

# Development of the East China Sea Gas Field Dispute

Explaining Domestic Opinion Constraints  
on Chinese Foreign Policy<sup>1</sup>

中国の対日政策  
東シナ海ガス田をめぐる国内議論と対外政策

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This paper attempted to explain how domestic opinion had shaped China's policies toward the East China Sea gas field dispute with Japan. It suggested an enhanced conceptual explanation of domestic opinion in China distinguishing between general *domestic opinion* and limited *voiced opinions*. Through such theoretical clarification it was possible to explain the inconsistency of Chinese policies. The research found that gas field dispute policy was a result of the policy makers' consideration of domestic opinion rather than their direct response to the voiced opinions. Chinese policy makers adopted preemptive rather than reactive policies and it delayed their decisions.

本研究の目的は、東シナ海ガス田問題に対する中国の対外政策とこれに関する国民の意見との関係を明らかにすることである。本研究において国民の意見を検討する際に、筆者は限定された範囲の人々が表現する「公衆意見」(voiced opinions)と、それを含むより多数の人々が表現する「民間世論」(domestic opinion)を区別した。ガス田問題に対する中国の政策は、限定された「公衆意見」ではなく、国民をより広範囲に捉えた「民間世論」を考察した結果なのである。

Keywords: Chinese foreign policy, domestic opinion, East China Sea gas field dispute, CCP legitimacy, China-Japan relations

## 1 INTRODUCTION

The main purpose of this paper is to explain how domestic opinion shaped China's policies toward the East China Sea gas field dispute with Japan. The East China Sea gas field dispute (hereinafter *the dispute*)

refers to a disagreement between China and Japan over the exploitation of gas fields located in disputed marine territories. It emerged in summer 2004 when Japanese government requested China to submit geological survey data around the Japan-claimed

median line.

Since then China's policies toward the dispute have been rather inconsistent. At first it insisted on joint development. A political agreement to jointly develop an area around the median line and for Japanese companies to participate in the development of the Chunxiao gas field (春晓气田; Shirakaba (白樺ガス田) in Japanese) was reached in June 2008. Nonetheless, China remained reluctant to negotiate a legally binding agreement until May 2010. At that time Chinese Premier Wen Jiabao (温家宝) called for immediate renewal of negotiations, which Chinese side ceased again in September 2010. Such ambiguity of China's position poses a question, what shaped Chinese foreign policy toward the dispute, making it one of the main impediments in the country's relations with Japan.

The main argument I suggest here in this paper holds that Chinese policy decisions were preemptive rather than reactive, and they resulted from the policy makers' attempt to balance between domestic opinion and their foreign policy goals. Chinese foreign policy makers were constrained by domestic opinion, as this policy issue was a possible target of society's anti-Japanese sentiment, which could lead to anti-governmental protests. I argue that traditional concept of *public opinion* is not suitable to explain the case of China, because public opinion there is not expressed clearly in a consensus as it would be in democratic systems with general free elections. I differentiate between general *domestic opinion* (which is public opinion in conventional meaning, except that it is not publicly expressed) and *voiced opinions* (a part of general domestic opinion, publicly expressed by a limited number of citizens interested in a certain issue). Regime legitimacy theory suggests that Chinese policy makers refer to domestic opinion in their decision-making. However, due to the absence of democratic procedures citizens' opinion usually remains latent. Under such circumstances Chinese

foreign policy makers are forced to speculate on possible domestic opinion based on limited voiced opinions. Such foreign policy making process often results in delayed or inconsistent foreign policy decisions, based on the perceived threat to regime stability.

I build my argument on the theory of regime legitimacy and empirical analysis of Chinese foreign policy, as well as public opinion in China and its impact on foreign policy decisions. In the following chapter I lay out the conceptual framework employed in this paper. Discussion on regime legitimacy explains why a non-democratic government in China takes into consideration domestic opinion. The later part demonstrates how the conventional concept of *public opinion* can be unfolded into *domestic opinion* and *voiced opinions*. Chapter 3 shortly discusses the development of the dispute, while chapter 4 provides a detailed explanation of such policies through the lens of domestic opinion.

## 2 CONCEPTUAL FRAMEWORK

### 2.1 Previous Research on the Dispute

Earlier academic debate presents a number of different explanations, varying from economic arguments to domestic constraints or the lack of political trust between the two countries. Valencia argues that the rigidity of the dispute is a result of 'unresolved historical grievances and the politics of national identity.'<sup>2</sup> Drifte notes the role of domestic politics of both China and Japan.<sup>3</sup> In regards to China the scholar argues that an increasing number of actors influence the general outcome of the dispute settlement - public opinion, individual ministries, oil companies, and particularly the navy.<sup>4</sup> Bush argues that China is locked in its rigid position due to the opposition from the People's Liberation Army (PLA).<sup>5</sup> One of the popular explanations of China's reluctance to implement joint development after 2008 attributes it to the opinions of the society.<sup>6</sup> As noted by Valencia

