

Protecting Business from Politics: Explaining Variation in Nationalist Protests in China

Kacie Miura*

(Draft – Please Do Not Circulate)

Why do Chinese leaders, despite valuing economic ties to Japan, take actions – such as permitting anti-Japanese street demonstrations – that risk antagonizing the Japanese business community? In order to adequately explain the puzzling divergence of economic interests and political behavior, I propose a subnational approach. I argue that leaders of Chinese cities that are economically dependent on Japan are more likely to take measures to protect the local business environment, and thus are more likely to repress or contain anti-Japanese street demonstrations. I test this argument by analyzing the variation in city government responses to anti-Japanese protests in two pairs of comparative case studies featuring Dalian and Qingdao, and Shanghai and Guangzhou. A key implication of my argument is that the expectation that certain subnational actors will preserve economic relations with Japan may give rise to a moral hazard problem in which leaders at the national level engage in riskier international behavior.

I thank Grzegorz Ekiert, Taylor Fravel, Elizabeth Perry, Susan Pharr, Richard Samuels, Jessica Weiss, and members of the MIT Second Year Paper Workshop and Cambridge Chinese Politics Workshop for their insightful comments on various drafts of this paper. I also thank Jeremy Wallace and Jessica Weiss for sharing their data with me.

* Kacie Miura is a PhD candidate in the Political Science Department at the Massachusetts Institute of Technology.

I. Introduction

Disagreements over history and territorial sovereignty, amplified by nationalist sentiment, have severely undermined diplomatic relations between China and Japan, the second and third largest economies in the world. Over the last decade, bilateral relations have been punctuated by three nationwide waves of anti-Japanese street protests in China. Curiously, the Chinese government permitted and sometimes even encouraged these episodes of nationalist protest, in which Japanese firms and businesses became the targets of looting and vandalism, despite the importance of commercial ties to Japan for economic growth. Why have economic relations with Japan failed to constrain Chinese leaders from taking political actions that risk antagonizing not only the Japanese government and people, but also the business community? The decision to condone or incite anti-Japanese protests is puzzling for two reasons. First, firms and investors are sensitive to the political environments of host countries, and thus potentially destructive anti-foreign street demonstrations generate the risk that Japanese firms will seek new trade and investment partners (Busse and Hefeker 2007). Second, nationalist protests tend to take place simultaneously in multiple cities, arguably touching a nerve for authoritarian leaders who fear the emergence of a unified, national movement that could threaten the stability of the regime.

In order to explain the puzzling disconnect between economic interests and political behavior in the case of China's relationship with Japan, I shift the analytical lens to the subnational level. Focusing on cities exploits two sources of variation. First, not all localities in China depend upon Japan as an economic partner. Second, anti-Japanese protests do not occur in all localities, and all protests that are permitted are not allowed to escalate to the same extent. I argue that leaders of Chinese cities that depend on Japan for economic growth are more likely to either prevent or contain anti-Japanese protests in order to maintain a business environment amenable to continued inflows of Japanese capital. In cities that are less economically dependent on Japan, the potential economic fallout of political tensions with Japan are of less consequence, and thus city officials are less likely to restrain anti-Japanese protests, which could be detrimental to their nationalist credentials. I find support for these claims in four case studies of Chinese cities – Dalian, Qingdao, Shanghai, and Guangzhou – that vary in the strength of their economic ties to Japan.

A key implication of my findings is that leaders at the national level, confident that vested subnational actors will preserve key economic relationships with foreign partners, may be tempted to engage in riskier foreign policy behavior. Although commercial ties to Japan contribute to China's economic development, and ultimately to the political security of China's top leaders, these leaders also have incentives to generate popular nationalist support by escalating or standing firm in political

disputes against Japan. This paper cautions that while economic interests may drive some actors to pursue international cooperation, a moral hazard problem may arise in which national leaders take actions that are counterproductive. Chinese leaders at the national level may take for granted that economically motivated domestic actors will be able to keep bilateral relations afloat at the risk of underestimating nationalism and other such forces that mitigate against the potentially pacifying effects of interdependence.

This paper proceeds as follows. In section two, I situate Sino-Japanese relations within the context of the international relations literature on interdependence and conflict. I also refer to the Chinese politics literature for insight into center-local relations and nationalist protests. In section three, I elaborate upon my hypotheses. In sections four through six, I discuss my strategy for testing them, and then in sections seven and eight, I conduct comparative case studies of four Chinese cities and their management of anti-Japanese protests in 2005, 2010, and 2012. Finally, in section nine, I summarize my findings and conclude by discussing their implications for our understanding of the interplay between internationalist and nationalist forces.

II. Economic Interdependence and Center-Local Relations in China

In the first part of this section, I provide an overview of the international relations literature on the effects of economic interdependence. The literature remains divided over whether economic interdependence reduces or increases the likelihood of international conflict. This indeterminacy, I suggest, is due to the insufficient attention that has been paid to the ways in which interdependence impacts the interaction of the state to domestic actors – including local governments – that are affected in varying ways and degrees by international trade and investment. Thus, in the second part of this section, I turn to the Chinese politics literature on center-local relations. This body of literature provides important insights into the potential ways in which external economic ties shape the interests of city governments in China. Finally, I provide an overview of recent work on anti-foreign protests in China for further insight into the incentives that city leaders may have to allow, repress, or control nationalist demonstrations.

Economic Interdependence and Conflict

Since officially establishing economic ties in 1974, Japan has become one of China's most important trade partners and sources of foreign direct investment (FDI).¹ Yet contrary to liberal international relations theories, which expect economic interdependence to promote cooperation and

¹ In 2014, Japan was China's fourth largest source of FDI after Hong Kong, Singapore and Taiwan.

suppress conflict, deepening economic ties between China and Japan have not mitigated antagonistic political relations. According to one strand of liberal theories, the economic growth and welfare benefits derived from external economic ties raise the costs of international conflict, prompting state leaders to place greater emphasis on avoiding conflict and pursuing cooperation with important foreign economic partners (Keohane and Nye 1977; Polachek 1980; Rosecrance 1986). Another strand of liberal theories posits that domestic political actors who benefit from foreign economic ties will constrain leaders from pursuing conflict (Oneal et al. 1996). In democracies, interest groups and society at large function as powerful constraints on political leaders (Doyle 1986). Such constraints may also operate in non-democracies, particularly when external economic ties are extensive or when internationalist factions are dominant (Papayouanou 1997). In the context of Sino-Japanese relations, extensive economic ties undoubtedly raise the costs of conflict for national leaders in both China and Japan who “have a political stake in maximizing economic growth,” and for influential interest groups and factions who benefit from foreign trade and investment (He 2008, 165). However, national leaders remain willing to harm political ties, either knowingly risking the potential economic costs or acting under the assumption that economic relations will remain strong.²

In contrast to liberal arguments, some realist theories are skeptical about the causal impact of foreign economic ties on the probability of conflict. For example, Mearsheimer (2001) notes that bilateral economic ties usually constitute an insignificant proportion of any state’s economy, and thus are unlikely to have any substantial constraining power. Other realist theories contend that interdependence is likely to generate feelings of heightened insecurity, ultimately increasing the potential for conflict. For instance, Mastanduno (1991) acknowledges that although states may derive absolute gains from trade, they are fundamentally preoccupied with relative gains, and thus are likely to view the gains to their economic partner as a loss to themselves. But the economies of China and Japan, given their different technological and industrial capabilities, are highly complementary, arguably making leaders less likely to view the gains from trade in zero-sum terms. As such, concerns about relative gains from trade do not appear to be at the root of the crises and incidents that so often destabilize diplomatic relations.

² Whether national-level economic relations are robust to political tensions is questionable. Anti-Japanese protests in 2012 were followed by declines in both bilateral trade and Japanese FDI to China (*Asahi Shimbun* 2012d; *Reuters* 2014). However, according to Davis and Meunier (2011), between 1995 and 2005, trade and investment increased even as political relations deteriorated. Vekasi (2014) also shows that trade and investment continued to strengthen after the bilateral political tensions in September 2010. Govella and Newland, however, look at stock prices from the Tokyo Stock Exchange, and find that stock prices decline following episodes of political tensions (Govella and Newland 2010).

Neither liberal nor realist theories about the effects of economic interdependence on conflict are able to adequately account for the incongruence between Sino-Japanese economic and political relations. The case of Sino-Japanese relations reveals the need to better understand the complex ways in which foreign economic interests impact states' international behavior. Due to China's decentralized fiscal structure, officials at the subnational level, particularly those who have an interest in cultivating commercial ties to Japanese firms and investors, are a critical piece of the "hot economics, cold politics" puzzle.

Center-Local Relations in China

Since the implementation of the fiscal contracting system in 1980, provincial and city leaders maintain considerable autonomy over decision-making and are allowed to establish economic ties to foreign countries. However, they must also shoulder the burden of government expenditures. This budgetary pressure constitutes a key source of motivation driving local officials to expand their revenue base through foreign economic ties. Local leaders are further incentivized to establish economic links to foreign countries because their locality's economic growth is an important component of the cadre evaluation system by which official promotions are determined. As such, local leaders have a personal stake in not only developing local industry, but also in acquiring foreign capital and finding international markets for local goods (Chen, Li, and Zhou 2005).³ The importance of performance evaluations in determining job promotions for limited political offices stimulates competition to secure trade and investment opportunities (Shirk 1993). Although the cadre evaluation system became more welfare-oriented during Hu Jintao's second term as CCP General Secretary (2006-2012), economic growth remains an important criterion (Zuo 2015). Even when taking into account the elevated importance of social welfare provision, foreign sources of revenue remain an important means by which local officials can fund welfare services.

Nationalist Protests in China

One way in which Chinese city leaders can cultivate a local political environment conducive to Japanese commerce is by preventing anti-Japanese street demonstrations. If the central government signals the acceptability of nationalist outrage – such as by using the state media and

³ However, Shih *et al.* caution against concluding that economic performance is the dominant criterion for the promotion of provincial or more senior leaders; they show that factional ties, not performance, determine the career trajectory of leaders at the provincial level and above. With regard to city mayors, Landry finds that under Jiang Zemin, extraordinary economic growth resulted in career advancements, while the failure to meet economic growth targets did not result in demotion. (Shih, Adolph, and Liu 2012; Landry 2008)

official statements to direct national attention to foreign provocations –leaders at the local rather than the national level are charged with responding to protests (Wallace and Weiss 2015). Furthermore, local leaders are not only held responsible for the consequences of their choices by the center, but due to the decentralized nature of the Chinese fiscal system, they are also directly affected by the potential economic fallout of these protests, which includes the risk that Japanese firms may redirect their business elsewhere. More broadly, to the extent that large protests of any sort risk undermining social stability, allowing protests incurs the risk that they will spiral out of control and prompt foreign firms to relocate to more stable localities.

Yet despite being subjected to a relatively uniform cadre evaluation system, there is substantial variation in local government responses to nationalist protests. As Wallace and Weiss (2015) demonstrate, subnational variation in the occurrence of anti-Japanese protests in August and September 2012 depended on both local societal and state factors. More specifically, they find that larger populations of unemployed college students and ethnic minorities made cities less likely to experience protests.⁴ On the other hand, larger populations, greater numbers of migrants and college students, and “patriotic education bases” (*aiguo jiaoyu jidi*) made cities more likely to experience protests.⁵ It should be noted that Wallace and Weiss (2015) do not find economic ties to Japan (which they measure in terms of exports to Japan) to be a statistically significant predictor for the *occurrence* of protests. However, I argue that economic ties to Japan (which I measure in terms of both exports to Japan and FDI from Japan) influence local government *responses* to protests, which includes not only the decision to permit protests, but also the measures taken once protests have begun.

In order to further account for the variation in the specific actions taken by local officials – including measures taken during and after protests – it is first necessary to consider, from the perspective of local leaders, the anticipated costs and benefits of adopting a permissive attitude toward nationalist attempts to mobilize. On the one hand, city leaders may view supporting nationalist protests as a way to prove their nationalist credentials to either local populations or other political elites. Moreover, attempts to prevent or shut down nationalist protests risks exposing local leaders to “hypocrisy costs,” or charges that they are unpatriotic and therefore unfit for public office,

⁴ According to Wallace and Weiss (2015), leaders of cities with large numbers of unemployed graduates and ethnic minorities may be less likely to tolerate any type of protest, as these subgroups tend to be regarded as potential threats to social stability.

