

The Senkaku/Diaoyu Islands Sovereignty Conflict and Its Geopolitical Impact on the Asia-Pacific Region in the Post-Cold War Era

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Abstract

This paper examines the sovereignty dispute over the Senkaku/Diaoyu Islands between Japan and China from the post-Cold War period to the present, analyzing its implications for the political landscape of the Asia-Pacific region. The research primarily employs historical-logical, analytical-synthetic, and comparative methodologies. The study develops along two main trajectories: analyzing the conflict's evolution and nature while assessing its impact on regional security architecture and international relations. The findings not only elucidate the driving forces and fundamental nature of the territorial dispute but also provide a scientific foundation for forecasting regional geopolitical trends within the context of intensifying global strategic competition.

Keywords: *Island conflict, Senkaku/Diaoyu Islands, geopolitics, Asia-Pacific*

1. Introduction

Following the Cold War (1991), the sovereignty dispute over the Senkaku/Diaoyu Islands between China, Japan, and Taiwan has emerged as one of the most contentious flashpoints in the Asia-Pacific region. These islands hold significance not only for their natural resources but also for their strategic importance in controlling vital regional maritime routes. Since the end of the Cold War, coupled with China's dramatic rise and America's rebalancing strategy in Asia, this conflict has grown increasingly complex with profound implications for regional security architecture. "China's assertive actions in affirming sovereignty, particularly the unilateral establishment of an Air Defense Identification Zone over the East China Sea, have heightened regional tensions" (Nguyen, H. T, 2019). The Senkaku/Diaoyu Islands hold special strategic, geo-economic, and geopolitical significance, thus "these islands are integral to China's grand strategy of establishing itself as a maritime power" (Nguyen, H. Q. & Vu, T. P. L, 2024).

This conflict transcends bilateral relations between the involved parties, affecting power structures, regional order, and alliance relationships throughout the Asia-Pacific region.

"The Senkaku/Diaoyu dispute has become one of the most significant challenges to regional security architecture, particularly concerning the U.S.-Japan alliance and East Asian power balance strategies" (Le, V. C, 2020)

Research on the Senkaku (尖閣諸島) Islands dispute, which China refers to as Diaoyu (钓鱼岛), and its geopolitical implications for the Asia-Pacific region not only enhances understanding of the dynamics driving regional territorial disputes but also provides valuable lessons in conflict management. "Studying and analyzing territorial disputes like the Senkaku/Diaoyu case holds crucial significance in seeking solutions for similar conflicts in the region, particularly amid intensifying strategic competition between major powers" (Pham, Q. M, 2021).

2. The China-Japan Sovereignty Dispute Situation from the Post-Cold War Era to 2024

The territorial and natural resource dispute between China and Japan centers on the Senkaku Islands, also known as Diaoyu Islands, located in the East China Sea. The archipelago consists of islands ranging from 800 m² to 4.32 km² in area, situated approximately 170 km northwest of Japan's Ishigakijima Island and roughly 170 km from Taiwan, while the distance to mainland China is 330 km. Japanese fishermen departing from Ishigakijima would require 5-7 hours to reach the archipelago. Conversely, if the Chinese government were to dispatch patrol vessels from mainland China, the journey would take two days. These islands have been under U.S. military control since World War II. In 1971, the United States transferred control of Okinawa, including these islands, to Japan. "The uninhabited Senkaku chain comprises five small islands: Uotsuri, Kuba, Taisho, Kitakojima, and Minamikojima, along with three rocks: Tobise, Okinokitaiwa, and Okinominamiiwa" (Hamakawa, K, 2007).

According to the Japanese government, the Senkaku Islands were discovered by Japanese citizen Koga Tatsuhiro in 1879 and subsequently incorporated into Japanese territory under the 1895 Treaty of Shimonoseki. Japan maintains that these islands were not part of Taiwan, as China had relinquished control under the treaty's terms. However, China bases its sovereignty claims on documents from the Ming and Qing dynasties, asserting long-standing ownership of the Diaoyu Islands. Japan acknowledged this until 1895, "when China was defeated in the First Sino-Japanese War and was forced to cede the Diaoyu Islands to Japan under the Treaty of Shimonoseki" (Nguyen, H. Y, 2012).