'the key problem lies not with governments but with national political constituencies in each state and the pressures that they can bring to bear.'<sup>7</sup>

Even if these arguments explain particular policy decisions, they are of limited capacity to track the dynamics of Chinese foreign policy. Recent scholarship on domestic opinion-foreign policy linkage suggests that Chinese domestic opinion plays an important role in foreign policy making. Based on a number of case studies Reilly establishes a direct link between public pressure and changes in Chinese foreign policy.<sup>8</sup> Shirk argues that public opinion carries significantly more weight than it did in the past. Accordingly, in recent years the senior officials have put more credence in the information gathered by monitoring Internet and the popular media.<sup>9</sup>

These arguments establish a link between publicly voiced opinions and final policy decisions. However, Shirk suggests that Chinese foreign policy makers' consideration of such opinions is rooted in their fear of mass public protests. Chinese leaders are nearly obsessed with what they call 'social stability' because policy issue-focused protests can turn into anti-governmental protests.<sup>10</sup> The protests in China can have two targets: the country that is 'offending' China and the Chinese government because its policies toward these countries are too soft.<sup>11</sup> The logics of this argument implies that while policy makers refer to limited number of opinions available to them, they actually are anxious about actions that could be taken by a much larger number of citizens whose opinion is not clearly expressed during the periods of social stability. To understand this logic I discuss regime legitimacy argument and reconsider its implications for domestic opinion-foreign policy linkage.

## 2.2 Government Legitimacy and Its Foreign Policy

Any policy decision (either domestic or foreign) is not only aimed at upholding the state's national

security but also at fulfilling the fundamental interest of the government to sustain its political power, that is to maintain regime legitimacy. In its broadest sense *legitimacy* refers to the governor's right to rule.<sup>12</sup> It describes the relationship between the government and the governed<sup>13</sup> suggesting that regime legitimacy rests on the general public.

Although two-level game theory argues that public policies of non-democratic governments are less constrained by such opinions,<sup>14</sup> scholarship on Chinese politics suggests that policy makers in China are aware of the possible threats to regime legitimacy and therefore take into consideration public opinion.<sup>15</sup> The central government in China cannot be voted out of the office through regular general elections as democratic governments, whose legitimacy is acquired through established procedures such as elections.<sup>16</sup> 'The regime in China has to rely on other sources of legitimacy such as performance-based legitimacy.'<sup>17</sup> Such kind of legitimacy may be also defined as 'goal-rational' legitimacy derived from the validity of the principle social goals that the authority professes to represent and to promote.'<sup>18</sup> In the case of China nationalism<sup>19</sup> and later rapid economic growth<sup>20</sup> became the holding pillars of regime legitimacy.<sup>21</sup>

Regarding nationalism, one of its major targets historically has been Japan. However, once cultivated by the government, in recent years it became self-driven. Zheng notes that 'Whenever Japan does "bad" things to China, they immediately remind the Chinese of countless Japanese atrocities in the past.'<sup>22</sup> Such anti-Japanese sentiment here and below is referred to as *Japan-issue*. As a result, society in nowadays China demands the government to carry out its 'nationalistic promise', that is to stand firm in its policies toward Japan. Failing to do so might have wider implications for the regime. If the government fails to carry out 'appropriate' policies it could stir citizens' discontent, which might eventually lead to

mass social unrest and undermine regime stability.<sup>23</sup> As Dickson summarizes '[China's leaders] remain wary of the potential of a popular upsurge that would threaten their hold on power. For this reason, they crack down hard on real or perceived efforts to promote popular protests.'<sup>24</sup>

Such domestic opinion constraints faced by the Chinese policy makers may be summarized as *audience costs*. Fearon, discussing the linkage between domestic audience and escalation of international disputes argues that 'these costs arise from the action of domestic audiences concerned with whether the leadership is successful or unsuccessful at foreign policy.'<sup>25</sup> Although Fearon suggests that audience costs faced by democratic leaders are more significant, the scholar also notices that 'since the price of losing power is often greater for a dictator than for an elected leader, a weak or unstable authoritarian regime might be able to create significant *expected* audience costs in a crisis.'<sup>26</sup> The CCP regime in China becomes vulnerable when the policy issue in question involves Japan.

### 2.3 Peculiarity of Domestic Opinion in the Non-Democratic State of China

Concerns over regime performance legitimacy make Chinese foreign policy makers sensitive to public opinion. Unpopular policy decisions might impose high audience costs as explained above. As noted by Fearon, authoritarian regimes generate 'significant *expected* audience costs.' Thus the main question remains *whose opinions the government refers to when formulating its foreign policy?* This is a question that dates a few decades back in the studies of *public opinion-policy making linkage*. Kennamer summarizes a wider academic debate by stating that the key problem in studying this linkage is 'Who are the publics whose opinions are to be linked to policy making?'<sup>27</sup> Definition of public opinion in China is necessary here.

