a showdown over the islands as a ‘diversionary war’ to channel internal frustration against a foreign enemy.

However, seeking control over the disputed islands is definitely not an immediate necessity. This contributes to this research’s conclusion that at the moment delaying is the rational course of action. Would China face a strong and concrete external threat, immediate action would be required to bolster China’s security and delaying would not be possible. That said, China cannot neglect at least planning on how to improve its

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security. The vulnerabilities discussed in Chapter 2 are real and continue to be an obstacle to China achieving great power status, according to realist definitions. No state can remain insecure forever, and eventually China will have to act to secure its maritime boundary and economically vital coastal provinces.

6.4 The Security Dilemma and Offensive Realist Security Seeking

In essence the situation faced by China and Japan is the classical realist security dilemma. While there are a number of political and economic issues attached to the dispute, at its core there is a strong security dimension. In the current geopolitical environment China is insecure: Demographic and economic changes has shifted the country’s centre of gravity to the coastal regions. However, China traditionally lacks a strong maritime presence which could protect it from attack. Consider two examples. The United States is protected by vast oceans. On the Pacific Ocean, the US maintains forward operating positions on Hawaii and Guam (for example). Hawaii is some 3 700 km from the continental United States, while Guam is another 6 000 some kilometres from Hawaii. On the Atlantic Ocean, with the exception of Bermuda, there is nothing for almost 4 000 kilometres. In contrast, Great Britain is separated from the European mainland by the English Channel, which is 32 km wide at its narrowest point. In the absence of distance, the Royal Navy’s permanent domination of this maritime space has been essential to the security of the United Kingdom. China is separated from Japan by some 500 kilometres. Beijing does not have the luxury of being separated from its regional rivals by vast oceans. At the same time, the PLA-N at the moment lacks the Royal Navy’s ability to control this maritime space. While the PLA-N maintains a large fleet of coastal combatants, its surface fleet lags behind some of its key rivals.

To ensure the security of the valuable coastal provinces, China has to expand into the maritime realm in order to be able to engage the enemy as far as possible from the
coast. This behaviour is not motivated by the desire for conquest, but by survival instinct, the desire to escape insecurity. The key problem faced by China is that it needs to expand into a maritime realm already occupied by other regional powers. In the absence of a strong Chinese naval presence, the states of maritime Northeast and Southeast Asia have divided up this space amongst themselves. The East China Sea is largely the domain of Japan, controlled through the MSDF and Ryukyu Islands chain. The South China Sea is controlled by the various ASEAN states through their holding of islands and reefs. Any gain China makes to solidify its control over the region comes at the expense of other states. To gain control of physical features, Beijing has to take them from these countries. At the same time, increasing the PLA-N’s strength upsets the balance of power as the others’ relative strength diminishes, inducing fears of the PLA-N becoming strong enough to expel them from the region. This creates the zero-sum competition between states offensive realism argues for as the core mechanic of state interactions. Even seemingly defensive concepts, such as anti-access warfare, contribute to this. The ability to deny use of sea lines of communications is a threat, even if China does not gain command of the sea in the process, as it limits the sovereign agency of other states.

In the end, China’s efforts to increase its own security, even if done with no malice towards other states, reduces the security of other regional powers due to the finite nature of geographical space and the centrality of the relative distribution of power to international politics. Facing a threat to their own security, regional states are forced to respond. This can be observed in the case of Japan. Under Prime Minister Abe, Japan has stepped up its defence acquisition to fend off any negative shift in the balance of power with China. At the same time the JSDF begun fortifying Yonaguni Island to increase Japan’s physical control over the East China Sea and to prevent a potential Chinese advance. Similarly to China, Japan’s actions are not the result of malice towards by China,
but the rational pursuit of self-interest, in this case that of security. And just as China, Japan views this direction as defensive, rather than aggressive.

At this point China and Japan are locked into the classical realist security dilemma. Each seeks the rational pursuit of security, but their actions leave the whole system less secure as their behaviour ushers in a competitive dynamic. Japan’s actions confirm China’s fears, fuelling its insecurity. Thus Beijing pushes even more assertively to improve its strategic situation. However, this further threatens Japan, which responds with further security seeking behaviour. In the end, their individual rationality creates a vicious downward spiral of competition and arms acquisition that is waiting for a spark to ignite the tinderbox. China and Japan conforms to offensive realism’s expectations for interstate competition.