⁵ Patriotic education bases, as I explain later, include museums, monuments and other historical sites that are part of state-led nationalism.

especially if leaders of many other cities allow protests.⁶ Also, like leaders at the national level – who may succumb to diversionary temptations to use international disputes to redirect public scrutiny away from the government – local leaders may be tempted to allow nationalist protests in the hope of channeling popular grievances toward a foreign target (Weiss 2014). On the other hand, protests could escalate out of control, creating opportunities for the public to express their dissatisfaction with local officials.⁷ Nationalist protests also risk antagonizing foreign businesses and tarnishing the foreign investor-friendly image that many localities seek to cultivate, making it more difficult to maintain and attract foreign capital.

III. To Protect Business or Permit Protests?

Assuming that city officials must weigh their economic interests against their political interests, the extent to which they view commercial ties to Japan as crucial to economic growth is likely to affect how they respond to anti-Japanese protests. I expect that in cities in which Japan is an important source of FDI and a top destination for exports of locally produced goods, officials will be less tolerant of anti-Japanese protests. However, while city leaders may be able to preemptively quash small-scale attempts to hold protests, in many cases, particularly in the context of nationwide waves of nationalist demonstrations, they are forced to respond post-hoc. Additionally, city officials who value commercial relations to Japan may also be politically vulnerable and may judge the potential hypocrisy costs of banning nationalist protests to be too high. Thus, when city officials who depend heavily on economic relations with Japan make the difficult choice to allow anti-Japanese protests, these protests are likely to be heavily policed and confined to areas away from Japanese factories and businesses.

On the other hand, in cities with weaker economic ties to Japan, I expect city officials to be more tolerant of nationalist protests. Because leaders in these cities will be less affected by the potential economic backlash from interrupted commercial relations with Japan, they should be less willing to expend the legitimacy or material costs of repressing or heavily policing protests. Thus, nationalist protests are more likely to be large and destructive. Certainly, leaders may have political

⁶ I borrow the term “hypocrisy costs” from Greenhill (2011), who defines them as symbolic political costs that can be imposed when there is a real or perceived disparity between state actors’ professed commitments and demonstrated actions.

⁷ For example, the 2012 anti-Japanese protests in Shenzhen turned against the local government, with disgruntled demonstrators storming the city’s Communist Party headquarters. As Shenzhen authorities took measures to shut down protests, they further incurred “hypocrisy costs” when police fired water cannons and tear gas into the crowd, prompting angry protesters to shout: “Why are you not firing that into the Japanese?” (*Asahi Shimbun* 2012b).

reasons to prevent protests; for example, they may fear that such protests, even if directed to a foreign enemy rather than the local government, could undermine social stability.⁸ If local leaders are new to office (Wallace and Weiss 2015) or if their city is under the national or international spotlight, they may be even less likely to permit protests.

IV. Empirical Approach

I test the hypotheses stated above in two sets of most-similar case studies featuring four Chinese cities: Dalian and Qingdao, and Shanghai and Guangzhou. As I discuss in greater detail in the next section, I use a statistical matching method to select pairs of cities that, while similar along many dimensions, differ with regard to the strength of their economic ties to Japan. This method of “controlled comparison” will allow me to attribute, with relative confidence, differences in city leaders’ responses to anti-Japanese protests to their varying degrees of economic dependency on Japan (George and Bennett 2005).

In these comparative case studies, I conduct protest event analyses using Chinese, Japanese and other international media sources.⁹ I examine city government responses to three waves of nationwide anti-Japanese protests. The first wave, which occurred in 38 cities in March, April and May 2005, was aimed at objecting to Japan’s bid for a seat on the UN Security Council, and was also a product of accumulated anger in response to Prime Minister Koizumi’s annual visits to the controversial Yasukuni shrine, in which fourteen class-A war criminals from World War II are enshrined. The second wave occurred in September and October 2010, after Japan arrested a Chinese fishing boat captain whose vessel collided into Japanese Coast Guard ships in the waters surrounding the disputed Senkaku/Diaoyu Islands. Small demonstrations were permitted in large Chinese cities in September, and were followed by larger protests in about two-dozen cities in October. It should be noted that the central government took measures to preempt protests on the September 18 anniversary of Japan’s 1931 invasion of Manchuria, at the height of the incident, thereby signaling that it was unwilling to endorse nationalist demonstrations (Weiss 2014, 165). Finally, I consider the largest and most recent wave of anti-Japanese protests, which occurred in August and September 2012, immediately before and after the Japanese government purchased the Senkaku/Diaoyu Islands

⁸ However, such fears may also be mitigated by the temptation to capitalize upon anti-Japanese protests as “safety valves,” or opportunities to let restive local populations “blow off steam.”

⁹ I used the Lexis Nexis, Factiva, and Proquest Historical databases, as well as the English versions of the *Nihon Keizai Shinbun* (*Nikkei*) and *Yomiuri Shinbun* (*Yomidas Rekishikan*) newspaper archives.

from their private owner.¹⁰ Before the decision to purchase the islands was announced on September 10, 57 protests were held in various cities, and after the purchase, 320 demonstrations took place in 208 of China's 287 prefectural cities (Wallace and Weiss 2015).

Although numerous anti-Japanese protests in China have occurred in recent memory, I focus on the 2005, 2010 and 2012 demonstrations because they represent the most recent and largest events in terms of the number of cities that participated.¹¹ Also, rather than focusing on only one nationwide wave of protests, I consider all three waves in order to provide a more comprehensive analysis of how the city governments that I focus on have responded to nationalist mobilization. Considering all three protest years also allows me to better account for endogeneity, as how local governments respond to one nationwide round of protests may affect the strength of their economic ties to Japan, which could influence their responses to future rounds of protests.

V. Variable Specification

Dependent Variable

To measure the dependent variable, the city governments' responses to anti-Japanese protests, I first determine whether protests occurred in each of the cities I examine. If they did not occur, I determine whether the city government blocked them preemptively, or whether local populations simply did not mobilize. Further, for those protest events that occurred, I determine whether local leaders attempted but failed to prevent them. I also consider the size and location of protests, the extent of damage to Japanese property, and the extent of police presence and intervention.

For protest data, I use Wallace and Weiss's dataset for the 2012 protests, which includes a tally, by city, of the anti-Japanese protests in August and September. I also make extensive use of relevant media reports and other secondary sources for descriptive information. Media reports constitute the main data source for the 2005 and 2010 protests, as no comprehensive attempts to track protests were made for those years.¹² While the news media may not report all protests that occurred, it is reasonable to assume that protests that escape the radar of the media, particularly media geared

¹⁰ The protests in August erupted after ten Japanese activists landed on the disputed islands. The August protests also took place as the Japanese central government was preparing to purchase the islands from their private owner, which, according to the Noda administration, was meant to preempt rightwing Tokyo Governor Ishihara from purchasing them instead (*Reuters* 2012a).

¹¹ Weiss (2014) provides a list of all major anti-foreign mobilization attempts. As this list reveals, anti-Japanese demonstrations also occurred in: September and November 1985, September 1997, August 2001, November 2003, and March, April and August 2004.

¹² The most complete listing of protest events available is provided by Weiss (2014: 249-258).

toward Japanese audiences, are unlikely to be significant in terms of their ability to affect the concerns and fears of Japanese firms. When protests do not occur, in order to verify whether mobilization attempts were made, I also refer to Chinese blogs and online bulletin board posts.

Independent Variables

The independent variable of interest is the strength of each city's economic ties to Japan. I measure this by calculating the contribution from inflows of Japanese FDI and exports to Japan as a percentage of the city's GDP.¹³ For data on FDI and exports, I use the City Government Statistical Yearbooks (*Tongji Nianjian*). As for trade dependency, I focus exclusively on exports to Japan because they are an important source of profit for growth-promoting firms, including city-level state-owned enterprises.¹⁴

To control for possible confounding variables, I use a statistical case selection method that pairs cities based on their similarities across the following variables: political and economic status, historical experience, GDP, GDP per capita, economic growth rate, population size, levels of unemployment, number of university students, and the presence/absence of "patriotic education bases."¹⁵ Ensuring that cities are comparable in terms of their political and economic status – namely, whether cities are designated as municipalities, sub-provincial cities, or prefectural-level cities – is important because cities that enjoy more political or economic autonomy may differ in their capacities and incentives to repress nationalist protests. Another important type of city includes those classified as Open Coastal Cities (OCC), which according to Chung are legally "empowered to implement a variety of preferential policies to promote foreign investment and trade" (Chung 2005, 111).¹⁶ For a map showing the location of OCCs, see Figure 1 in the appendix.

Controlling for cities' experiences during the First and Second Sino-Japanese Wars and under Japanese occupation are important because a plausible alternative explanation for the subnational variation in anti-Japanese protests is that it is determined by residual anti-Japanese sentiment

¹³ I look at the strength of economic ties in the year prior to the protests.

¹⁴ Although imports might also be an important contributor to the city's GDP, as some types of export-oriented manufacturing are also dependent on Japanese inputs, Chinese trade statistics do not specify the proportion of imports that are used for domestic consumption versus manufacturing.

¹⁵ See below for an explanation of "patriotic education bases."

¹⁶ Fourteen cities – including municipalities, sub-provincial and prefecture level cities – enjoy OCC designation.

stemming from varying historical experiences with Japan.¹⁷ Additionally, I follow Wallace and Weiss (2015) in using the presence or absence of “patriotic education bases” (*aiguo jiaoyu jidi*), or the museums, historical sites and monuments that students visit as part of the CCP’s effort to teach school children about its role in resisting foreign aggression.¹⁸ According to He (2007, 57), China’s patriotic education campaign singles out the Second Sino-Japanese War (1937-1945) “as the most important military and political conflict in Chinese history.”

The economic and demographic characteristics of each of the cities also bear consideration. The GDP of a city could affect the capacity of local governments to prevent and control protests. GDP per capita, on the other hand, could influence the capacity of protesters to mobilize, as levels of wealth could affect the degree to which local populations have access to the Internet and other tools that are key to organizing protest movements. The rate of economic growth in these cities may be correlated with levels of grievances that populations may have toward their local governments, which could influence both their desire to air their grievances under the guise of nationalist protests, as well as the calculations of local leaders regarding the potential costs and benefits of allowing protests. I also consider the population size of each city, as the probability of a protest occurring increases with the number of people residing in any given locality (Wallace and Weiss 2015). Levels of unemployment and the numbers of university students are important variables to control because they represent proxies for “biographically available” populations, or those subgroups that tend to be most able and willing to participate in protest activities (Wallace and Weiss 2015). Finally, the number of migrant workers, unemployed college graduates, and ethnic minorities are also likely to influence anti-foreign protest participation rates.¹⁹ Because I do not have this data for all of my observation years, I do not incorporate these variables into the statistical matching process. I do, however,

¹⁷ I use data collected by Wallace and Weiss (2015) and follow their coding of this variable. This variable measures whether the entire city came under Japanese occupation, rather than only certain areas.

¹⁸ A listing of Patriotic Education Bases is available at:
<http://cpc.people.com.cn/GB/64176/64180/8287041.html>.

¹⁹ There may be a higher probability of nationalist protests in cities with greater numbers of migrants because they may be more likely to use such protests as opportunities to vent their supposedly more acute socio-economic grievances (Wallace and Weiss 2016, 410).¹⁹ Higher numbers of ethnic minorities, on the other hand, may make protests less likely because “leaders in areas with large minority populations may be wary of allowing protests of any kind” (*ibid.*, 407). The number of unemployed college graduates, many of whom comprise China’s “angry youth” (*fen qing*), may also have a dampening effect on the likelihood of nationalist protests, reflecting concerns about social stability (*ibid.*, 422).

address these factors when discussing the specific case selection criteria for each of my pairs of cases.