In its conventional meaning 'public opinion' refers to the complex of preferences expressed by a significant number of persons on an issue of general importance.<sup>28</sup> This 'number of persons' consists of those affected by or aware of the issue.<sup>29</sup> Democratic systems have established procedures through which citizens are able to express their opinions - elections or referendums; or they can voice their opinions taking advantage of the freedom of speech and expression. Meanwhile, in China citizens' opinions are difficult to translate into public opinion due to the absence of democratic procedures. As a result, the existing public opinion is expressed only through alternative channels of political participation, such as public protests, which are not favored by the Chinese policy makers as explained above.

Shirk and Reilly argue that Chinese foreign policy makers adjust their policy to the publicly voiced opinions. However, these opinions do not represent general domestic opinion. Such opinions become evident only when a sensitive issue arises and domestic discontent accumulates. In July 2003 during the period of 10 days the Alliance of Patriots (爱国同盟网) collected and submitted to the Ministry of Railways (中华人民共和国铁道部) in Beijing 82,752 signatures against Japanese involvement in the construction of the Beijing-Shanghai high speed railway.<sup>30</sup> Two years later 10 million signatures were collected for the protest against Japan's bid for the permanent seat in the UN Security Council.<sup>31</sup> Eventually it led to the protests by some 10,000 people in Beijing on April 9, 2005 and double the number in Shanghai on April 16.<sup>32</sup> Similar situation occurred earlier after the Qiqihair incident, when 37 Chinese were severely injured and one man later died after being exposed to the abandoned weapons in China since its war with Japan. On September 18, 2003 Chinese activists 'delivered to the Japanese Embassy [an anti-Japanese petition] in ten black binders with 5000 pages of the names

and home addresses of the 1.2 million signatories.’<sup>33</sup> When compared with scattered opinions expressed mainly online on a daily basis such forms of political participation represent a consensus of a significant number of citizens. However, mass protests are not favored by the central government and general domestic opinion often remains latent.

Doob describes such phenomena as *internal public opinion*, which can be referred to when the attitudes that people possess are not expressed.<sup>34</sup> It only becomes public when strong opposition to official policies accumulates and breaks out into mass social unrests. It is formed on a daily basis as the general opinion of the citizens aware of a certain issue, but remains unexpressed. However, even if not articulated this general internal public opinion is the source of regime stability in China. A number of case studies note that Chinese government fears possible domestic reactions and adopts certain policies accordingly. For example, Kojima (小島) points out that Chinese government did not report domestically when it apologized to the Japanese government for the submarine incident in November 2004.<sup>35</sup> Lewis and Xue argue that ‘Currently, before adopting novel foreign policies, the leadership must try to gauge their acceptability in general population.’<sup>36</sup>

To describe such ‘perceived’ public opinion, which Doob defines as internal, here in this paper I introduce a term *domestic opinion*. That is the same ‘public opinion’ in its conventional sense, except that it is not publicly articulated. Seeking to emphasize this peculiarity I adopt a distinctive term. This domestic opinion, if dissatisfaction towards certain policies accumulates, may impose high audience costs on the government, as explained above.

Such definition by no means implies that no opinions are publicly expressed in China. A limited number of views tend to be publicly articulated on a daily basis. Johnston notes that such opinions serve ‘as a barometer of the kinds of emotions that

would get the protesters into the streets.’<sup>37</sup> While these limited opinions constitute a part of domestic opinion, they are not representative of it. Moreover, these publicly expressed views are not supported by a significant number of people. Instead, they are expressed as a mixture of scattered opinions. Hence it would be more accurate to refer to such opinions as *voiced opinions* (plural, rather than a singular public opinion, conventionally used talking about democratic systems). These voiced opinions are a variety of views surrounding certain issues, expressed by a limited number of citizens, nowadays mainly online. They constitute a part of general domestic opinion in China.

For the analysis these two terms are further used here in this paper. Such distinction demonstrates that during the periods of social stability Chinese foreign policy makers can refer only to limited, not representative *voiced opinions*, although plausible domestic audience costs threatening the regime stability are actually imposed by obscure *domestic opinion*. Such a distinction is necessary when explaining Chinese foreign policy. Each of the terms suggests a different pattern of foreign policy making. If Chinese policy makers merely respond to these voiced opinions, the linkage between domestic opinion and China’s foreign policy is rather simple. The input of the policy process is clearly defined by voiced opinions, and the policy makers know what policies they are expected to adopt. On the other hand, if it is the consideration of domestic opinion, which actually shapes foreign policy decisions, this linkage becomes more complicated. Rather than reacting to clearly defined demands from the citizens, policy makers speculate on possible domestic opinion and adopt such decisions that are expected not to provoke the rise of negative opinions. As the general domestic opinion is clearly expressed only after such negative opinions accumulate, the policy makers find themselves in a situation where they

have to speculate one step ahead of the actual policy results. Thus there is a risk that they err on the side of caution, and their policy decisions are constrained more than necessary. Such different policy making patterns would be overlooked by the conventional understanding expressed by the term *public opinion*, what makes the distinction between *voiced opinions* and *domestic opinion* necessary.