China’s behaviour in general conforms to the predictions of offensive realism. One, China’s current policy appears to be that of delaying while undertaking military preparation. Offensive realism as presented by Mearsheimer argues that states are rational actors that pursue expansion only when the conditions are favourable, while at other times they wait and seek out opportunities to influence the balance of power.\(^7\) China exhibits this rational behaviour. Beijing did not seek a military confrontation over the islands, nor is it expected to do so in the short term, as the circumstances are not conducive to military action, primarily due to a less than favourable military balance. However, Beijing has not been idle. China has been undertaking an ambitious modernization program to close the gap with regional rivals, including a dynamic naval acquisition program. The introduction of the Type 052D and Type 055 classes could significantly improve China’s naval standing relative to Japan.

\(^7\) Mearsheimer, *The Tragedy of Great Power Politics*. 
Two, China’s overall goal is also in harmony with offensive realist thinking. The idea of achieving great power status – a position in the international system comparable to that of the United States’ – is central to contemporary Chinese political ideology. China has been humiliated in the past due to its weakness and only strength can prevent future humiliation. This thinking is similar to offensive realism’s expectation of hegemony seeking. Mearsheimer states that the only position of true security is regional hegemony, or a position in which the gap in the balance of power is so wide between a state and its neighbours that they no longer pose a direct military threat. In the current international system only the United States occupies such a desirable position. But the current Chinese political aim to restore China to its rightful place under the sun is such regional hegemony seeking behaviour dressed up into a Chinese patriotic language. China’s ultimate aim is to create its own sphere of influence in Asia to achieve a position of security.

Overall, the behaviour of the key players during this research has not violated the expectations of the adopted offensive realist theoretical framework. Both China and Japan exhibit strong security seeking behaviour, and both are constrained by rationality. However, an adherence to offensive realist logic has troubling implications for the future of regional security. While offensive realism is often maligned by conflating it with an overemphasis on aggression, an offensive realist system is certainly not a peaceful one. A significant conflict of interest over security, as seen in the case of China and Japan, is likely to lead to a confrontation in the long run.

6.5 The Future of the East China Sea

At the end of the day, it is important to consider what all of this means for security, both on the East China Sea and in a wider regional context. There is little to be optimistic about. The high strategic value of the islands for China combined with the lack of attractive non-military resolution options are a cause for concern. This research has
highlighted that under the current conditions China has few options but to use force to pursue key security, economic and political interests. A Sino-Japanese confrontation would spell trouble for the region, regardless of the outcome. East Asia continues to be a volatile region, containing some of the most critical hotspots of the contemporary security landscape.

It is impossible to determine the consequences of a Sino-Japanese confrontation or how they would reach beyond an educated guess with any solid accuracy. However, a Chinese victory would create a troubling contemporary precedent, legalizing use of force as a method of dispute resolution. In a region plagued by a myriad of territorial disputes such a precedent would be fairly dangerous. The opposite is not more promising either. A China wounded in its nationalist sensibilities after a defeat would be even more of a challenge to deal with. Rather than ending the crisis, defeating potential Chinese aggression could lead to further escalatory behaviour from Beijing.

While the situation is bleak, it is important to avoid being too deterministic. The rational choice discussed within this research is the product of its environment. To avoid its grim implications one only needs to change the underlying factors to alter the calculations based on them. Here Tokyo has to face some uncomfortable realities: How the dispute will progress depends just as much, if not more, on Japan than on China. Tokyo’s rigid stance, and the expectation that Beijing has to abide by it, leads to confrontation. It is in Tokyo’s power to attempt to alter the current course by providing China with a political option. The crucial challenge is whether Tokyo can reconcile this with the political interests of Japan, both domestic and international. PM Abe and the LDP seeks deterrence, even at a significant political cost at home. However, short of a political, economic or demographic collapse in China or a significant shift in the global security landscape, deterrence is a temporary solution. As Japan faces economic and
population pressures of its own, preserving a favourable balance of power will only grow as a challenge.

All that necessary for the triumph of evil is that good men to do nothing. Or to paraphrase it to the current situation, all that is necessary for war is that nothing changes. This research has highlighted where the current trends lead. How changing the fundamental factors would change the rational choice calculations of China, or whether it is even possible to do so, remains uncertain. What is certain is that currently China and Japan is heading down a dangerous path with potentially far reaching implications for regional and global security. Colin Gray argues that peace is not the natural condition of the international system.\textsuperscript{8} It is earned through either sacrifice and creative diplomacy or blood, sweat and tears.

\textsuperscript{8} Gray, \textit{“Fighting Talk”}