VI. Case Selection

In order to select cities that are in fact “most-similar,” I use a statistical matching method based on Mahalanobis distances.²⁰ Unfortunately, not all cities provide data on their trade and investment ties to foreign countries. As such, I select most-similar cases from a relatively small sample of 15 municipalities, sub-provincial cities, and “open coastal cities” that publish the necessary economic data.²¹ Because I select my pairs of cases from among cities that are relatively more economically autonomous and internationally oriented, my sample of cases is likely to be biased to the extent that leaders of these cities may be more reluctant than their more inland counterparts to tolerate and condone anti-Japanese protests. The strength of foreign economic ties in particular might make leaders of these cities comparatively more reluctant to permit nationalist protests. Nevertheless, in light of these concerns about selection bias, there remains considerable within-set variation in local government responses to nationalist protests.

The Mahalanobis matching yielded Dalian and Qingdao as the best matched pair. My second pair of cases, Shanghai and Guangzhou, ranks third in terms of best-matched *unique* cases (out of a total of 105 possible combinations). I opted against using the second ranked pair, Shanghai and Changchun, because of the lack of protest event data available for Changchun.²² Before conducting the case studies, I explain and justify why Dalian and Qingdao, and Shanghai and Guangzhou are appropriate choices for controlled comparisons. For an index of the strength of each city’s economic ties to Japan and for complete matching results, see tables 1 and 2 in the appendix.

VII. Protests in Qingdao, None in Dalian

In Dalian, which has strong economic ties to Japan, no anti-Japanese street demonstrations occurred in any of the protest years, whereas large and destructive

²⁰ Mahalanobis matching allows me to identify pairs of cases that are most closely matched on the covariates discussed in the following section, while also maximizing the variance of the treatment variable (Nielsen 2014), or the strength of each city’s economic ties to Japan.

²¹ I discarded from my sample those cities that did not publish data on foreign economic ties. My sample includes all four Chinese municipalities, 11 out of 15 of the sub-provincial cities (it excludes Chengdu, Jinan, Nanjing, Shenyang, Wuhan, and Xiamen), and 8 out of 14 “open coastal cities” (it excludes Qinhuangdao, Yantai, Lianyungang, Wenzhou, Zhanjiang, and Beihai).

²² Protests occurred in Changchun in 2005, 2010, and 2012 (Weiss 2014, *Associated Press* 2010; *Bloomberg* 2012). There is not enough available detail, however, to make inferences about the government’s response during each wave of demonstrations.

demonstrations were held in 2012 in Qingdao, which has comparatively weaker economic ties to Japan. However, anti-Japanese protests occurred in Qingdao in 2012 but not in prior years, suggesting the importance of other political factors, such as the capacity of the local leadership to respond effectively to the outbreak of protests. Before elaborating on my findings, I first establish that Dalian and Qingdao are comparable and appropriate selections for a “most-similar” case design.

The table below provides a summary of city government responses to protest events:

Year	Dalian	Qingdao
2005	None	Permitted small petition signing event
2010	None	None
2012	None	Permitted large and destructive protests

A. Case Selection Criteria

Dalian and Qingdao are similar across many covariates, allowing me to more confidently attribute differences in how each city responded to anti-Japanese protests to the varying strength of their economic ties to Japan. In all years preceding protests, the two cities were similar in terms of economic performance. According to Chung, the “pace of economic growth in both cities has been so fast that they have constituted the “dragon head” (*longtou*) as well as “development corridor” for Shandong and Liaoning, respectively” (Chung 2005, 106). Dalian and Qingdao are also similar in terms of population, unemployment rates, and numbers of university students. Their comparability across these socio-economic variables is summarized in Table 3 in the appendix.

Dalian and Qingdao, both in northern China, were also subjected to first European and then Japanese occupation. Dalian’s experience under Japanese civilian rule tends to be viewed in a comparatively positive light, particularly by older residents, and is often likened to that of Taiwan.²³ Although the Japanese occupation of Qingdao following World War I helped to inspire the nationalist, anti-imperialist May Fourth Movement, Qingdao fared better under Japanese occupation than other cities in northern China that were subjected to military invasion and conquest. Indeed, Japanese occupation in both Dalian and Qingdao is not associated with historically salient atrocities, like the lethal human experimentation in Harbin, or the large-scale production (and subsequent abandonment) of chemical weapons in Qiqihar. Japanese rule had a significant economic impact on these cities, in which the Japanese colonizers invested heavily and used as key trading ports. Thus,

²³ Author’s interview with scholar in Dalian, China, June 6, 2016.

given their broadly similar historical experiences under Japanese occupation, there should be comparable historically-rooted incentives for local populations to mobilize against Japan.

Dalian and Qingdao are also port cities and engage extensively in foreign commerce. In 1984 the central government made both cities OCCs and also gave them “Central Economic City” designation, allotting them “a wide range of economic decision-making power formerly reserved only for provincial-level authorities” (Chung 2005, 112). This decision-making power gives Dalian and Qingdao officials greater leeway in approving and negotiating foreign investment projects. Furthermore, there is also a Japanese diplomatic presence in both cities, giving the Japanese government comparable access to local officials.²⁴

Dalian and Qingdao differ along the key independent variable of interest: the strength of their economic ties to Japan (see table 4 in the appendix). Dalian is highly dependent on Japan as an economic partner, with Japanese firms contributing an average of 13.6% to the city’s GDP in the years 2004, 2009, and 2011, years that proceeded nationwide anti-Japanese protests. In each of these years, Japan was Dalian’s largest destination for exports, with roughly a third of the city’s exports going to Japan in 2009 and 2011, and nearly one fourth in 2004. Japan was also among Dalian’s top three sources of FDI. While Qingdao also has extensive economic linkages to Tokyo, its economy is relatively less dependent on Japan. Exports to and FDI from Japan contributed an average of 8.56% to Qingdao’s GDP. Although Qingdao ranks third in terms of the strength of economic ties among the 15 cities in my case selection sample, in light of their many historical, political and geographic similarities, the difference in economic dependency between Qingdao and Dalian is nevertheless significant. Moreover, given that both cities received comparable amounts of *total* FDI, at least in 2004 and 2012, comparing the two cities allows me to better isolate the role of *Japanese* FDI. The difference between the strength of each city’s economic ties to Japan is made even clearer when considering current firm-level data. There are a total of 146 registered Japanese enterprises in Dalian that employ a reported number of 39,478 people. In Qingdao, there are currently 77 Japanese firms currently registered that employ a reported number of only 3,992 people.²⁵

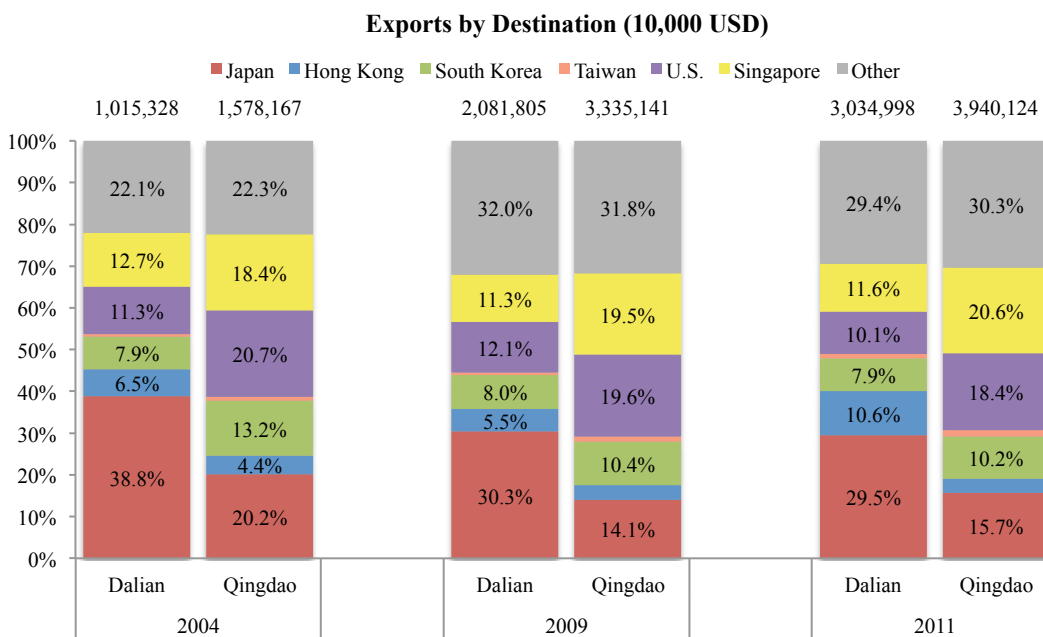
Whereas Japan is Dalian’s most important economic partner, Qingdao is heavily dependent on South Korea. Although Dalian began to court Japanese businesses in the 1980s, the city’s

²⁴ In Qingdao, there is a Japanese consulate, and in Dalian, there is a liaison office of the consulate in Shenyang.

²⁵ For firm-level data, I used the OneSource database. Employee numbers, however, must be interpreted with caution, as many firms do not report this information. Moreover, because this database provides the most current information but does not include any dates, I am unable to tell when the Japanese firms established their presence in China. Thus, I do not use this data when conducting statistical matching. I last accessed this database in March 2015.

economic ties to Japan flourished under the watch of Bo Xilai, who was mayor of the city from 1993 to 2000 (Chung 2005, 9). According to a local scholar and former city government official under Bo, the former mayor was “personally dedicated to attracting Japanese companies.”²⁶ Bo used the city’s special economic privileges and historic ties to Japan, including its large number of Japanese language speakers, to convince Japanese firms, particularly in the lucrative information technology sector, to do business in Dalian (*The Economist* 2013). Meanwhile, as Dalian and Japan forged close economic ties, Qingdao was “left out in the cold” until Yu Zhengsheng, mayor from 1987 to 1997, established strong economic relations with South Korea, allowing the city to achieve relative economic parity with Dalian (Chung 2005, 9).

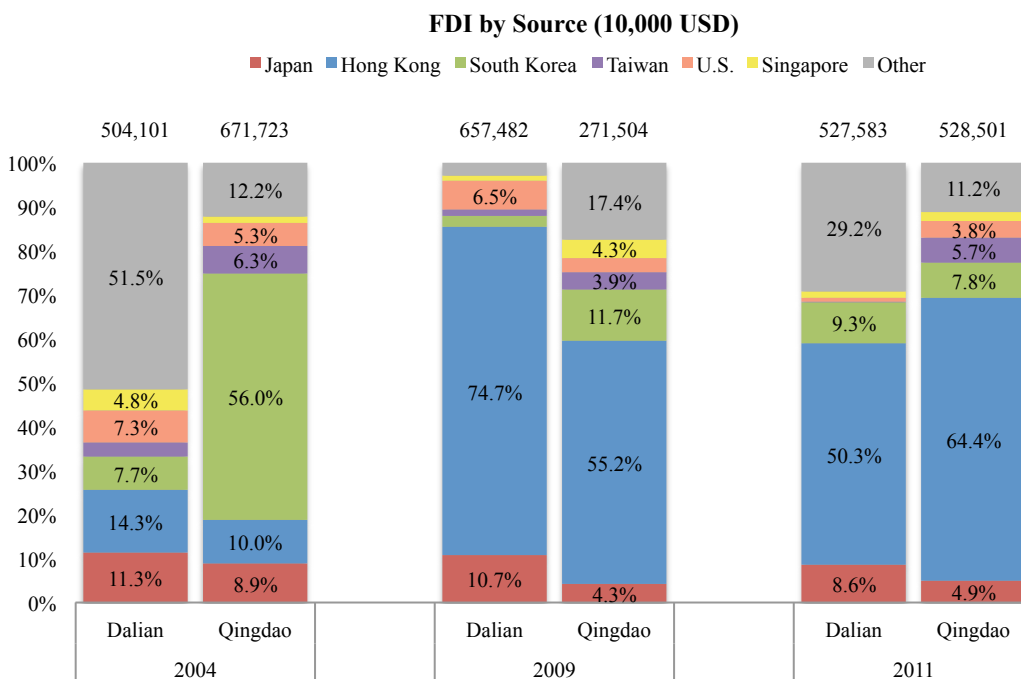
Figure 1: Exports from Dalian and Qingdao by destination country:²⁷



²⁶ Author’s interview with scholar in Dalian, China, June 6, 2016.