The conflict over the Senkaku/Diaoyu Islands began in the late 1960s when the United Nations Economic Commission for Asia and the Far East (ECAFE) discovered abundant potential for oil, gas, and biological resources in the surrounding waters, stimulating both Japan's and China's ambitions for control. In 1971, following the U.S. return of the Ryukyu Islands to Japan under the Okinawa Reversion Agreement, "China and Taiwan simultaneously issued sovereignty claims over the Senkaku/Diaoyu Islands, marking a significant shift in

regional geopolitical relations"(Drifte, R, 2015) and "making these islands a sensitive point in diplomatic relations between China, Japan, and Taiwan" (Zhao, X, 2013).

During the late 1970s, the international context witnessed a cooling of Cold War tensions, facilitating important changes in regional countries' foreign policies. Under Deng Xiaoping's leadership, "China began implementing its opening-up policy and actively normalizing relations with countries, including Japan"(Vogel, E. F, 2011). The 1978 Treaty of Peace and Friendship marked a significant breakthrough in Sino-Japanese relations. This was not merely a political document but demonstrated both countries' strong commitment to building a peaceful cooperative environment, replacing confrontation and conflict with diplomatic dialogue. The signing of this treaty opened a new chapter in bilateral relations, creating conditions for long-term regional stability and development. "This move also demonstrated both sides' willingness to overcome historical and geopolitical differences, thereby promoting a mutually beneficial future and sustainable peace for East Asia" (Dang, V. Q, 2018). Although China and Japan made efforts to cooperate, both countries quietly consolidated their positions in disputed areas, which they considered key elements of their national security strategies. Notably, during the 1980s, both sides continuously conducted geological surveys in this region. The 1985 ESCAP report "emphasized the significant oil and gas potential, further enhancing the region's strategic value" (Valencia, M. J., & Amae, Y, 2003).

By the late 1980s, although direct conflict had not occurred, underlying tensions began to emerge as China and Japan actively developed legal and historical arguments to strengthen their sovereignty claims. These moves signaled a new phase of tension in bilateral relations regarding territorial disputes. Specifically, in 1992, China enacted the "Law on the Territorial Sea and the Contiguous Zone," asserting its sovereignty over the Diaoyu/Senkaku Islands. This was a significant legal move to reinforce territorial claims. Simultaneously, China continued to publish academic materials and white papers emphasizing the islands' historical use dating back to the Ming and Qing dynasties. Conversely, the Japanese government conducted research and published academic works to prove ownership rights based on historical documents and international treaties. To safeguard national interests, Japan affirmed its long-standing and legitimate sovereignty over the Senkaku/Diaoyu Islands based on solid historical and legal evidence. Historically, following surveys in 1895, Tokyo declared these islands *terra nullius* (unclaimed territory), "allowing them to exercise administrative rights without opposition from any nation" (Samuels, R. J, 2013). This argument was reinforced by the Treaty of Shimonoseki (1895), "through which China officially ceded Taiwan (Formosa) and adjacent islands to Japan" (Shaw, H, 2015).

From a legal perspective, Tokyo cited numerous pieces of evidence of China's tacit recognition of Japanese sovereignty during the 1950s-1960s. The San Francisco Treaty (1951) further strengthened Japan's legal position by mentioning only the renunciation of sovereignty over Taiwan without reference to Senkaku. Specifically, according to Article 2(b) of the Treaty, Japan renounced "all right, title and claim to Taiwan (Formosa) and the Pescadores Islands but made no mention of the Senkaku Islands. The absence of Senkaku from the list of territories to

be relinquished was viewed by Japan as evidence that these islands were unrelated to Taiwan and remained under Japanese sovereignty" (United Nations, 1951). Notably, a 1953 People's Daily article "confirmed Senkaku as part of the Ryukyu Islands belonging to Japan, as did China's official 1958 map which recognized Senkaku as part of Okinawa" (Drifte, R, 2014).