### 3 CHINA'S POLICY TOWARD THE GAS FIELD DISPUTE

There may be identified 4 stages in the development of this dispute since it emerged in 2004. The beginning of each of them was marked by a certain turning point discussed below.

#### 3.1 After the Initiative of 2004: Period of Negotiations

In June 2004 Japan expressed its anxiety that China might siphon off natural gas from the fields lying east of the Japan-claimed median, never acknowledged by China. It requested China to submit geological survey data regarding the development of the resources there.<sup>38</sup> At that time Chinese government stated that it 'could consider the provision for information after an agreement in principle had been reached on joint development.'<sup>39</sup> Chinese side positioned the situation so that there were hardly any alternatives left.

Such initiative for joined resource development corresponded to China's strategic foreign policy objectives in two ways. First, the initiative came as a part of China's strategy to avoid confrontation with Japan and maintain peace and stability in the area. It was directly linked to China's wider strategy to build cooperative relations with different countries in order to promote favorable environment for China's domestic development.<sup>40</sup> It had been China's new approach to Japan since late 1990s, which was formally stated in November 1998 during Jiang

Zemin's (江泽民) visit.<sup>41</sup> Later, in autumn 2005, Hu Jintao (胡锦涛) named it as China's pursuit of harmonious world and Japan was a part of this strategy.

Secondly, the initiative to jointly develop resources served as an important tool for China to maintain the *status quo* in its marine territorial disputes. Both countries base their territorial claims on the *UN Convention on the Law of the Sea* (UNCLOS). However, China and Japan refer to colliding provisions - the extension of the continental shelf and EEZ respectively. The settlement of the dispute would be possible only if an agreement between the disputant countries was reached or a third party ruled out how the boundary should be delimited.<sup>42</sup> The later one was not favored by China as legal clarification of conflicting UNCLOS provisions might jeopardize its negotiating positions over the territories in the South China Sea in the disputes with Vietnam, the Philippines or other states.

#### 3.2 Beyond the Agreement of 2008: Lingering over the Non-binding Political Accord

11 rounds of bilateral gas field talks were finally completed by China-Japan political agreement to jointly develop natural gas in designated areas and for Japanese companies to participate in the development of the Chunxiao field. Such provisions were not legally binding and it would be more accurate to refer to the agreement as a bilateral political accord. The two countries had to further negotiate it into an international treaty based on the political accord of 2008. But Chinese government remained unresponsive to Japan's calls to negotiate it for almost 2 years and the two countries stayed lingering over this non-implemented political accord. The government of the Liberal Democratic Party of Japan, which took office in 2009, adopted a more active stance toward the East China Sea. On January 19, 2010 Japanese Minister of Foreign Affairs



Katsuya Okada (岡田克也) warned China that countermeasures would be taken against China if it started drilling at the Chunxiao field. A month later Japanese Cabinet Secretary Hirofumi Hirano (平野博文) said Japan might bring the case against the international maritime court.

### **3.3 Recovering the Joint Development Initiative: Renewed Negotiations**

The situation changed dramatically in spring 2010. Although in April Chinese President Hu Jintao was still reluctant to do so, in May 2010 Premier Wen Jiabao announced his will to launch the negotiations soon.<sup>43</sup> Earlier comments from the Japanese politicians were a clear indicator that the credibility of the agreement of 2008 was deteriorating. By renewing negotiations Chinese side managed to restore the credibility of the original agreement. Already in July Japan and China held the first round of talks aimed at signing a treaty over joint gas field development in the East China Sea. The second one was scheduled in September.

### **3.4 Fishing Boat Incident: Abandoning Joint Development Talks**

The month when the negotiations were to be held marked another turning point in China's gas field dispute policy. On September 7 a Chinese fishing boat collided with 2 patrol vessels of the Japan Coast Guard (海上保安庁), when they requested the boat to leave Japan-controlled area around the Senkaku Islands. After Japanese legal authorities decided to detain the captain of the boat, mass demonstrations in various cities across China were held and Chinese government suspended bilateral talks on the East China Sea gas field development.

## **4 GAS FIELD DISPUTE FOREIGN POLICY MAKING**

This paper argues that Chinese foreign policy

makers were cautious not to provoke domestic discontent toward the East China Sea gas field dispute policy decisions. This is a sensitive issue including both China's sovereignty and anti-Japanese sentiment, therefore if mishandled this issue might impose high audience costs on the regime stability. To prove this argument, here the policy makers' perceptions of domestic opinion and their response to voiced opinions are discussed first. Second, voiced opinions surrounding the dispute, based on content analysis of online forum discussions are examined. Finally, it is explained how these two factors shaped China's East China Sea gas field dispute policy making.

### **4.1 Government's Perceptions of Domestic Opinion**

Analysis of Chinese policy makers' perceptions of domestic opinion since 2004 reveals that they were sensitive to the views held by the citizens and at times adopted preemptive rather than reactive policy measures. The government adopted different strategies as explained below.