²⁷ Economic data for Figures 1-4 were taken from the relevant City Government Statistical Yearbooks (*Tongji Nianjian*), made available by the China National Knowledge Infrastructure.

Figure 2: FDI inflows to Dalian and Qingdao by source country:²⁸



B. Dalian

Chinese, Japanese, and other international media sources reported no anti-Japanese protests in 2005, 2010, and 2012. Even if there were protests in Dalian, that they did not attract media attention indicates that they were, if anything, small, not disruptive, and located away from areas heavily populated by Japanese expatriates and business establishments. The only indication I found that protests may have occurred was in Vekasi (2014, 98), who writes that demonstrations in 2005 and 2010 “occurred on university campuses, but did not affect the city center as they did in other municipalities.” She notes that they were “largely invisible to the Japanese business community.” However, there are no media reports that verify that protests were held on university campuses. Indeed, as one news source reported in 2005, “Dalian’s streets were free of anti-Japanese protests earlier this year over Tokyo’s alleged white-washing of the country’s World War II crimes” (*The Straits Times* 2005). Representatives of Japanese firms who were in Dalian in 2005 and 2010 reportedly learned of bilateral tensions from the Japanese media rather than from personal experience (Vekasi 2014, 98). The local state-run media did not report on national-level political disputes. In

²⁸ Hong Kong’s contribution as a source of FDI appears overwhelming because many foreign enterprises use Hong Kong as a base for investing in Mainland China due to its more stable investment environment and transparent legal system. (*Santander Trade Portal* 2015).

April 2005, as anti-Japanese protests were held across the country, the official *Dalian Daily* refrained from publishing articles that portrayed Japan in a negative light.²⁹ Similarly, in 2010, the *Dalian Daily* refrained from covering the dispute over Japan's arrest of the Chinese fishing trawler captain. On September 15, as the Chinese fishing trawler remained in Japanese custody, Dalian media instead focused on the Dalian delegation to Tokyo, where the city mayor held a roundtable event with Japanese Diet members and business leaders (*Dalian Ribao* 2010).³⁰

Amidst the 2012 wave of nationalist protests, Dalian once again remained quiet. However, a Japanese consular official in Dalian noted that local officials, "taking a hint from the central government," abruptly canceled cultural activities.³¹ Nevertheless, the local official media refrained from covering Japan's nationalization of the disputed Senkaku/Diaoyu Islands.³² In the Japanese media, Dalian received coverage for its notable *absence* of protests. The *Asahi Shimbun*, for example, reported that local authorities focused on "banning participating in demonstrations or proposing anti-Japanese actions." It also cited an instructor at Liaoning Normal University, located in Dalian, as saying that officials "in charge of daily life guidance" ordered students not to participate in anti-Japanese activities outside of campus (*Asahi Shimbun* 2012c).

In the aftermath of large-scale and often destructive protests in other cities, the *Nikkei Weekly* highlighted Dalian as emblematic of a city in which local commercial relations with Japan remained insulated from political disputes at the national level. The paper quoted a representative of Dalian Software Park, a government-owned but privately-run establishment, as saying: "We want to convey the message that even when anti-Japan rallies were staged across China, the business of the Japanese companies here was not interrupted" (*Nikkei Weekly* 2012c). One fourth of the 400 companies based at the park are Japanese, and 80% of the firms there "are companies that do business directed toward Japan" (*Ibid*). The *Japan Times* ran a similar story, noting that as protests erupted throughout the

²⁹ No articles published by the *Dalian Daily* in April 2005 even mentioned the terms "Yasukuni" or "Koizumi." On the other hand, in the same month, the national *People's Daily* published 19 news articles mentioning "Yasukuni" and 18 mentioning "Koizumi." Given the context of nationwide anti-Japanese protests and following criticism of Japan by top Chinese leaders (*China Daily* 2005b), any articles with these terms can be assumed to portray Japan in a negative light.

³⁰ Similarly, no articles published by the *Dalian Daily* in September or October contained the phrase "Diaoyu Islands" (Diaoyu dao), and no articles contained both the words "Japan" and "fishing captain" (*yuchuan chuanzhang*). In contrast, 13 articles with the words "Diaoyu Islands" and four articles with the words "Japan" and "fishing captain" were published by the *People's Daily* during these two months.

³¹ Author interview with Japanese government official, Dalian, June 7, 2016.

³² The one news article published by the *Dalian Daily* during August and September 2012 that contained the words "Diaoyu Islands" (*Diaoyu Dao*) was in reference to a fisheries company bearing that name. In contrast, the *People's Daily* published 40 news articles containing these terms.

country, Dalian, “set by the sea and interlaced with green hills and public squares, remained calm” (*Japan Times* 2013). Indeed, in addition to trade, the city is host to many of Japan’s flagship companies, including Canon, Toshiba, Mitsubishi, and Panasonic.

Economic ties to Japan remained strong as city leaders made sure to preserve an amenable business environment in the midst of nationwide anti-Japanese protests. In this time period, Dalian also experienced rapid economic growth. Xia Deren, who was mayor from 2003 to 2009, was promoted to the position of Dalian Party Secretary before becoming the Deputy Party Secretary of Liaoning Province in 2012.³³ Xia’s promotion to Party Secretary indicates that he continued to influence the city’s policy toward Japan even after Li Wancai took over as mayor in 2010. Thus, the lack of anti-Japan protests under the administration of Li may in part be due to Xia’s continued influence. However, as Wallace and Weiss (2015) suggest, less established leaders are also less likely to permit anti-Japanese demonstrations, which may further explain the lack of demonstrations in 2010 and 2012 under the fairly new leadership of Li.

Other plausible explanations should also be considered. For example, perhaps Dalian city leaders were simply more concerned about social stability than their counterparts in Qingdao. At the time of the 2010 census, a larger proportion of Dalian’s population was comprised of ethnic minorities and unemployed college graduates.³⁴ However, ethnic relations in Dalian between the majority Han and the largest minority groups, which include ethnic Koreans, Mongolians and Manchus, have been peaceful in comparison to cities in China’s more restive western region. The city’s larger proportion of unemployed college graduates, however, may indeed have contributed to the government’s reluctance to permit anti-Japanese protests, but is likely to be correlated with their desire to maintain good relations with an important foreign economic partner and employer.

Another explanation for the lack of anti-Japanese protests in Dalian is that leaders are averse to any form of anti-foreign demonstrations. This argument, however, does not hold given that in 1999, Dalian was among the many cities that participated in nationwide anti-American demonstrations following the bombing of the Chinese embassy in Belgrade by the U.S., a relatively unimportant economic partner (*Los Angeles Times* 1999). Alternatively, Dalian boasts a large population of Japanese expatriates and many people there speak Japanese;³⁵ thus, the close personal

³³ Information on leaders’ career trajectories comes from the ChinaVitae database, available at: <http://chinavitae.com/index.php>.

³⁴ In Dalian, unemployed college graduates made up 1.215 % of the population, but only .658% in Qingdao. Ethnic minorities comprised 5.85% of Dalian’s population, but only .88% of Qingdao’s.

³⁵ In 2010, 6,151 Japanese nationals were living in Dalian, which ranked no. 28 in terms of worldwide cities with the largest number of Japanese nationals. In contrast, 2,499 Japanese nationals

ties and cultural affinities of the local population to the Japanese community may make them less likely to organize and participate in anti-Japanese protests. However, the absence of protests cannot entirely be attributed to a lack of grassroots mobilization because, even though anti-Japanese sentiment may be less pronounced in Dalian than in other cities, according to media accounts discussed in this section, city leaders were proactive in preempting protests. As a Dalian academic recounted, while protests erupted in other cities, Dalian police “were on the streets making sure that nobody would organize any demonstrations.”³⁶ This suggests that city officials viewed grassroots anti-Japanese mobilization as a real possibility. Another alternative explanation for the lack of protests in 2012, in particular, is that local officials feared that protests would spiral out of control, particularly in light of recent, large environmental protests against a chemical plant. Indeed, other cities in which large environmental protests occurred earlier that year, such as Shifang and Qidong, also did not participate in the wave of anti-Japanese protests (*South China Morning Post* 2012c). However, recent environmental or other protests cannot explain the lack of anti-Japanese demonstrations in 2005 and 2010. Finally, the argument can be made that officials repressed protests in 2012 due to fears of rekindling the popularity of the then-recently purged Bo Xilai, who was a popular mayor of the city in the 1990s. However, protests were allowed in Chongqing, where Bo had been serving as municipal governor and had arguably been just as popular.

C. Qingdao

Whereas Dalian remained quiet in all protest years, large, destructive protests occurred in Qingdao in 2012. In previous years, however, anti-Japanese mobilization was limited, with no major protests having taken place. In April 2005, netizens organized a nationalist event outside of a Japanese department store, where they collected signatures in opposition to Japan’s bid for a UN Security Council seat. Pictures of the event show organizers holding large banners with anti-Japanese slogans (*Aiguozhe Tongmeng Wang* 2005).³⁷ The event seems to have been orderly, even with what appears to have been minimal police presence. From a total of roughly 20 pictures, only two police officers are shown, with one smiling as he used a digital camera to snap a picture of the banners (*ibid.*). The demonstration, which did not receive media attention, stood in sharp contrast to the

were living in Qingdao, which ranked no. 43 (*Ministry of Foreign Affairs of Japan* 2011). Japanese media estimates that more than 100,000 people in Dalian are fluent Japanese speakers (*Nikkei Asian Review* 2014).

³⁶ Author’s interview with scholar in Dalian, China, June 6, 2016.

³⁷ Pictures were provided by Jessica Weiss. Although the blog post from April 2005 is still available (as of March 2015), the pictures no longer load.

massive, violent protests that had erupted in Beijing, Shanghai and Chengdu.³⁸

There were no reported anti-Japanese protests in Qingdao in 2010. However, there is no evidence of either attempts to mobilize or efforts by the local government to prevent protests. The local state-run newspaper did, however, refrain from calling attention to the dispute with Japan over the arrest of the Chinese fishing trawler captain.³⁹ Yet it should be noted that only few cities held anti-Japanese demonstrations in September 2010. The city government in Beijing, reflecting the preferences of the center, took measures to curb calls for large-scale protests planned for the September 18 anniversary of the Mukden Incident (Weiss 2014b). This sent a negative signal to city governments, raising the costs of permitting protests. The second bout of protests that occurred in October tended to be concentrated in second and third-tier cities further inland that typically have weaker economic ties to Japan and foreign countries more generally.

In August and September 2012, four protest events occurred in Qingdao, with those that were held in September involving substantial damage to Japanese establishments, marking a dramatic break from previous protest years. *Nikkei Weekly* reported that on September 15, more than 3,000 protestors took to the streets in Qingdao's Huangdao district, where about 50 Japanese businesses operate (*Nikkei Weekly* 2012b). A senior Japanese consular officer, however, estimated that the number of protesters was closer to 10,000. He described the protesters as "well-prepared," noting that they had hired buses and circulated maps detailing the locations of Japanese warehouses and stores.⁴⁰ Another Japanese official recounted that in the city-proper, several hundred anti-Japanese demonstrators organized a "very orderly, not destructive" march from Wusi Square to the Japanese-owned Aeon department store located across from the consulate.⁴¹

Japanese media reported that "rampaging demonstrators had smashed equipment" inside an Aeon department store (most likely in the Huangdao district), and described the store as having been "ravaged," with "[b]roken glass strewn everywhere." The president of Aeon said that the damages exceeded \$31.64 million (*Nikkei Weekly* 2012a). Also on that day, demonstrators torched a Panasonic electronics parts factory and damaged the plant's front gate and security office (*Nikkei Weekly* 2012b). Then on September 19, protestors also vandalized a Mitsumi Electric Co. factory, which

³⁸ The *Qingdao Daily* (*Qingdao Ribao*) also did not publish any articles in April 2005 on the ongoing dispute with Japan. No articles in that month contained the terms "Koizumi" or "Yasukuni." See footnote 30 for a comparison to the *People's Daily*.

³⁹ The *Qingdao Daily* did not publish any articles in September or October containing the words "Diaoyu Islands" or "Japan" and "fishing captain." See footnote 31 for a comparison to the *People's Daily*.

⁴⁰ Author interview with Japanese government official (#1), Qingdao, May 31, 2016.