However, disputes began to intensify in 1971 when the Okinawa reversion agreement between the U.S. and Japan did not explicitly address the legal status of the Diaoyu Islands. Tensions escalated in 1978 with the appearance of hundreds of Chinese vessels near the islands. To reduce conflict, both sides reached several cooperation agreements: in 1997 regarding common fishing zones and in 2008 concerning energy exploitation, though implementation remained limited. The period 2008-2010 witnessed a significant increase in tensions. In December 2008, the intrusion of Chinese survey ships into territorial waters around the islands provoked strong reactions from Tokyo. The climax came with the 2010 collision between a Chinese fishing vessel and a Japanese patrol boat, "leading Beijing to implement diplomatic and economic sanctions, including the postponement of bilateral gas exploitation talks" (Valencia, M. J, 2016).

Japan's decision to nationalize the Senkaku/Diaoyu Islands on September 10, 2012, marked a significant event that substantially escalated tensions between Japan and China. On September 11, 2012, the Japanese government signed an agreement to purchase the Senkaku Islands for 2.05 billion yen (26 million USD) from the Kurihara family, who owned four of the five main islands, "while continuing to lease the remaining island, despite strong protests from China" (Dang, V. Q, 2014). Japan declared that the nationalization aimed at "peaceful and stable" management of the islands, but this event triggered a series of protests across China. China responded by dispatching maritime surveillance vessels to waters surrounding the islands and announcing territorial sea baselines around the Senkaku Islands, while asserting that they would not compromise on sovereignty issues.

In at least 24 Chinese cities, over 60,000 citizens participated in marches, demonstrations, and protests, including surrounding and throwing stones at the Japanese Embassy in Beijing to protest Japan's nationalization action. On September 27, 2012, Chinese Foreign Minister Yang Jiechi emphasized that the Diaoyu/Senkaku Islands were part of China's territory and had been occupied by Japan since 1895, "while criticizing Japan's actions as a serious violation of Chinese sovereignty" (Le, T. H, 2018). Japan quickly responded strongly through Kazuo Kodama, Japan's Deputy Ambassador to the United Nations, who asserted that Beijing's sovereignty claims over these islands were "completely groundless" (Pham, M. T, 2019).

Since 2013, following China's announcement of an air defense identification zone over the East China Sea, this approach has expanded in scope. It includes not only organizing aviation security conferences but also dialogue meetings on international aviation law, particularly dedicated to senior defense officials from coastal states. However, Tokyo affirmed its commitment to peaceful dispute resolution based on legal foundations without the use of force. Although both countries have ratified the 1982 United Nations Convention on the Law

of the Sea, "differences in perception of maritime boundaries persist, leading to sharp disagreements, particularly in the 81,000-square-mile overlapping zone in the East China Sea, including the Senkaku Islands" (Le, T. H, 2020).

China's Ministry of Defense's announcement establishing an Air Defense Identification Zone (ADIZ) over the East China Sea on November 23, 2013, triggered strong opposition from neighboring countries and U.S. allies in the Asia-Pacific region. China's declared ADIZ overlaps with existing ADIZs of South Korea and Japan. The fact that China's ADIZ overlaps with airspace over the Senkaku/Diaoyu Islands, which Japan claims sovereignty over, along with portions of South Korean and Taiwanese airspace, "provoked strong protests from Japan and South Korea. Warnings about 'emergency defensive measures' against non-compliant aircraft further increased concerns about the risk of military confrontation. The United States, a key ally of Japan and South Korea, voiced opposition to China's move, viewing it as an action that destabilizes and threatens aviation security in the region" (Dang, V. Q, 2023).

This event exacerbated territorial tensions between China and Japan, when bilateral relations had already fallen into a serious diplomatic crisis due to the Senkaku/Diaoyu Islands dispute, leading to a "freeze" from 2012 to 2014. Only with the China-Japan summit meeting on the sidelines of APEC 2014 did tensions temporarily ease. However, in 2015, the issue of China's unilateral resource exploitation in the East China Sea continued to escalate tensions. "Japan accused China of violating the 2008 joint gas exploitation agreement by constructing 12 exploitation facilities near the maritime demarcation line and demanded Beijing halt these activities" (Le, T. H, 2023).