First, there were a significant number of cases when governmental institutions attempted to control the spread of anti-Japanese sentiment, especially when voiced opinions radicalized and expanded in scope, raising the threat of social unrests. In March 2005, when a campaign to boycott Japanese products was initiated to oppose Japan's bid for the membership of the UN Security Council, the CCP Central Publicity Department reportedly banned media reports on this initiative and took certain measures to limit demonstrations later.<sup>44</sup> Similar was the case earlier in summer 2004, when severe anti-Japanese protests occurred at the Asian Football Confederation Asian Cup matches. Chinese government was said to have intervened to censor the anti-Japanese reports in mass media.<sup>45</sup> In 2010 a day before the Mukden Incident anniversary the website of the *China Federation for Defending*

*Diaoyutai* was taken offline. Moreover, messages about protests being organized were removed from the Internet bulletin boards.<sup>46</sup> These are just a few cases illustrating that Chinese government grew anxious about the mobilization potential carried by voiced opinions.

Second, the government also made a significant effort to prevent the formation of negative domestic opinion. Information campaign in the state-run media was obviously aimed at preventing society's misperceptions (as understood by the government) of the government's foreign policy decisions related to the gas field development jointly with Japan. In *Xinhua* news agency reports each of the later articles was followed by a full timetable of negotiations and links to the articles about them. *People's Daily* also explained the matters carefully. As it is explained later, the government took especially active stance to prevent society's misperceptions in 2008 just after the announcement of joint development agreement.

Preventive strategies were not limited to domestic information campaign. Japanese media reported that China 'repeatedly asked Japanese government to supervise the domestic media over their coverage of a bilateral row concerning China's gas field development in the East China Sea.' High-level CCP members were also said to have insisted that bilateral negotiations to resolve gas development dispute would not move forward unless the Japanese media improved their reporting.<sup>47</sup>

Furthermore, avoiding the rise of negative domestic opinion the government refrained from certain policy decisions. Just after the announcement of joint development agreement in 2008, Chinese side drastically changed its stance on China-Japan joint history research. Although in the beginning it proceeded smoothly,<sup>48</sup> in July Chinese delegation suddenly refused to publish research papers, reflecting both sides' disagreement over certain historical facts. Chairman of the Japanese committee

Shinichi Kitaoka (北岡伸一) quoted Chinese committee members saying that they 'would like to proceed with the negotiations but there are various pressures.' Reportedly they explained that although the scholars in China would be able to understand the differences in the views of both sides, the common citizens would not be able to do that and a negative reaction could be expected.<sup>49</sup> History research with Japan and joint gas field development are independent foreign policy issues. But in terms of domestic opinion they fall under one category of the so-called Japan-issue, thus the government was cautious in handling it simultaneously in order to prevent the rise of negative domestic opinion.

Finally, Chinese government also sought to convince the society of the necessity to cooperate with Japan. The top leaders publicly stated that China's domestic development was linked to the international environment and China's relations with other countries, which, it goes without saying, included its close neighbor Japan. Such argument was strongly advanced in an article by Wen Jiabao, titled 'Our Historical Tasks at the Primary Stage of Socialism and Several Issues Concerning China's Foreign Policy' published on February 27, 2007 in *People's Daily*. Chinese Premier argued that China should 'seize the favorable international opportunities to speed up our development.' This article further promoted the idea presented by President Hu Jintao in 2005. He advocated China's peaceful development represented by the concept of *harmonious world*, emphasizing the importance of international peace and stability for the domestic development of China. While this was a way to declare current leadership's policy goals, it can be also viewed as their attempt to persuade Chinese society of the necessity to cooperate with other countries, and in such a way attain society's consent to proceed with policies which go against the logics of the earlier 'nationalistic promise.' Later before



his visit to Japan in May 2008, Hu Jintao held a press conference arguing for the necessity to improve relations with Japan. It was widely reported in domestic media.

Strategies of persuasion were also carried out on a smaller scale. After the anti-Japanese protests in April 2005 there were official lecture groups on China-Japan relations touring major cities around China to explain to the government officials, PLA representatives and students the history and the future of bilateral relations as well as present policies toward Japan.

The government's efforts to control voiced opinions, prevent society's misperceptions and also persuade it reveal that it was conscious of domestic opinion and sought to avoid accumulation of negative opinion.

#### 4.2 Voiced Opinions Surrounding the Dispute

The above explained official policies might have been encouraged by rather radical voiced opinions. Online discussion forums were affluent of various comments on the dispute-related policies. Two trends became evident from their analysis.

First, there existed a wide variety of attitudes toward the dispute. Two opposing poles of the voiced opinions can be identified. The rational one argued for the joint development. At the same time the advocates of the radical position sometimes went as far as labeling the joint development agreement as a betrayal of the country (卖国). Such radical views were posted online in any form from a single-sentence statement to an extensive argumentation why shelving the disputes and jointly developing resources was a betrayal of China. One of the Internet users even argued that this could provoke a May 4th-like movement.