⁴¹ Author interview with Japanese government official (#2), Qingdao, May 31, 2016.

makes parts for Nintendo. *Nikkei* reported that almost “all the front windows of the building’s ground floor through third floor had been destroyed” (*ibid.*). According to the Japanese Consulate-General in Qingdao, 15 Japanese firms suffered damage to their property. Although the Consulate-General filed a complaint against the provincial and city governments, “there was no let up in vandalism and arson” (*ibid.*).

Following the protests, the Chinese state media reported that the city government “beefed up security in the Japanese consulate, Japanese-funded stores and other Japan-related institutions. It has rolled out measures to ensure the safety of 805 Japanese companies and 3,500 Japanese nationals living in Qingdao” (*China Daily* 2012b). Local state-run media also reported on the protests, expressing criticism of both Japan’s “illegal nationalization” of the islands, as well as protesters who had threatened public safety (*Qingdao Ribao* 2012a; *Qingdao Ribao* 2012b).⁴² Even if local officials generally disapproved of the destructive protests and took measures to protect Japanese businesses afterwards, as the accounts by the Chinese media suggest, local authorities do not appear to have taken efforts to prevent protests. Although police were deployed, they nevertheless stood back as demonstrators inflicted significant damage to Japanese establishments. In the aftermath of the protests, the Japanese consulate said that the city government agreed to punish those who had damaged Japanese property, but declined to offer financial compensation, blaming the ordeal on Japan’s purchase of the Senkaku/Diaoyu islands. The city government also declined to apologize for the destruction and did not convey expressions of regret until 2014.⁴³

Why did city officials permit such destructive anti-Japanese protests in 2012, but not in prior years? As the economic dependency indicators suggest, it is possible that in 2005, Qingdao authorities valued economic ties to Japan more than they did in 2012, which could have led them to take greater efforts to prevent protests. This rationale does not hold for 2010, however, as the city received less FDI from Japan than it did in 2012. However, it seems reasonable to expect that in 2010, as Chinese cities dependent on foreign commerce were managing the fallout of the global financial crisis, city leaders would take greater caution to avoid further losses of foreign capital flows. Other variables in addition to economic interests may also have influenced the political risk of tolerating and repressing protests, and thus may be driving the temporal variation of protests in

⁴² In August and September 2012, the local *Qingdao Daily* refrained from covering the dispute with Japan over the Senkaku/Diaoyu Islands. Indeed, only two articles were published that contained the words “Diaoyu Islands,” both of which simultaneously criticized Japan and protesters who had committed vandalism. Thus, the Qingdao local government, despite adopting a permissive attitude prior to and during the protests, appears not to have deliberately incited nationalist sentiment by calling further attention to the dispute with Japan.

⁴³ Author interview with Japanese government official (#1), Qingdao, May 31, 2016.

Qingdao. For example, as noted above, in 2010, the central government signaled its disapproval of anti-Japanese protests, thereby elevating the risk to local leaders of permitting protests.

Qingdao's leadership profile offers some insight that might explain the sharp discontinuity with regard to how protests were handled in 2012. The mayor of Qingdao from 2003 until December 2011 was Xia Geng, under whose leadership anti-Japanese activities were small and peaceful. In January 2012, Zhang Xinqi took over the post of mayor from Xia. In November 2013, an oil pipeline explosion in the city killed 63 people, the result of a safety oversight for which Zhang received "administrative demerits" (*Sina* 2014). The 2013 pipeline explosion suggests that even if Zhang and other city officials desired to protect Japanese businesses from nationalist demonstrators in 2012, they may have lacked the leadership capacity to do so. Indeed, Japanese consular officials noted the inexperience of local government officials and police in the recently opened Huangdao District.⁴⁴

VIII. Efforts to Control Protests in Shanghai, Destructive Protests in Guangzhou

Although large anti-Japanese protests occurred in both Shanghai and Guangzhou in 2005 and 2012, there is variation with regard to how local government officials responded to the demonstrations. In 2005, authorities in Shanghai, which has strong economic ties to Japan, took highly visible measures to discourage participation in demonstrations, whereas officials in Guangzhou, which has weaker economic ties to Japan, did not make such attempts.⁴⁵ Although the 2005 protests in Shanghai involved rioting and vandalism of Japanese property, local authorities immediately sought to reassure the Japanese business community. They also made sure that subsequent anti-Japanese demonstrations did not escalate to similar levels of destruction and violence. In 2012, for example, the different responses by the two city governments led to considerable variation in the nature of anti-Japanese protests, with Japanese government and private property incurring damages in Guangzhou but not in Shanghai.

⁴⁴ Author interview with Japanese government official (#1), Qingdao, May 31, 2016.

⁴⁵ If Guangzhou officials took similar measures, their efforts were not made public.

The table below summarizes the protest events in each city:

Year	Shanghai	Guangzhou
2005	Permitted large and destructive protest in April; repressed protests in May	Permitted small protest in March; permitted large and destructive protest in April; repressed protests in May
2010	Shut down small protest	None
2012	Permitted large protests, but prevented them from becoming destructive	Permitted large and destructive protests

A. Case Selection Criteria

Shanghai and Guangzhou are broadly comparable across many political, historical, and socio-economic variables, and display considerable variance in the strength of their economic relations to Japan (see table 5 in the appendix). Although Shanghai is one of China's four municipalities, while Guangzhou is a sub-provincial city, both are designated as Open Coastal Cities, giving city leaders greater leeway in terms of setting the course of their localities' foreign commercial relations. These cities, both of which are major international commercial hubs, also host Japanese consulates, thus allowing the Japanese government similar levels of access to Chinese officials in both cities.

In Shanghai and Guangzhou, anti-Japanese sentiment also has similar roots. Shanghai was the site of one of the first battles in the Second Sino-Japanese War, during which entire neighborhoods were razed as a result of indiscriminate bombings, fires and shelling (Henriot and Yeh 2004, 1). The city fell to the Japanese in November 1937. Beginning in mid-1937, Guangzhou was similarly subjected to Japanese air raids that indiscriminately hit residences and schools, killing thousands of civilians and causing a mass exodus to refugees and expatriates to Hong Kong. The city fell to the Imperial Japanese Army in October 1938 (Peattie, Drea, and Ven 2011, 213). In addition to their similar wartime experiences, the two cities are also the contemporary sites of Patriotic Education Bases, indicating comparable exposure to state-led nationalism.

Finally, Shanghai and Guangzhou are also similar in terms of socio-economic characteristics that could influence the likelihood of grassroots anti-Japanese demonstrations as well as the capacity and willingness of city governments to repress or control them. For example, the two cities have similar per capita GDPs, economic growth rates, and numbers of university students. There are substantial differences, however, in that Shanghai has a much larger economy, with an average GDP of \$208 billion (for the years 2004, 2009 and 2011), compared to Guangzhou's average GDP of \$130

billion. Shanghai also has a larger average population of 18.7 million, compared to 7.8 million in Guangzhou. Thus, while Shanghai's larger economy may make it easier for the city government to repress and control protests, its larger population also increases the probability of protests. This is also compounded by Shanghai's higher average rate of unemployment. However, according to the 2010 census, compared to Guangzhou, unemployed college graduates made up a slightly lesser proportion of Shanghai's population.⁴⁶ In combination with Guangzhou's marginally larger proportion of ethnic minorities, these factors may make Guangzhou authorities less likely to permit potentially destabilizing nationalist demonstrations (Wallace and Weiss 2015).

These differences are, however, outweighed by the substantial difference in the key independent variable of interest: the strength of economic ties to Japan. On average, 9.91 % of Shanghai's GDP is based on exports to and FDI from Japan, making it the second most dependent city on Japan in my sample. On the other hand, only an average of 2.13% of Guangzhou's GDP comes from economic linkages to Japan, ranking 11th among the cities in my sample. The difference in each city's economic dependence on Japan is also reflected by firm-level data. In Shanghai, there are 1,148 registered Japanese businesses that employ a reported total of 139,501 people.⁴⁷ In Guangzhou, there are only 197 registered Japanese businesses that employ 36,785 people. Thus, although Shanghai and Guangzhou exhibit greater differences than Dalian and Qingdao with respect to the control variables, there is also greater variance in the "treatment" variable (the strength of economic ties to Japan).

⁴⁶ According to the 2010 census, unemployed college graduates made up 0.687 % of Shanghai's population and 0.951% of Guangzhou's population. Ethnic minorities comprised a population share of 1.2 % in Shanghai and 1.68% in Guangzhou. Both cities host large numbers of migrant workers, which make up 39% of Shanghai's population and 42.66% of Guangzhou's.

⁴⁷ Further, in 2010, 50,289 Japanese nationals were living in Shanghai. Shanghai is ranked first among worldwide cities with the most overseas Japanese nationals. Guangzhou is not included among the top 50 cities (*Ministry of Foreign Affairs of Japan* 2011).

Figure 8: Exports from Shanghai and Guangzhou by destination country:

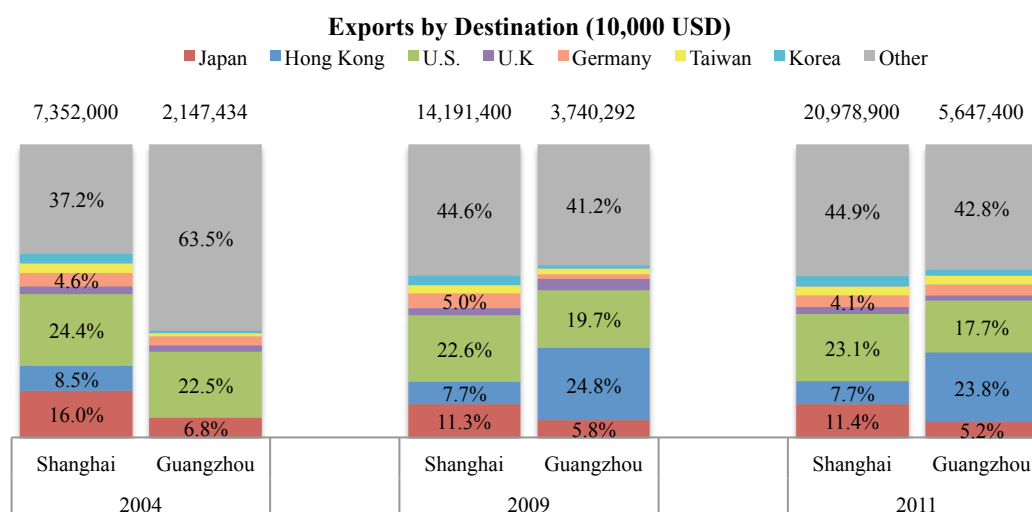
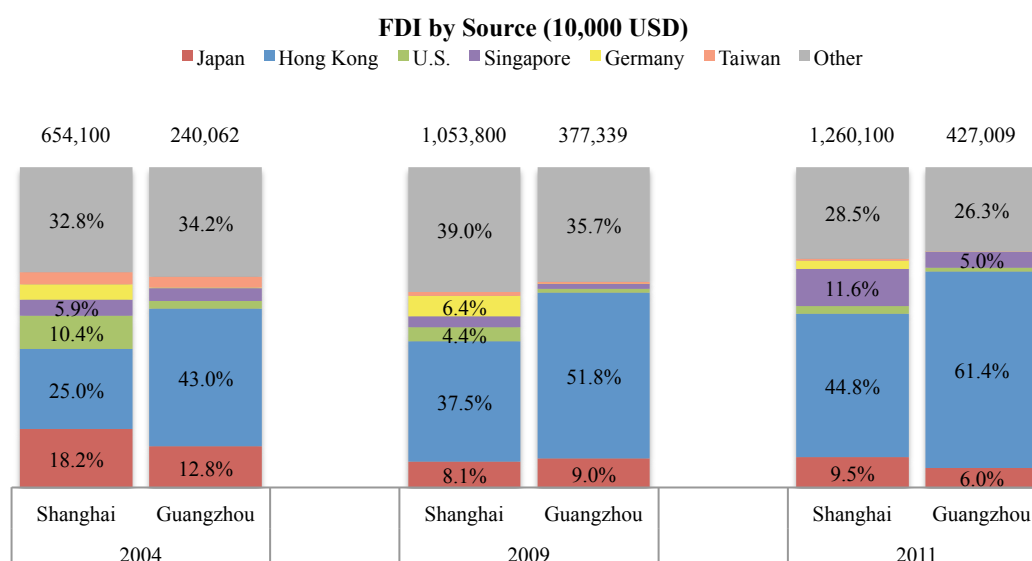


Figure 9: FDI inflows to Shanghai and Guangzhou by source country:



B. Shanghai

Protests were held in Shanghai in 2005, 2010, and 2012, with demonstrations escalating to levels of violence only in April 2005. On April 16, 2005, massive protests erupted, with an estimated 20,000 demonstrators taking part (*The Guardian* 2005). On that morning, several hundred protesters gathered at People's Square, located in the center of the city, from where they began a march through the city that ended at the Japanese Consulate (*CBS News* 2005). Crowds swelled as the march proceeded, with participants smashing Japanese-made automobiles and hurling objects at Japanese business establishments (*Financial Times* 2005a). Rioters on Hushanguan Road even reportedly

threw a bicycle through the window of a Japanese restaurant (*The Guardian* 2005). The crowd that gathered outside of the Japanese Consulate threw eggs, rocks, and paint bombs at the building, breaking nine windows and leaving black stains on the building's walls (*Kyodo News* 2005b; *The Guardian* 2005). According to the Japanese Consulate General, a total of 16 shops and restaurants, including some run by Chinese citizens, incurred damages (*Yomiuri Shimbun* 2005c).