According to Japanese government sources, from late May to August 2016, Chinese fighter aircraft made multiple flights near the disputed Diaoyu/Senkaku Islands. On August 13, 2016, Chinese fighter aircraft flew within 50 km of the Diaoyu/Senkaku Islands' airspace, compelling Tokyo to dispatch Air Self-Defense Force (ASDF) aircraft in response. The Japanese Defense Ministry reported that from April to June, Japanese fighters had intervened 199 times to intercept Chinese aircraft, compared to 198 times in the previous three months. In its new defense white paper, "Japan criticized China's unilateral actions in the East China Sea aimed at changing the status quo by force and expressed concern about China's deployment of naval vessels to the Diaoyu/Senkaku Islands" (Nguyen, T. H. (2021). These pressing security and territorial issues reflect the extremely sensitive and complex Sino-Japanese relationship, harboring risks of military confrontation if not well managed. The hardline stance of both sides during this period led to many negative consequences, hampering negotiations toward peaceful and long-term stable solutions.

Tensions in the dispute between China and Japan continued to escalate, particularly since October 1, 2020, when the Ishigaki City Council in Okinawa Prefecture, Japan, passed a resolution to change the administrative name of the disputed islands. This island group, called Senkaku by Japan and Diaoyu by China, became a focal point of controversy. Chinese Foreign Ministry spokesperson Zhao Lijian strongly opposed this move, considering it an attempt to strengthen Japan's sovereignty claims and "a serious provocation to China's territorial

sovereignty." In response to this situation, "China deployed coast guard vessels in waters around the islands to assert its sovereignty rights" (Nguyen, K, 2020).

Moving into 2021, the situation became even more tense as Japan defined boundaries around the Senkaku/Diaoyu Islands, declaring readiness to counter increasing military actions from Beijing. In an exclusive interview with CNN on September 15, 2021, Japanese Defense Minister Nobuo Kishi clearly stated that the Senkaku Islands are Japanese territory and would be strongly protected by Tokyo against any threats from China. He emphasized that there were no territorial disputes concerning the Senkaku between Japan and other countries. Japan was also actively expanding its Defense Forces by enhancing weapons and equipment, including adding F-35 fighter aircraft and converting ships into aircraft carriers, along with building new destroyers, submarines, and developing new missiles. However, "Kishi also pointed out that Japan's defense budget was still insufficient to fully match China's increasing military expenditure" (Nguyen, K, 2021).

In recent years, the dispute over the Senkaku/Diaoyu Islands between China and Japan has become increasingly tense, with China intensifying sovereignty assertion actions, including continuous deployment of military ships and aircraft in the area, forcing the Japan Coast Guard (JCG) to intervene. In 2023, Chinese vessels operated in the contiguous zone of the Senkaku/Diaoyu Islands for 352 days, compelling Japan to dispatch fighter aircraft for surveillance. Although the situation is tense and the conflict has eroded political trust, increasing extreme nationalism between the two Northeast Asian powers, both sides recognize that the risk of military conflict is low, "as they understand that military measures cannot bring about sustainable solutions" (Nguyen, T, 2023). Both China and Japan express desire to maintain economic cooperation and avoid worsening the situation, therefore the ideal solution is to conduct negotiations to find a reconciliation formula while restraining actions that could escalate tensions. Recently, both sides have shown positive signals, demonstrating determination to strengthen bilateral relations, opening better prospects for resolving the Senkaku/Diaoyu dispute.

Tensions between China and Japan over the Senkaku/Diaoyu Islands escalated in 2024 when China first deployed armed coast guard vessels to the disputed area, marking a strategy of non-military coercion to assert sovereignty. China's continuous presence for 158 days, along with the detection of four coast guard vessels near Senkaku on May 27, prompted strong reactions from Japan, which asserted territorial waters violation. Japanese Chief Cabinet Secretary Yoshimasa Hayashi assessed the situation as "extremely serious." He added: "We will remain vigilant in monitoring Chinese vessels and respond to China calmly and firmly" (Thanh Binh, 2024).