On the other hand, rational explanations presented a variety of arguments why China should cooperate with Japan on this particular issue. This

mainly related to the necessity to maintain stability and avoid war, either due to currently limited China's capabilities or considerations of negative impact on its economy. Similar explanations usually appeared as a response to the questions of other Internet users who expressed their doubts regarding official policies or asked for a clarification of the matters related to the joint resource development. For example, 'What does the joint development mean?', 'Why do we need to cooperate with Japan?', 'Why doesn't China go to war with Japan?', and others. A significant number of such posts indicate that there were a number of citizens who had an interest in public affairs but were still undecided. Thus they could have been easily influenced by the loud radical view-holders.

The second trend indicated the link between the Internet users' perceptions of joint gas field development issue and China-Japan territorial disputes as well as Japan-issue in general. Opinions, surrounding different issues, were entangled making it difficult to distinguish how the dispute was perceived by domestic opinion. The Internet users extensively discussed how the zone, designated for joint development in the 2008 agreement, fits in the general marine boundary dispute. They posted maps and their individual measurements of how it actually falls into the exclusive economic zone (EEZ) of China. Some of the Internet users expressed concerns that the agreement to jointly develop the resources there was an acknowledgement of the Japan-claimed median line.

Timing and context of the posts links joint development issue to the Senkaku (尖閣諸島; Diaoyutai (釣魚台列島) in Chinese) Islands dispute rather than the marine boundary delimitation only. A vast number of posts related to joint development appeared immediately after the incident near the Senakaku Islands in September 2010. Looking at the problem from the opposite perspective Manicom found that 'nationalist attachment to the disputed

[Senkaku] islands has broadened to include nationalist attachment to the East China Sea as a whole.’<sup>50</sup>

In addition, there were cases demonstrating that the dispute was related to the anti-Japanese sentiment in general. Reportedly, the link between nationalism and the East China Sea was evident during the 1996 incident and again in April 2005. Although the demonstrations were set off by the history textbook issue and Japan’s bid for the permanent seat in the UN Security Council in 2005, in Shanghai on April 16, 2005 demonstrators also shouted slogans aimed at Japan’s plans for exploration in the East China Sea.<sup>51</sup> Manicom quotes a member of the Federation to Protect the Diaoyutai Islands as saying that ‘disputes over the sovereignty of the islands and the exploration in the East China Sea exacerbate Chinese people’s discontent with Japanese policy toward China.’<sup>52</sup>

Such trends in voiced opinions indicate that in regards to the East China Sea gas field dispute Chinese foreign policy makers faced a policy issue, closely linked to regime stability. If mishandled (as perceived by the society) it might have provoked public protests which may turn from policy-focused to anti-governmental protests. Thus policy makers had to speculate on domestic opinion considering possible audience costs of their decisions. A wide variety of voiced opinions complicated the overall picture of general domestic opinion.

#### **4.3 Dynamics of the Gas Field Dispute Policy Making**

Part 4.1 showed that Chinese policy makers were sensitive to domestic opinion during the period analyzed here. As discussed in part 4.2, domestic opinion surrounding the dispute remained obscure, and was only partially expressed through voiced opinions. China’s East China Sea gas field dispute policy decisions were made under such conditions.

In summer 2004 Chinese government initiated joint development out of necessity to maintain the status quo that is seeking to avoid further conflict escalation and also a possible settlement of the maritime boundary. As a non-democratic government on a short-term basis Chinese government was able to make such an unpopular policy decision without paying high audience costs. In a non-democratic system the risk of losing legitimacy immediately was rather low. There exist no democratic procedures through which the citizens could punish the government. Moreover, negative domestic opinion usually does not surface immediately, thus enabling the policy makers to adopt solitary unpopular decisions.

However, the government was not able to immediately proceed with joint development. Voiced opinions radicalized as a result of Japanese Prime Minister’s Junichiro Koizumi’s (小泉純一郎) visits to Yasukuni Shrine and Japan’s bid for the permanent seat in the UN Security Council. Thus it suggested heightened sensitivity of general domestic opinion. Consecutive unpopular decisions might have undermined social stability, as negative domestic opinion tends to accumulate. Thus, on a long-term basis top policy makers sought to stabilize domestic opinion first and only then they were able to proceed with unpopular policy decisions. As a result, the first signs of progress in joint development negotiations appeared only at the end of 2006 and early 2007. On September 26, 2006 Shinzo Abe (安倍晋三) succeeded Koizumi as a prime minister of Japan. In October 2006 during joint press conference Prime Minister Abe and his Chinese counterpart Wen Jiabao announced their commitment to construct mutually beneficial relations, based on common strategic interests, and accelerate consultations on the joint development of disputed territories in the East China Sea. Japanese Prime Minister’s visit to China broke the political stalemate between the

two countries and marked the improvement of the relations. Earlier Koizumi's visits to Yasukuni Shrine, Japan World War II memorial, explain why Chinese government was able to announce joint resource development agreement with Japan only in 2008.