What role, if any, did the Shanghai municipal government play in attempting to repress protests? As calls for anti-Japanese marches in Shanghai for April 16 spread via text messages and nationalist websites, the municipal government spokesperson, Jiao Yang, said that the city had not approved the protests and would guarantee the protection of Japanese nationals and firms. Yang, stressing that protests required city government approval, stated at a press conference: "We haven't received any applications for protests on Saturday, but one thing is for sure: we're not going to give it the green light if there's such a request" (*State Council Information Office* 2005). Japanese media also reported that the city government had "rejected a request by a protest group" to hold demonstrations on April 16 (*Nihon Keizai Shimbun* 2005b), thus suggesting that the city government at the very least did not encourage protests. Japanese media reported on Yang's remarks and noted the reassuring effect it had on the Japanese expatriate community (*Yomiuri Shimbun* 2005b).

As it became clear that protest organizers planned to hold the April 16 demonstrations even without government authorization, the city government "took a number of preventive measures to mitigate the risk that protests would get out of control," according to Weiss (2014, 144). For example, the Shanghai government reportedly sent out a text message urging residents to remain calm and warning them against participating in illegal demonstrations (*South China Morning Post* 2005). Some local universities also announced that they would hold classes on Saturday, April 16, in order to prevent students from participating in demonstrations (*Financial Times* 2005a). The Shanghai Public Security Bureau also used its website to respond to public inquiries about the planned protests, uniformly declaring them to be "pure rumor" (Weiss 2014, 148). Furthermore, local authorities kept a watchful eye on particular nationalist activists, and on the day of the protests even sent plainclothes police to shadow an activist who had participated in previous anti-Japanese demonstrations (*ibid.*). On the eve of the protests, local television urged residents to stay at home, and when protests erupted, the city government blocked local media coverage of the demonstrations and asked newsroom employees to avoid attending the protests (*Kyodo* 2005).

Yet despite these preventive measures, on the day of the protests, Shanghai officials appeared to do little to prevent demonstrations from swelling and turning violent. Although city authorities deployed roughly 2,000 police officers to guard the Japanese consulate (*Yomiuri Shimbun* 2005a),

they looked on as demonstrators vandalized the building, merely “appeal[ing] for calm using loud-hailers” (*BBC* 2005a). According to Japanese media, protesters broke the first line of uniformed officers surrounding the compound “in a matter of minutes” (*Yomiuri Shimbun* 2005b). Furthermore, police patrolling the city “guided demonstrators to the district where the Japanese Consulate General is located,” and even held signs “showing directions to the consulate” (*ibid.*). Although international media interpreted the behavior of the Shanghai police as evidence that the government “actively encouraged” the demonstrations, given the government’s previous attempts to prevent (or at least avoid rousing) protests, it seems that municipal officials sought to stage manage protests once they had occurred in an effort to maintain some measure of control. Police forces, however, while not engaging the crowd, were also not entirely passive. For example, riot police constructed “human walls” to divide the crowds into smaller, more manageable groups, and also attempted, although not always successfully, to block protesters seeking to reach the consulate (Tam 2005).

Nevertheless, Shanghai’s failure to prevent protests from becoming destructive, despite being fully aware of grassroots plans to mobilize, appear puzzling given its considerable economic dependence on Japan. In addition to protests lodged by the Japanese government, the Japanese media reflected anger and regret, declaring that the protests had “left a deep scar in most Japanese people’s perception of Shanghai as a developed, international city” (*Yomiuri Shimbun* 2005b).

Subsequent actions taken by the Shanghai government are indicative of efforts to contain the backlash from the Japanese business community, and also seem to suggest that officials recognized that they had handled the situation poorly. For instance, in the days following the demonstration, Shanghai authorities offered to compensate the Japanese restaurants and shops that had incurred damages, a proposal that was confirmed by the Japanese Consulate General (*Yomiuri Shimbun* 2005c). According to the vice director of the Shanghai Foreign Investment Commission, city officials also visited over 200 Japanese businesses to reassure them of Shanghai’s safety and stability (*Kyodo News* 2005b). These efforts to mend ties and reassure Japanese firms and members of the expatriate community contrasted sharply with the stance taken by central government authorities in Beijing, who adamantly rejected Japan’s demands for an apology. Shanghai officials also took measures to effectively prevent new demonstrations, stationing riot police and closing streets near the Japanese Consulate on the sensitive May 4 anniversary date⁴⁸ and then again in October, when Japanese Prime Minister Koizumi visited the controversial Yasukuni Shrine (*Nikkei Weekly* 2005; *BBC* 2005b).

In contrast to the Shanghai government’s lax response to anti-Japanese mobilization in 2005,

⁴⁸ May 4 is the anniversary of the first nationalist protest movement in Chinese history, which occurred in 1919 after Western powers gave Germany’s former Chinese colonial possessions to Japan at the Versailles Peace Conference.

in September 2010, the municipality promptly shut down nationalist demonstrations that arose in response to Japan's arrest of a Chinese fishing trawler captain. On the September 18 anniversary of Japan's 1931 invasion of Manchuria, a crowd of about 20 activists gathered outside of the Japanese Consulate in Shanghai, demanding the release of the fishing captain. According to international and Hong Kong media reports, several demonstrators were arrested as more than two hundred police "swarmed the streets" around the consulate (*Agence France Presse* 2010; *South China Morning Post* 2010). Police also reportedly parked a large bus between the protesters and the gate of the consulate, obstructing their line of sight (*South China Morning Post* 2010). Although the violent and unwieldy protests in 2005 and the backlash it caused in Japan may have contributed to the municipality's cautious approach, it should also be noted that large-scale protests were prevented in all major cities. In those localities where protests did occur on September 18 – such as Beijing, Tianjin, Shenyang, Chongqing and Shenzhen – local police forces regulated and contained demonstrations, ensuring that they would not metastasize or turn violent (Weiss 2014, 257).

Shanghai participated in nationwide anti-Japanese protests in August and September 2012.⁴⁹ Although demonstrators in Shanghai numbered in the thousands, protests were relatively peaceful, contrasting sharply with violent protests in many other cities, including Guangzhou, Beijing, Shenzhen, Xi'an and Qingdao. The first round of peaceful protests in Shanghai were held on August 19, following the celebrated landing of Hong Kong activists on the disputed Senkaku/Diaoyu Islands (Weiss 2014, 201).⁵⁰ According to Japanese media, about 50 protesters gathered outside of the Japanese Consulate, where they sang the national anthem and burned a makeshift Japanese flag (*Asahi Shimbun* 2012a). As protests were held in several other cities the following weekend, including in Shijiazhuang (Hebei province), Dongguan (Guangdong) and nearby Shaoxing (Zhejiang), Shanghai remained quiet (Wallace and Weiss 2015).

Following the Japanese central government's nationalization of the Senkaku/Diaoyu Islands on September 11, three protest events took place in Shanghai on September 15, 16 and 18 (*ibid.*). As destructive protests erupted in many other cities, in Shanghai, Western media reported that "police allowed only small groups of protesters to approach the Japanese consulate" (*BBC* 2012). Protests

⁴⁹ Official local media also covered Japan's nationalization of the Senkaku/Diaoyu Islands, indicating that local officials did not avoid taking a stance in opposition to Japan. In August and September 2012, the local *Jiefang Daily*, for example, published 18 articles that mentioned the "Diaoyu Islands," many of which expressed disapproval of Japan's "illegal nationalization" of the islands. This was, however, less than half the number of news articles on the topic published by the national *People's Daily*.

⁵⁰ The landing of Hong Kong activists on the islands was in protest of rightwing Tokyo governor Shintaro Ishihara's highly publicized plans to purchase the islands from their private owner.

were held again on September 16 outside of the Japanese consulate in Shanghai, drawing a crowd of around 4,000 participants that, according to Japanese media, “remained peaceful under the eye of Chinese security forces” (*Nikkei* 2012). Japanese restaurants and businesses operated normally and did not report any damages (*ibid*). Protests took place in a similar fashion on September 18. Photos published by western media show protesters marching and waving Chinese flags, as well as paramilitary forces in Shanghai moving barricades to block the consulate and standing guard in front of a Japanese restaurant (*Reuters* 2012b).

Although Chinese state media typically provides only limited, if any, coverage of nationalist protests, the Shanghai demonstrations received uncharacteristically extensive domestic media attention, arguably because they offered a sharp counterpoint to the riots and vandalism that had been the subject of much international news coverage. For example, the *Global Times*, a Party-affiliated tabloid, reported that Shanghai police secured the areas surrounding the Japanese consulate, where the large Japanese expatriate community is based, and blockaded the diplomatic compound (*Global Times* 2012). As protesters congregated, police divided demonstrators into small groups, which they then escorted into the blockaded zone, which was “lined with dozens of armed riot police carrying batons and shields.” In order to enter the blockaded zone, groups had to register with police and provide their identification and contact information. Police also used bullhorns to announce the following: “You should be careful not to throw anything toward the consulate building. You are not allowed to burn anything. You will be given about 10 minutes to express your feelings in front of the Japanese consulate” (*ibid*). The heavy-handed role of the Shanghai police marked a sharp departure from their handling of the 2005 demonstrations, and stood in contrast to the lax approach taken by police in other cities.

In all three protest periods, Shanghai was under the leadership of mayor Han Zheng, who served from 2003 to December 2012, before being promoted to the position of Party Secretary of Shanghai, the municipality’s highest political office. While the difference in responses to protests in 2005 and 2012 cannot be attributed to changes in the city’s leadership, it is possible that the Han administration learned from the 2005 protests, adjusting its strategy for handling subsequent protests.

C. Guangzhou

Large and destructive anti-Japanese protests were held in 2005 and 2012. In late March 2005, citizens in Guangzhou participated in a street petition drive to collect signatures in opposition to Japan’s UNSC bid. According to Chinese media, more than 10,000 people in Guangzhou signed an oversized red banner bearing an anti-Japanese slogan (*China Daily* 2005a). On Sunday, April 10, an

estimated 20,000 anti-Japanese demonstrators took to the streets in Guangzhou. The focal point of the protests was the Garden Hotel, which houses the Japanese Consulate General and a Japanese commercial complex (*Nihon Keizai Shimbun* 2005a). According to reports, demonstrators, who were largely college students, chanted anti-Japan slogans and tore down Japanese billboards and advertisements, forcing the complex to close down for the day (*ibid.*). Protesters hurled plastic bottles, breaking the windowpanes of a Japanese restaurant in the hotel (*Kyodo News* 2005a). Acts of vandalism happened in other areas of the city, with demonstrators gathering outside of a separate Japanese restaurant, throwing eggs and vandalizing a car parked nearby (*Kyodo News* 2005a).