In response to China's increasing military activities and strategic operations in the region, Japan decided to increase its defense budget, particularly focusing on strengthening the Coast Guard over the next three years. "The 2024 defense budget is projected to increase by 16.5% compared to the previous year" (Defense Forum, I. P, 2024), with part allocated to establishing a new maritime transport fleet. This fleet comprises three vessels, each 34.7 meters

long, aimed at rapid military transportation, especially in southwestern Japan, including the Senkaku Islands. Simultaneously, U.S. Secretary of Defense Lloyd Austin reaffirmed the commitment to protect Japan and all its territories, including the Senkaku Islands, under the U.S.-Japan Security Treaty. China's strategy of "gradual status quo change" has posed serious security challenges to Japan, while the United States' strong commitment to its ally has further increased regional tensions, raising concerns about the risk of unintended conflict threatening stability in the Asia-Pacific region.

3. Geopolitical Impact on the Asia-Pacific Region

The sovereignty conflict over the Senkaku/Diaoyu Islands between Japan and China has evolved into a complex geopolitical issue, transcending mere territorial dispute. China views control of these islands as a symbol of the rise of the "Chinese Dream" and an effort to assert its regional position. Conversely, Japan considers the Senkaku Islands a test of its ability to maintain sovereignty against pressure from the north. The situation has become more tense as neither side wishes to concede due to national pride, leading to increased tensions and affecting the balance of power and security structure in the region.

3.1 Military Escalation and Maritime Security

Tensions at the Senkaku/Diaoyu Islands have evolved into a complex security crisis, marked by increasing militarization from both China and Japan. The escalation has triggered a chain reaction: the strengthening of defenses by one side automatically prompts a counter-response from the other, creating a cycle of continuous escalation. Political scientists argue that this situation has generated a "dangerous security spiral," where "each side views its defensive actions as necessary, but the other side perceives them as acts of aggression." (Smith, J, 2023).

The militarization of the disputed area is evident in three key aspects. First, the increase in large-scale military exercises in the region. Second, the expansion of permanent naval presence. Specifically, "Japan has increased the number of patrol vessels in the area from 12 to 24 from 2022 to 2024," (Japan Ministry of Defense, 2024) while "China has deployed five missile frigates and two submarines in the contested waters since 2023" (Center for Strategic and International Studies, 2024). Third, the development of military infrastructure. For example, "China has built three new radar surveillance stations on artificial islands, while Japan has upgraded two airbases near the disputed area to enhance monitoring and response capabilities" (Institute for Defense Strategic Studies, 2024). This situation has created a tense and unstable environment in the region, as "an arms race is seriously undermining the strategic balance in East Asia" (Nguyen, V. N, 2023). The militarization of the dispute not only affects regional security but also directly impacts international trade. Maritime routes around the islands are crucial for global commerce. Any conflict here could have severe consequences for supply chains and the global economy. According to a report by the International Maritime Council (2024), "38.7% of global trade passes through the region" (International Maritime Council, 2024). This underscores the significance of the area, where territorial disputes in the South China Sea and East China Sea threaten not only security but could also disrupt global

supply chains. Such instability could impact the international economy, given the reliance on essential maritime trade routes passing through these waters.

The impact of military tensions has gone beyond the bilateral relationship, affecting the entire regional security system. A clear example is the strengthening of military cooperation between South Korea and Japan, which has led to the signing of intelligence-sharing agreements to counter security threats from neighboring countries. Neighboring countries have had to adjust their security and defense policies to respond to the new situation, increasing the risk of conflict due to miscalculations. This escalation creates a ripple effect throughout the region, heightening the risk of unintended confrontations. For instance, China's increased military activities in the South China Sea have forced countries like the Philippines, Vietnam, and Indonesia to adjust their defense strategies and bolster military capabilities. Changes in the regional security structure have prompted many nations to carefully consider their strategic roles, while simultaneously strengthening alliances and cooperation to address the growing instability.