The period of accommodation to perceived domestic opinion after mass anti-Japanese demonstrations in 2005 and Koizumi's premiership was followed by a stage of persuasion and explanation. Earlier Chinese government had repeatedly stated its exclusive sovereignty rights to Chunxiao gas field. Even a day before the announcement of the joint development agreement Foreign Ministry spokesperson stated clearly that Chunxiao was entirely within the sovereignty rights of China and had nothing to do with joint development.<sup>53</sup> But the accord of 2008 compromised such position. Even though joint development was limited to other fields, Japanese companies were granted rights to participate in the development of the Chunxiao field. In such a way the agreement posed a challenge for the Chinese government to gain the society's consent to it. There was a risk that the society would not approve Japan's participation in the development of the field that belongs to China. The leadership undertook a difficult task to convince its domestic audience. Already on June 26 a press conference was held, where the representative of the Ministry of Foreign Affairs emphasized that this was not a new practice for China and it had similar agreements with other countries.<sup>54</sup> This follow-up report was also attended by the Chairman of the Board of Directors of the China National Offshore Oil Corporation (CNOOC) Zhou Shouwei (周守为), who explained that 'joint development and cooperative development are fundamentally different.'<sup>55</sup> In a meanwhile the government remained unresponsive to Japan's calls to negotiate an international treaty. Through media and public statements it sought to persuade the society and reassure there was no

threat to regime legitimacy.

In 2010 Japanese politicians clearly demonstrated that the credibility of the agreement to jointly develop resources in the East China Sea was fading away. They raised an idea to seek for arbitration in the dispute. Thus a threat to the *status quo* emerged again. The issue was escalating and the Chinese foreign policy makers made a decision to act. At that time domestic opinion was expected to have stabilized, and in terms of regime stability it was safe to renew the negotiations.

Since 2004 the Chinese foreign policy makers were balancing between domestic opinion and their initial attempt to maintain the *status quo* through joint development initiative. Such strategy became especially evident after the fishing boat incident near Senkaku Islands in September 2010. In the aftermath of the incident China-Japan relations were often defined as the worst since Koizumi's tenure.<sup>56</sup> Mass public protests took place in different cities across China. Again the society's sensitivity to Japan-issue rose to a critical level, and expected audience costs of negotiations regarding cooperation with Japan were high. Observing radical voiced opinions, which expanded to include a significant number of people, Chinese government cancelled scheduled 2nd round talks on the East China Sea avoiding reinforcement of negative domestic opinion.

The argument that Chinese policy decisions were preemptive in terms of general domestic opinion rather than reactive to already expressed voiced opinions is further supported by China's later behavior. After the incident China cancelled the two countries' leaders meeting in Hanoi at the end of October at the ASEAN summit.<sup>57</sup> Hu Jintao was quoted saying that 'Japan's statements about the content of talks [regarding the East China Sea] between the two countries' foreign ministers soured the atmosphere for a possible meeting of Chinese and Japanese leaders in Hanoi.'<sup>58</sup> China's news

agency *Xinhua* immediately reported that ‘China dismissed a report that it agreed to resume talks with Japan on exploration for oil and gas in the East China Sea.’<sup>59</sup> These comments indicate that Chinese leadership was mostly worried about the message its policy would send to certain audiences rather than concerned with the state of affairs in China-Japan relations. That is it cancelled the scheduled East China Sea talks seeking to accommodate to the possible domestic opinion.

In this way Chinese policy toward the East China Sea gas field dispute with Japan was an attempt to balance between the necessity to maintain the *status quo* and perceived threat to regime legitimacy. Such threat was posed by domestic audience whose opinion remained latent through most of the period since 2004. Seeking to avoid undermining regime stability Chinese foreign policy makers speculated on domestic opinion and refrained from possibly unpopular decisions when negative opinion was expected to accumulate.

## 5 CONCLUSION

This paper attempted to explain how domestic opinion in China affected its foreign policy decisions toward the East China Sea gas field dispute. It suggested a new theoretical understanding of the citizens’ opinion in a non-democratic state of China distinguishing between limited voiced opinions and general *domestic opinion*. Such distinction was necessary seeking to demonstrate that China’s policies were preemptive rather than reactive. The research showed that policy decisions toward the dispute were more a result of the policy makers’ perceptions of general domestic opinion rather than their reaction to limited voiced opinions. The main findings of the research can be summarized as follows.

*First*, China’s policy decisions were preemptive rather than reactive. Foreign policy makers sought

to avoid rise of negative domestic opinion. This explains why the government was reluctant to proceed with joint resource development while direct public pressure was limited. *Second*, due to such considerations of domestic opinion, major decisions were delayed seeking for the stabilization of domestic opinion. *Third*, timing was especially important in China’s dispute policy decision making. The policy makers were balancing between two extremes – they sought to maintain the *status quo* in the area and avoid domestic social unrest.

These findings are important as they explain the inconsistency of Chinese foreign policy. Moreover, identification of preemptive foreign policy making pattern reveals that these decisions were often delayed as a result of perceived threat from domestic opinion. Finally, the findings of the paper suggest that foreign policy decision making in China might provide different actors with a window of opportunity to promote their limited organizational interests. For example, military, speculating on the perceived domestic opinion, may seek to boost its budget allocation, which would also explain increased PLA activities in the East China Sea since 2004.