There is little evidence to suggest that Guangzhou authorities sought to prevent the April 10 protests. The city did, however, take precautions, deploying about 1,000 police officers to guard the consulate, according to consular officials (*Kyodo News* 2005a). Although police blocked demonstrators from entering the consulate, they did not appear to prevent demonstrators from committing acts of vandalism. There are also no reports in the Japanese, Western or Chinese media of efforts made by Guangzhou authorities to take preemptive measures to reassure Japanese firms or to discourage grassroots participation in protests. Further, there are no such reports indicating that city authorities sought to make amends with the Japanese diplomatic or business community in the aftermath of the protests and vandalism. However, when a crowd of about 100 anti-Japanese demonstrators began to gather again on April 16, Guangzhou police “quickly moved to disperse the crowd” (*Kyodo* 2005). Similarly, on the sensitive May 4 anniversary date, Guangzhou authorities deployed several hundred police officers to the Japanese consulate in an effort to forestall new attempts to mobilize (*Yomiuri Shimbun* 2005d).

As for the 2010 wave of protests, there are no media reports, in either the Chinese or international press, of protests having occurred in September or October. In September, however, an anti-Japanese protester, apparently acting alone, threw a beer bottle at the Japanese consulate. He was promptly arrested by police (*Nanyang* 2010). There is no evidence of efforts to mobilize on bulletin boards and other online platforms, although posts may have since been removed or deleted. Indeed, it is unclear whether the absence of protests in Guangzhou was due to a lack of grassroots efforts to mobilize or to efforts by city leaders to actively repress protests. However, Guangzhou city leaders had strong political incentives to prevent protests, as the city was preparing to host in November the 2010 Asian Games, a regional sporting event held every four years. In the lead up to the games, a Japanese Foreign Ministry official expressed concern about anti-Japanese sentiment in Guangzhou and urged Japanese athletes to “refrain from saying things that may be interpreted as provocative” (*Kyodo* 2010). Japanese media also reported measures taken by Guangzhou authorities

to prevent nationalist riots, such as those that occurred in Beijing in 2004 after Japan beat China in a soccer match (*BBC* 2004). Precautionary measures taken by Guangzhou organizers included plans to segregate Japanese and Chinese fans (*Kyodo* 2010).

Whereas Guangzhou was relatively quiet in 2010, it participated in nationwide protest events held in August and September 2012. Protests held at the Japanese consulate in Guangzhou on August 19 were small and took the form of a “loud sit-in” (*CNN* 2012). The roughly 100 demonstrators who gathered outside of the consulate, which was guarded by police, chanted anti-Japanese slogans and burned Japanese flags (*Sina* 2012). According to Wallace and Weiss (2015), protests occurred on September 16 and 18. On Sunday, September 16, about 10,000 demonstrators gathered outside of the Garden Hotel, where the Japanese consulate is housed. Some protesters broke into the lobby and smashed the windows of a Japanese restaurant there, while others climbed onto the rooftop of the hotel’s entryway, waving national flags and singing the national anthem (*South China Morning Post* 2012b). Throughout the day, several Japanese restaurants and stores were vandalized and looted (*ibid.*). Few details of the protests on September 18, the sensitive anniversary of Japan’s invasion of Manchuria, are available in the international or domestic press, indicating that demonstrations are likely to have been smaller. Photos published by Western media sources show demonstrators burning the Japanese flag in the presence of riot police (*Reuters* 2012b).

While there is little indication that Guangzhou authorities took measures to either prevent or curtail the escalation of the September 16 protests, Guangzhou city leaders took precautions by ensuring a strong police presence. On September 16, when protests were at their largest and most violent, armed police surrounded the Japanese consulate. However, although police subsequently detained a dozen demonstrators responsible for acts of vandalism, police forces generally adopted a lenient attitude (*South China Morning Post* 2012b). For example, at noon, they used loudspeakers to ask the demonstrators to leave, but did not move to disperse the crowd, which lingered until late that night (*ibid.*). Moreover, they did not stop protesters from vandalizing Japanese property. The local official paper also did not publish any news articles criticizing the destructive behavior of protesters, as official newspapers in other localities had done.⁵¹

The lax manner in which Guangzhou authorities responded to large and destructive protests in both 2005 and 2012 cannot be attributed simply to the preferences of a single administration, as the city’s leadership changed three times during that period. During the 2005 protests, Zhang

⁵¹ However, the local paper, the *Guangzhou Daily*, did publish two articles containing the terms “Diaoyu Islands” in August and September 2012. The first, published in August, criticized rightwing political forces in Japan, and the second was mentioned in the context of a feature on China’s aircraft carrier (*Guangzhou Ribao* 2012a; *Guangzhou Ribao* 2012b).

Guangning was the mayor. Although he was appointed Party Secretary of Guangzhou in early April 2010, allowing him to maintain an influence over the city's governance, he vacated that position in late 2011, before the 2012 anti-Japanese protests. Zhang's successor as mayor in 2010 was Wan Qingliang. Although Wallace and Weiss (2015) suggest that less established leaders are less likely to permit anti-Japanese protests due to the risk that they undermine stability, large and destructive protests occurred in 2012 under the watch of the recently appointed Chen Jianhua. Chen became mayor at the end of 2011, following Wan's promotion to Party Secretary of Guangzhou. Although Guangzhou's three mayors, at least in the period examined, have had mixed career paths,⁵² both Zhang and Wan were each promoted to the position of Party Secretary immediately following their stint as mayor. Zhang's promotion in particular shows that the decision to allow anti-Japanese protests, and the failure to prevent them from becoming violent, had little impact on his career.

IX. Conclusion: Foreign Economic Ties and Nationalist Protests

As the above cases demonstrate, strong economic ties to Japan led city leaders to take measures to prevent anti-Japanese mobilization in Dalian, but not in Shanghai. Indeed, the strength of a city's economic ties to Japan cannot accurately predict whether or not it will participate in nationwide waves of anti-Japanese street demonstrations. Rather, the strength of a city's economic ties to Japan is a more reliable predictor of the actions that city leaders take before, during, and after anti-foreign protests. For example, even with respect to the destructive 2005 protests in Shanghai, local authorities took proactive and highly visible measures to discourage mobilization attempts and to reassure the Japanese business community. Moreover, Shanghai authorities exhibited a willingness to learn from their failure in 2005 to prevent acts of vandalism, as indicated by the successful curtailment and management of protests in 2010 and 2012, respectively.

The evidence provided in this paper supports the claim that leaders of cities that had comparatively weaker economic ties to Japan were less likely to take measures to prevent or contain destructive anti-Japanese protests. However, these findings nevertheless appear puzzling when considering that these cities – Qingdao and Guangzhou – have strong commercial linkages to other foreign actors. Due to their extensive foreign economic ties, these cities arguably have incentives to cultivate a reputation for being able to provide a stable environment for international firms

⁵² Zhang Guangning was appointed head of the nation's second largest state-owned steel firm. It is not clear whether this appointment can be considered a promotion, or simply an attempt to relocate Zhang following rumors that he was being investigated for budgetary issues related to the Asia Games (*China Daily* 2012a; *South China Morning Post* 2012a). Wan Qingliang, who served as Party Secretary of Guangzhou after Zhang, was dismissed from his post in June 2014 on charges of graft (*Xinhua* 2014).

irrespective of nationality. While the scale of destruction and rioting in Qingdao and Guangzhou appears to have been confined to areas away from foreign, non-Japanese business establishments, the decision to allow nationalist protests to escalate is arguably more costly for local authorities in internationally oriented cities than for their counterparts in cities that are not highly dependent on foreign commerce. With the exception of Dalian and Shanghai, the more general willingness of China's most open and international cities to permit anti-foreign demonstrations suggests that there are clear limitations to the ability of foreign economic ties to overcome nationalism and other countervailing forces that inevitably make international cooperation more difficult.

Economic relations between China and Japan in the first decade of the 21st century were remarkably robust and have remained on a fairly positive trajectory even when diplomatic relations have suffered. Extant international relations theories cannot adequately explain this empirical puzzle. However, by pointing to the agency of actors at the subnational level, particularly leaders of major Chinese cities, this paper provides one plausible explanation for the "hot economics, cold politics" dynamic that is often used to describe Sino-Japanese relations. That is, in cities that depend heavily on Japan for economic growth, local leaders will take certain measures, such as banning or controlling anti-Japanese protests, to shield the business environment from nationally salient and potentially disruptive political and historical disputes. The efforts of key domestic actors have helped to ensure that economic relations, in aggregate, have remained strong, perhaps contributing to the misguided belief that for China and Japan, economics and politics are separate matters. As the findings of this paper suggest, high levels of economic interdependence may give rise to conditions of moral hazard, prompting state leaders to take for granted the robustness of commercial ties in key localities and engage in risky foreign policy behavior vis-à-vis an important foreign economic partner.

Given what appears to be the high concentration of commercial ties to Japan in certain localities, Chinese leaders at the national level may very well have grown accustomed to outsourcing the maintenance of bilateral economic interests to subnational actors. However, the danger of doing so became clear in 2012, when large-scale anti-Japanese protests visibly hurt the bilateral economic relationship, with trade and investment still struggling to recover (*Nikkei* 2015). The 2012 protests, which coincided with increasing production costs in China, suggests that if the economic ties that bind the leaders of Chinese cities to Japanese businesses become weaker, city leaders will have less incentives to prevent or control nationalist protests. The weakening of economic incentives that could potentially constrain key city governments from tolerating and inflaming expressions of nationalist anger certainly does not bode well for bilateral relations.

Bibliography

- Busse, Matthias, and Carsten Hefeker. 2007. "Political Risk, Institutions and Foreign Direct Investment." *European Journal of Political Economy* 23 (2): 397–415.
doi:10.1016/j.ejpoleco.2006.02.003.
- Cai, Yongshun. 2008. "Local Governments and the Suppression of Popular Resistance in China." *The China Quarterly*, no. 193 (March): 24–42.
- Chen, Ye, Hongbin Li, and Li-An Zhou. 2005. "Relative Performance Evaluation and the Turnover of Provincial Leaders in China." *Economics Letters* 88 (3): 421–25.
- Chung, Jae Ho. 2005. *Cities in Post-Mao China: Recipes for Economic Development in the Reform Era*. Routledge.
- Chung, Jae Ho, and Tao-chiu Lam. 2009. *China's Local Administration: Traditions and Changes in the Sub-National Hierarchy*. Routledge.
- Davis, Christina L., and Sophie Meunier. 2011. "Business as Usual? Economic Responses to Political Tensions." *American Journal of Political Science* 55 (3): 628–46.
- Department of Commerce of Shandong Province. "Qingdao."
<http://english.shandongbusiness.gov.cn/public/area/qingdao/>.
- Doyle, Michael W. 1986. "Liberalism and World Politics." *American Political Science Review* 80 (04): 1151–69.
- "Duiwai Jingji Maoyi - Explanatory Notes on Main Statistical Indicators." 2012. In *Tianjin Tongji Nianjian*.
- George, Alexander L., and Andrew Bennett. 2005. *Case Studies and Theory Development in the Social Sciences*. MIT Press.
- Gilley, Bruce. 1998. *Tiger on the Brink: Jiang Zemin and China's New Elite*. University of California Press.
- Govella, Kristi, and Sara Newland. 2010. "Hot Economics, Cold Politics? Reexamining Economic Linkages and Political Tensions in Sino-Japanese Relations." *Working Paper*.
- Gowa, Joanne. 1995. *Allies, Adversaries, and International Trade*. Princeton University Press.
- Greenhill, Kelly. 2011. *Weapons of Mass Migration: Forced Displacement, Coercion, and Foreign Policy*. Cornell University Press.
- Han, Sun Sheng, and Zhongxiong Yan. 1999. "China's Coastal Cities: Development, Planning and Challenges." *Habitat International* 23 (2): 217–29.
- Henriot, Christian, and Wen-hsin Yeh. 2004. *In the Shadow of the Rising Sun: Shanghai Under Japanese Occupation*. Cambridge University Press.