Overall, the current tension has created a complex and unstable security ecosystem in the region. Countries are compelled to continuously adjust their strategies, enhance their defense capabilities, and build strategic partnerships to minimize the risk of conflict and protect national interests

3.2 Geopolitical Drivers and International Intervention

The Senkaku/Diaoyu Islands hold significant geopolitical importance in the East Asian region, not only due to their location along critical international maritime routes but also because of their potential resource wealth. According to a report by the International Institute for Strategic Studies (IISS), "The islands control one of the busiest trade routes in the world, with more than 70% of Japan's trade and 60% of China's trade passing through this region" (International Institute for Strategic Studies, 2022). Additionally, the U.S. Geological Survey (USGS) has assessed that "the area holds significant potential for oil and gas, with estimates of 100-200 billion barrels of resources" (U.S. Geological Survey, 2023). Therefore, the Senkaku dispute is not merely a territorial issue but also carries strategic and economic significance, motivating both China and Japan to strengthen their presence in the region.

In recent years, tensions in the area have escalated with a series of military maneuvers from both sides. "China has increased its presence of Coast Guard vessels in the islands, conducting 287 patrols in 2023" (RAND Corporation, 2023). In response, "Japan has deployed 325 Maritime Self-Defense Force vessels and upgraded its defense capabilities to secure the area" (Ministry of Defense, Japan, 2023). Furthermore, the intervention of global powers such as the United States has added complexity to the dispute. Between 2021 and 2023, "The United States conducted 45 Freedom of Navigation Operations (FONOPs) in the region and held 23 joint military exercises with Japan to reaffirm its commitment to protecting its ally" (Asia Maritime Transparency Initiative, 2023). According to the Congressional Research Service

(2023), "The United States currently maintains over 70,000 troops stationed in Japan, reinforcing its role as a balancing force in the region." (Congressional Research Service, 2023).

Tensions and conflicts in the Senkaku/Diaoyu Islands are not limited to China and Japan, but have also created spillover effects in Southeast Asia. According to a report by the ISEAS Institute (2023), "Up to 75% of ASEAN countries are concerned that the conflict in this region could escalate into a larger confrontation, threatening regional stability" (ISEAS – Yusof Ishak Institute, 2023). In response, several Southeast Asian countries have enhanced their defense capabilities. "The Philippines increased its defense budget by 40% in 2023 and signed 4 new military agreements with the United States" (Wilson Center, 2023). Meanwhile, "Indonesia and Malaysia conducted 56 joint patrols to safeguard their maritime sovereignty," (Maritime Institute of Malaysia, 2023) and "Singapore has strengthened multilateral military cooperation, participating in 12 international exercises." (RSIS - S. Rajaratnam School of International Studies, 2023). According to Tran Cong Truc, the rising tensions and intervention by great powers have created a complex situation, "forcing Southeast Asian countries to balance national interests and their relations with major powers" (Tran, C. T, 2023). The CSIS report (2023) highlights three key risks from this dispute: "the potential for conflict due to miscalculations, the weakening of multilateral dialogue mechanisms, and negative impacts on freedom of navigation" (Center for Strategic and International Studies, 2023). At the same time, the Vietnam Institute for Strategic Studies (2023) states that the Senkaku/Diaoyu dispute is a "yardstick" for maintaining the regional rules-based order, with 67% of maritime incidents between 2020 and 2023 directly or indirectly related to this issue. These developments underscore that countries in the region are striving to adapt to the new security environment, while also affirming the importance of strengthening multilateral cooperation mechanisms. This is not only a way to address the growing security challenges but also an effective measure to prevent the risk of conflict escalation.

