

How to Prevent a War Between China and Japan

By Kishore Mahbubani - Dec 29, 2013

[China](#) and Japan, [Asia](#)'s two most powerful nations, are increasingly [jousting in the skies](#) and in the seas near a set of disputed islands. Although their economies remain deeply intertwined, relations between the two governments seem locked in an irreversible, dangerous downward spiral.

Japanese Prime Minister Shinzo Abe further embittered feelings last week by visiting the controversial Yasukuni shrine, which honors the souls of Japan's war dead, including 14 World War II leaders convicted as [Class-A war criminals](#).

Needless to say, neither side seems terribly interested in a rapprochement. That's a shame, because the deterioration in ties is fairly recent, stemming from a single incident involving the islands administered by Japan, which calls them the Senkakus, and claimed by China, which refers to them as the Diaoyu. A single, symbolic-but-generous gesture could well halt the slide.

Abe, though unquestionably a hawk on China, had nothing to do with the triggering event. In September 2012, then-Prime Minister [Yoshihiko Noda](#) ordered his government to [buy](#) several of the disputed islands from a private owner -- an action which, in China's view, effectively nationalized them.

Noda hadn't intended to provoke the Chinese. On the contrary, he aimed to preempt a more aggressive gesture by hyper-nationalist politician Shintaro Ishihara -- then [Tokyo](#)'s governor -- who wanted to have the Tokyo metropolitan government purchase the islands and build on them to assert Japan's sovereignty.

Still, barely two days before Noda's decision, China's then-President Hu Jintao had specifically warned him not to proceed. Hu's concerns were legitimate. For years, China had quietly accepted [Japan](#)'s "de facto" occupation of the islands even as it disputed sovereignty. By buying them, Japan appeared to be moving to "de jure" ownership. Given the nationalist mood in China, the Beijing government couldn't risk appearing weak in its response.

If Abe really wanted to break the chain of escalation that has since played out between China and Japan, he could singlehandedly return to the status quo ante. He would only need to "sell" the islands to a private Japanese foundation or environmental group, ostensibly to preserve their undeveloped natural beauty.

Japanese hard-liners would no doubt regard such a move as a capitulation to China. It wouldn't be. Even after a sale, Japan would continue its de facto occupation of the islands, as it has for decades. Since the islands' purchase was made by a previous government, Abe's Liberal Democrats need not feel bound by the decision. In fact, after pacifying his nationalist supporters by visiting Yasukuni, Abe may be in a stronger position to compromise on the islands.

In an interview with Bloomberg earlier this month, Abe [called for](#) a summit with President Xi Jinping of China and said, "Now is the time to go back to that starting point." Abe was referring to a bilateral agreement he reached with Hu in 2006, during a previous term as Japan's prime minister. Selling the islands would be a critical first step toward returning to that calmer time.

If Abe wanted to be bolder, he could make the same [offer](#) to China that Japan has made to [South Korea](#) over a different set of disputed islands: to have the issue resolved by the [International Court of Justice](#). The chances of China agreeing to this are minuscule. But by taking the moral high ground, Japan would both reaffirm its reasonableness, and satisfy the major precondition China has imposed on any Xi-Abe summit -- acknowledging that sovereignty of the Senkakus/Diaoyu is in dispute.

Of course, if it's hard to imagine an Abe administration reaching out to Beijing now, it's equally hard to see Chinese leaders responding constructively. Yet on a simple cost-benefit analysis, Xi has incentive enough to scale back [aggressive naval and air patrols](#) of the waters surrounding the islands. He has just embarked on a set of difficult, potentially far-reaching [economic reforms](#). Although he can't afford to look weak domestically, he also can't afford a geopolitical crisis that would disrupt [China's economy](#) and possibly global trade.

A major rebalancing is gradually taking place in Asia as China's economy becomes larger than Japan's. But it isn't in China's interest to push for this rebalancing too aggressively. When I was in Tokyo in early December, I was struck by the intensity of concern over China's aggressive posturing. The harder the Beijing government pushes now, the more rapidly Japan will move to upgrade its military capabilities and strengthen its alliances with the U.S. and countries ringing China.

Both sides need to find a way to ratchet down their words and deeds. Japan can and should take a first, small step forward by "going back" and selling the islands. Any Japanese leaders who doubt the wisdom of doing so should ask themselves a question: Are they really better off today than they were two years ago?

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