## ENDNOTES

- 1 This paper is based on the author’s Master’s Thesis research at the Graduate School of Media and Governance at Keio University. The original paper was submitted in academic year 2010 in partial fulfillment of the Master’s Program requirements.
- 2 Valencia, 2007, p.157.
- 3 Drifte, 2008, p.27.
- 4 *Ibid*, p.35.
- 5 Bush, 2010, p.143.
- 6 “Editorial: Japan-China Gas Project.” *Asahi Shimbun*, June 2, 2010. Accessed 2010/07/22 <<http://www.asahi.com/english/TKY201006010390.html>>
- 7 Valencia, 2007, p.163.
- 8 Reilly, 2008, pp.189-223.
- 9 Shirk, 2008, p.44.
- 10 *Ibid*, p.52.
- 11 Bush, 2010, p.210.
- 12 Coicaud, 2002.
- 13 Barker, 1990, p.17.
- 14 Putnam, 1988, p.449; Hennessy, 1985, p.16.

- 15 Wu (p.185) concludes that strong opinions online might undermine China's long-term foreign policy design; also see Reilly (2008), Shirk (2008).
- 16 Max Weber, as cited in Barker (1990, p.48).
- 17 Zheng&Lye, 2005, p.184.
- 18 Yang, 2005, p.71.
- 19 Zhao, 2009; Wang, 2008.
- 20 Zheng&Lye, 2005.
- 21 Dickson, 2011, p. 211.
- 22 Zheng, 1999, p.135.
- 23 Argument suggested by Shirk (2008).
- 24 Dickson, 2011, p.211.
- 25 Fearon, 1994, p.577.
- 26 *Ibid*, p.582.
- 27 Kennamer, 1992, p.3.
- 28 Hennessy, 1985, p.8. Hennessy notes that there are 5 basic elements of public opinion, which can be also defined as the core conditions of it. That is there must be: (1) an issue; (2) a significant number of individuals concerned with the issue; (3) a complex of preferences, that is all the opinions held by the relevant public; (4) expression of the various views; (5) a significant number of persons interested in the issue (1985, p.8-13).
- 29 *Ibid*, p.13.
- 30 Reilly, 2008, p.192.
- 31 *East Asian Strategic Review 2006*, p.105.
- 32 *Ibid*, p.106.
- 33 Reilly, 2008, p.198.
- 34 Doob, 1948, p.39.
- 35 Kojima (小島), 2005, p.240.
- 36 Lewis&Xue, 2006, p.108.
- 37 Johnston, 2004, p.626.
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- 39 MOFA. *Japan-China Consultations on the East China Sea and Other Matters*, September 30 to October 1, 2005. Accessed 2010/10/07 <<http://www.mofa.go.jp/region/asia-paci/china/consult0509.html>>
- 40 Wang (王), 2007, p.iii.
- 41 MOFA. 平和と発展のための友好協力パートナーシップの構築に関する日中共同宣言, November 26, 1998. Accessed 2010/11/10 <[http://www.mofa.go.jp/mofaj/kaidan/yojin/arc\\_98/c\\_kyodo.html](http://www.mofa.go.jp/mofaj/kaidan/yojin/arc_98/c_kyodo.html)>
- 42 *Settlement of Disputes Mechanism*, Oceans and Law of the Sea, Division for Ocean Affairs and Law of the Sea. Accessed 2010/10/23 <[http://www.un.org/Depts/los/settlement\\_of\\_disputes/choice\\_procedure.htm](http://www.un.org/Depts/los/settlement_of_disputes/choice_procedure.htm)>
- 43 MOFA. 日中首脳会談 (概要), May 31, 2010. Accessed 2010/09/30 <[http://www.mofa.go.jp/mofaj/area/china/visit/1005\\_sk.htm](http://www.mofa.go.jp/mofaj/area/china/visit/1005_sk.htm)>
- 44 *East Asian Strategic Review 2006*, p.105.
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- 46 Christopher Bodeen. "China Tries to Contain Growing anti-Japan Protests." Accessed 2010/11/23 <[http://www.boston.com/news/world/asia/articles/2010/10/25/china\\_tries\\_to\\_contain\\_growing\\_anti\\_japan\\_protests](http://www.boston.com/news/world/asia/articles/2010/10/25/china_tries_to_contain_growing_anti_japan_protests)>
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- 48 For more on China-Japan joint history research see Kitaoka (北岡), 2010.
- 49 *Ibid*, p.65.
- 50 Manicom, 2007, p.2.
- 51 *Ibid*, p.16.
- 52 *Ibid*, p.17.
- 53 外交部: 春晓油气田完全在中国的主权权利范围内, *People's Daily*, June 17, 2008. Accessed 2010/11/20 <<http://world.people.com.cn/GB/8212/9491/113836/7393690.html>>
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- 58 *Ibid*.
- 59 *Ibid*.

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