3.3 Impact on Economic Integration and Regional Stability

The conflict and escalating tensions between China and Japan have had a complex impact on Asia's economy and global supply chains, exerting pressure on regional economic integration and increasing instability for international investors. However, developing countries, particularly Vietnam, see opportunities arising from the shift in supply chains and the strategic competition between major economies. "Tensions between China and Japan may create opportunities for emerging economies as global supply chains shift and new economic strategies take shape" (Nguyen, T. H, 2023). Geopolitical tensions not only dampen economic growth but also drive the restructuring of economic relations in the region. "Tensions between major powers slow the process of integration and the restructuring of regional economic links" (Le, T. M, 2022). Governments are adjusting their strategies to protect national interests, creating new spaces for cooperation and competition. The link between economics and security has become crucial, compelling countries to seek flexible solutions to maintain stability and development. "Integrating security and economics into national policies is key to maintaining long-term stability and development" (Phan, T. H, 2023). Furthermore, regional cooperation mechanisms such as ASEAN and RCEP play a critical role in mitigating conflicts and

maintaining stability. "ASEAN and RCEP promote regional cooperation and minimize the impact of geopolitical tensions." (Tran, D. Q, 2024)

The urgent need for diplomatic solutions to maintain stability and prosperity in the region is increasing. Studies indicate that "supply chain disruptions caused by geopolitical tensions not only affect major economies but also have a significant impact on developing countries" (Le, H. H, 2024). A specific example of this impact is the shift in investment and production: According to the 2024 report by the U.S.-Japan Business Council, "Japanese companies have moved about 30% of their electronics and chip production from China to Southeast Asia, particularly Vietnam and Malaysia. In Vietnam, the number of investment projects from Japan in the technology and manufacturing sectors has increased by 42% compared to 2023" (US-Japan Business Council, 2024). In response to this situation, countries need to promote dialogue and cooperation to build a more stable security environment. ASEAN economies are actively seizing this opportunity by adjusting policies to attract investment and develop logistics infrastructure. For example, "Singapore has signed three new supply chain cooperation agreements with international partners, while Indonesia has adjusted its investment laws to create a favorable environment for foreign businesses" (ASEAN Secretariat, 2024). This not only contributes to ensuring economic interests but also lays a solid foundation for sustainable development in the future.

Countries in the region need to strengthen free trade agreements and economic cooperation mechanisms to mitigate the negative impacts of geopolitical conflicts, such as the expansion of the Regional Comprehensive Economic Partnership (RCEP). "The implementation of RCEP is projected to generate an additional \$209 billion in annual revenue for the region and \$500 billion for global trade by 2030" (Vu, N. Q., &...,2023). This not only fosters economic growth but also helps mitigate risks arising from geopolitical tensions through enhanced economic cooperation and regional integration.

Three major trends are currently unfolding: the shift of investment and production to countries like Vietnam, Malaysia, and Indonesia; increasing pressure on regional cooperation mechanisms such as ASEAN and RCEP to maintain their role in dialogue and collaboration; and, despite challenges, this competition creates opportunities for emerging economies to develop their own strategic pathways. Building trust and facilitating economic exchanges will contribute to maintaining regional stability and development amid intensifying geopolitical competition.

4. Conclusion

The conflict over the Senkaku/Diaoyu Islands between Japan and China is not merely a bilateral issue but has profound implications for the security architecture and regional order in the Asia-Pacific. Rooted in historical and political disputes, this conflict has generated a perilous "security spiral," wherein both nations have continuously expanded their military presence, conducted extensive military exercises, and developed defense infrastructure. Furthermore, the dispute has transcended regional boundaries with the strategic involvement

of great powers such as the United States, compelling regional states to recalibrate their foreign policies in pursuit of strategic equilibrium. Additionally, the ongoing tensions have adversely impacted global supply chains, accelerating shifts in investment and production patterns, thereby posing significant challenges to regional economic integration.

However, a sustainable resolution to this dispute does not lie in confrontation but must be anchored in dialogue and cooperation. The strengthening of multilateral dialogue mechanisms and the active engagement of international organizations such as the United Nations and ASEAN serve as critical instruments for peaceful dispute resolution and regional stability. Once a secure and stable environment is established, regional states can focus on economic development, educational advancement, and commercial cooperation, thereby contributing to sustainable growth and shared prosperity. Consequently, fostering cooperation and building mutual trust among the concerned parties is not only beneficial for Japan and China but also essential for ensuring long-term peace, stability, and prosperity across the Asia-Pacific region.

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