

The Pacific Review >

Volume 22, 2009 - [Issue 2](#)

8,781

Views

39

CrossRef citations to date

9

Altmetric

Original Articles

The Senkaku/Diaoyu dispute and Sino-Japanese political-economic relations: cold politics and hot economics?

Min Gyo Koo

Pages 205-232 | Published online: 03 Jun 2009

 Cite this article  <https://doi.org/10.1080/09512740902815342>

Sample our
Area Studies
Journals
>> [Sign in here](#) to start your access
to the latest two volumes for 14 days

 Full Article

 Figures & data

 References

 Citations

 Metrics

 Reprints & Permissions

Read this article

Share

Abstract

Can economic interdependence reduce conflicts among states in East Asia? The so-called 'cold politics and hot economics' has become a defining feature of Sino-Japanese political-economic relations. This puzzling pattern of interaction is clearly illustrated in the sovereignty dispute over the Senkaku/Diaoyu Islands. The island dispute has unfolded in five rounds of distinct clashes thus far. From one perspective, the competitive elements in the island dispute make it difficult for both Japan and China to give way to the other side on the territorial and maritime issues. At the same time, the two countries have successfully managed to contain their respective territorial and maritime claims thus far. Drawing on the liberal peace theory, this article systematically demonstrates that economic interdependence has repeatedly fostered the de-escalation of Sino-Japanese conflict over territorial and maritime rights.

Keywords:

Sino-Japanese relations

Senkaku/Diaoyu Islands

East China Sea

East Asian territorial dispute

liberal peace

Acknowledgments

Min Gyo Koo is Assistant Professor in the Department of Public Administration at Yonsei University, Korea. His areas of research interest include East Asian territorial disputes, the political economy of the Asia Pacific, and East Asian economic and security regionalism.

Notes

¹Bilateral trade has increased dramatically, with the total value rising from US\$1 billion in 1972 to US\$211 billion in 2006. In addition, both private and public investments and capital flows have boomed. Aside from its investment in Hong Kong, the cumulative total of Japan's foreign direct investment (FDI) in China was US\$66.6 billion as of 2004. Until fiscal year 2004, the cumulative total of Japanese loans, grants, and technical cooperation to China was ¥3,133.1 billion, ¥145.7 billion, and ¥150.5 billion, respectively ([Ministry of Foreign Affairs of Japan 2006](#)).

²For the dispute over the Paracel and Spratly Islands, see [Lo \(1989\)](#). For the dispute over the Northern Territories/Kurile Islands, see [Hara \(1998\)](#).

³Barbieri (2002: 56–8). Formally, Trade Dependence_i = (Imports_{ij} + Exports_{ij})/GDP_i = Trade_{ij}/GDP_i, where Trade_{ij} denotes bilateral trade between states i and j.

⁴For more details about China's military actions in the South China Sea, see Koo (2005: 196–239).

⁵Interview with Japan's Ministry of Foreign Affairs (MOFA) officials conducted in Tokyo in June 2004.

⁶Japanese ownership claims over the island group are multilayered. Privately held Kubajima Island and the Islands of Uotsuri, Kita-kojima, and Minami-kojima have allegedly been rented out to the Japanese government since 1972 and 2002, respectively, while Taisho-jima Island has always been owned by the Japanese government. For more details, see Urano (2005: 206–7). I would like to thank one of the anonymous reviewers for bringing this book to my attention.

⁷These Chinese protests were inflamed by the Japanese government's authorization of history textbooks in early April that have reinforced Japan's territorial claim to the islands as well as glossing over its wartime atrocities. The Japanese campaign for a permanent UN Security Council seat was also a target of Chinese public anger.

Related Research Data

[CONFLICT AND TRADE: AN ECONOMICS APPROACH TO POLITICAL INTERNATIONAL INTERACTIONS](#)

Source: Unknown Repository

[China in 1990: The Year of Damage Control](#)

Source: Asian Survey

[The importance of 'Othering' in China's national identity: Sino-Japanese relations as a stage of identity conflicts](#)

Source: The Pacific Review

[Sovereign Rights and Territorial Space in Sino-Japanese Relations](#)

Source: Unknown Repository

[The U.S. Role in the Sino-Japanese Dispute over the Diaoyu \(Senkaku\) Islands, 1945–1971](#)

Source: The China Quarterly

[Japanese-Soviet/Russian Relations since 1945](#)

Source: Unknown Repository

Related research

People also read

Recommended articles

Cited by
39

[Chinese Nationalism through the Prism of the Sino-Japanese Dispute over the Diaoyu/Senkaku Islands](#) >

[Surprising Stability in the Diaoyu/Senkaku Islands Since 2012 >](#)

Duan Xiaolin et al.

The Washington Quarterly

Published online: 7 Jul 2025

[The Sino-Japanese territorial dispute and threat perception in power transition >](#)

Ryoko Nakano

The Pacific Review

Published online: 16 Mar 2015

[View more](#)

Information for

[Authors](#)

[R&D professionals](#)

[Editors](#)

[Librarians](#)

[Societies](#)

Opportunities

[Reprints and e-prints](#)

[Advertising solutions](#)

[Accelerated publication](#)

[Corporate access solutions](#)

Open access

[Overview](#)

[Open journals](#)

[Open Select](#)

[Dove Medical Press](#)

[F1000Research](#)

Help and information

[Help and contact](#)

[Newsroom](#)

[All journals](#)

[Books](#)

Keep up to date

Register to receive personalised research and resources by email



Sign me up



Copyright © 2026 Informa UK Limited [Privacy policy](#)

[Cookies](#) [Terms & conditions](#) [Accessibility](#)

Registered in England & Wales No. 01072954
5 Howick Place | London | SW1P 1WG



Taylor & Francis
by informa