- He, Yinan. 2007. "Remembering and Forgetting the War: Elite Mythmaking, Mass Reaction, and Sino-Japanese Relations, 1950–2006." *History & Memory* 19 (2): 43–74.
- . 2008. "Ripe for Cooperation or Rivalry? Commerce, Realpolitik, and War Memory in Contemporary Sino-Japanese Relations." *Asian Security* 4 (2): 162–97.
- Jain, Purnendra. 2006. *Japan's Subnational Governments in International Affairs*. Routledge.
- Joseph, William A. 2010. *Politics in China: An Introduction*. Oxford University Press.
- Kastner, Scott L. 2009. *Political Conflict and Economic Interdependence Across the Taiwan Strait and Beyond*. Stanford University Press Stanford, CA.
- Keohane, Robert O., and Joseph S. Nye. 1977. "Power and Interdependence: World Politics in Transition (Boston, MA: Little, Brown)."
- Keohane, Robert O., and Joseph S. Nye. 1977. "Power and Interdependence: World Politics in Transition (Boston, MA: Little, Brown)."
- Lam, Willy. 2012. "Communist Youth League Clique Maintains Clout Despite Congress Setback." *China Brief* 12 (23).
http://www.jamestown.org/programs/chinabrief/single/?tx_ttnews%5Btt_news%5D=40180&cHash=ae4741b42ed16ce3577005f05cb3e1e7#.VvmEDRIrLdc.
- Landry, Pierre. 2008. *Decentralized Authoritarianism in China: The Communist Party's Control of Local Elites in the Post-Mao Era*. Cambridge University Press.
- Mastanduno, Michael. 1991. "Do Relative Gains Matter?: America's Response to Japanese Industrial Policy." *International Security* 16 (1): 73–113.
- Mearsheimer, John J. 2001. *The Tragedy of Great Power Politics*. WW Norton & Company.
- Ministry of Foreign Affairs of Japan. 2011. "Kai Gaige Zai Ryuuru Hou Jinnin Suushusu Chou Sa Tou Keikai (Annual Report of Statistics on Japanese Nationals Overseas)," October 1.
<http://www.mofa.go.jp/mofaj/toko/tokei/hojin/11/pdfs/1.pdf>.
- Nielsen, Richard. 2014. "Case Selection via Matching." *Sociological Methods and Research*, 1–29.
- Norris, William J. 2016. *Chinese Economic Statecraft: Commercial Actors, Grand Strategy, and State Control*. Ithaca, NY: Cornell University Press.
- Oneal, John R., Frances H. Oneal, Zeev Maoz, and Bruce Russett. 1996. "The Liberal Peace: Interdependence, Democracy, and International Conflict, 1950-85." *Journal of Peace Research* 33 (1): 11–28.
- Papayoanou, Paul A. 1997. "Economic Interdependence and the Balance of Power." *International Studies Quarterly* 41 (1): 113–40.
- Peattie, Mark R., Edward J. Drea, and Hans J. Van de Ven. 2011. *The Battle for China: Essays on the Military History of the Sino-Japanese War of 1937-1945*. Stanford University Press.

- Polachek, Solomon William. 1980. "Conflict and Trade." *Journal of Conflict Resolution* 24 (1): 55–78.
- Rosecrance, Richard N. 1986. *The Rise of the Trading State: Commerce and Conquest in the Modern World*. Vol. 386. Basic Books New York.
- Samuels, Richard J. 1983. *The Politics of Regional Policy in Japan: Localities Incorporated?* Princeton University Press.
- Santander Trade Portal*. 2015. "China: Foreign Investment," December.
<https://en.santandertrade.com/establish-overseas/china/foreign-investment>.
- Schell, Orville. 1999. "The Jiang Zemin Mystery." *ChinaFile*. September 23.
<https://www.chinafile.com/library/nyrb-china-archive/jiang-zemin-mystery>.
- Shih, Victor, Christopher Adolph, and Mingxing Liu. 2012. "Getting Ahead in the Communist Party: Explaining the Advancement of Central Committee Members in China." *American Political Science Review* 106 (01): 166–87.
- Shirk, Susan L. 1993. *The Political Logic of Economic Reform in China*. University of California Press.
- Tam, Yue-him. 2005. "Who Engineered the Anti-Japanese Protests in 2005?" *Macalester International* 18.
<http://digitalcommons.macalester.edu/cgi/viewcontent.cgi?article=1352&context=macintl>.
- The State Council Information Office of the People's Republic of China*. 2005. "Shanghai Shi Zhengfu Xinwen Fabuhui Shilu (2005nian 4yue 13ri)," April 13.
<http://www.scio.gov.cn/xwfbh/gssxwfbh/xwfbh/shanghai/Document/320804/320804.htm>.
- Vekasi, Kristin. 2014. "China's Political Rise and Japan's Economic Risk: Multinational Corporations and Political Uncertainty." Doctor of Philosophy Dissertation, University of Wisconsin-Madison.
- Wallace, Jeremy, and Jessica Chen Weiss. 2015. "The Political Geography of Nationalist Protest in China: Cities and the 2012 Anti-Japanese Demonstrations." *China Quarterly* 222.
- Wang, Yuhua. 2014. *Tying the Autocrat's Hands*. Cambridge University Press.
- Weiss, Jessica Chen. 2014a. *Powerful Patriots: Nationalist Protest in China's Foreign Relations*. Oxford University Press.
- Whiting, Susan H. 2006. *Power and Wealth in Rural China: The Political Economy of Institutional Change*. Cambridge University Press.
- Yongshun Cai. 2008. "Local Governments and the Suppression of Popular Resistance in China." *The China Quarterly*, no. 193 (March): 24–42.

Zhang, Ketian. 2015. "'Patriots' with Different Characteristics: Deconstructing the Chinese Anti-Japan Protests in 2012." *MIT Political Science Department Research Paper No. 2015-18*, September. http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2655750.

Zuo, Cai Vera. 2015. "Promoting City Leaders: The Structure of Political Incentives in China." *The China Quarterly* 224: 955–84.

Media Sources

Agence France Presse. 2010. "Anti-Japan Protesters Rally in China over Boat Row," September 18.

Aiguoze Tongmeng Wang. 2005a. "Qingming Jie Shandong Wangyou Xiangyue Zai Jinan He Qingdao Jinxing Fandui Riben 'Changren' Qitu Qianming Huodong," March 29. <http://www.1931-918.com/forum.php?mod=viewthread&tid=169782&extra=page%3D1>.
———. 2005b. "Qingdao 4 Yue 2 Ri Huodong Zhaopian," April 2.

Asahi Shimbun. 2012a. "Chinese Nationalists Burn Japanese Flag, Police Limit Damage," August 20. http://ajw.asahi.com/article/special/isles_dispute/AJ201208200091.
———. 2012b. "Police Had Hands Full Controlling Protesters in Shenzhen," September 17. http://ajw.asahi.com/article/special/isles_dispute/AJ201209170067.
———. 2012c. "Dalian Shielded from Anti-Japan Protests Common across China," September 24. <http://ajw.asahi.com/article/asia/china/AJ201209240006>.
———. 2012d. "China Protests Cost Japan Companies 10 Billion Yen," November 13. <http://ajw.asahi.com/article/asia/china/AJ201211130087>.

Associated Press. 2010. "Chinese Hold Anti-Japan Protests over Boat Dispute," September 18. http://archive.boston.com/news/world/asia/articles/2010/09/18/chinese_hold_anti_japan_protests_over_boat_dispute/.

BBC. 2004. "Chinese Riot after Japan Victory," August 7. <http://news.bbc.co.uk/2/hi/asia-pacific/3541380.stm>.
———. 2005a. "Thousands Join Anti-Japan Protest," April 16.
———. 2005b. "China's Shanghai Government Urges People Not to Join Anti-Japan Rallies," October 24.
———. 2012. "Anti-Japan Protests Hit China Cities amid Island Row," September 15. <http://www.bbc.com/news/world-asia-china-19609945>.

Bloomberg. 2012. "Panasonic, Toyota Report Damages in China as Protests Widen," September 16. <http://www.bloomberg.com/news/articles/2012-09-16/panasonic-plant-in-china-on-fire-as-anti-japan-protests-escalate>.

CBS News. 2005. "Anti-Japan Rampage In Shanghai," April 16. <http://www.cbsnews.com/news/anti-japan-rampage-in-shanghai/>.

China Daily. 2005a. "Millions Click 'No' to Japan's UNSC Bid," March 30. http://www.chinadaily.com.cn/english/doc/2005-03/30/content_429243.htm.
———. 2005b. "Japan Told to Face up to History, Reflect on Protests," April 13. http://www.chinadaily.com.cn/english/doc/2005-04/13/content_433651.htm.

- . 2012a. “Official Rumored to Have Committed Suicide Appears,” August 30.
http://usa.chinadaily.com.cn/china/2012-08/30/content_15721943.htm.
- . 2012b. “Move to Curb Violence in Anti-Japan Protests,” September 18.
http://www.chinadaily.com.cn/china/2012Diaoyu/2012-09/18/content_15764118.htm.
- . 2014. “Report Identifies Sources of Mass Protests,” March 9.
http://www.chinadaily.com.cn/china/2014-04/09/content_17415767.htm.
- CNN. 2012. “Anti-Japan Protests Erupt in China amid Island Dispute,” August 20.
<http://www.cnn.com/2012/08/19/world/asia/japan-china-island-dispute/>.
- Dalian Ribao*. 2005. “Woshi Chengwei Zhongguo Zuida Nuanqi Zhongyang Kongtiao Shengchan Jidi,” April 27.
- . 2010. “Woshi Zai Dongjing Juxing Rongyu Gongmin Ji Laopengyou Kentanhui,” September 15.
- Financial Times*. 2005a. “Anti-Japan Protests in China Appear to Slip from Government’s Control,” April 17.
- . 2005b. “Shanghai Police Detain 42 after Anti-Japan Rally,” April 27.
- . 2012. “S Korean Companies Doing Well from Anti-Japan Sentiment in China – for Now,” October 8.
- Forbes*. 2013. “Forbes China’s 2012 Best Cities for Business List,” January 13.
<http://www.forbes.com/sites/russellflannery/2013/01/13/forbes-chinas-2012-best-cities-for-business-list-full-list/#3e31340463f2>.
- Global Times*. 2012. “Thousands Protest against Japan,” September 16.
<http://www.globaltimes.cn/content/733487.shtml>.
- Guangzhou Ribao*. 2012a. “Zhoubian Waijiao Simianchuge Jingyi Riben Ji Youyi,” August 18.
- . 2012b. “Zhongguo Youle ‘Daguo Haijun’ Liqi,” September 26.
- Japan Times*. 2013. “Dalian’s Japan Ties Kept Riots at Bay,” January 16.
<http://www.japantimes.co.jp/news/2013/01/16/national/politics-diplomacy/dalians-japan-ties-kept-riots-at-bay/>.
- Kyodo*. 2005. “Demonstrators Break Windows at Japan Consulate in Shanghai,” April 16.
- . 2010. “Asian Games: Anti-Japan Protests Overshadow China’s Big Showcase Event,” November 7.
- Kyodo News*. 2005a. “Massive Anti-Japan Protests Spread to Guangzhou, Shenzhen,” April 10.
- . 2005b. “Japanese Business in Shanghai Gingerly Resumes after Protests,” December 19.
- Los Angeles Times*. 1999. “Chinese Attack U.S. Missions as Protests Intensify,” May 10.
<http://articles.latimes.com/1999/may/10/news/mn-35705/2>.
- Nanyang*. 2010. “Fan Ri Chao Manyan Guangzhou Lingshiguan Zao Zhi Ping,” September 16.
- Nihon Keizai Shimbun*. 2005a. “Growing Anti-Japan Protests in China Fan Concerns of Boycotts,” April 11.
- . 2005b. “China Values Economic Ties with Japan, but Sticks to Hard Line,” April 12.

- Nikkei*. 2012. "Calm Pervades Shanghai under Watchful Eye of Chinese Govt," September 18.
 ———. 2015. "Still Declining: Japanese Investment in China Falls 16% in First Half," July 21.
<http://asia.nikkei.com/Politics-Economy/Economy/Japanese-investment-in-China-falls-16-in-first-half>.
- Nikkei Asian Review*. 2014. "Business Process Outsourcing Companies in China Struggle with Weak Yen, Soaring Wages," May 10. <http://asia.nikkei.com/Business/Trends/Business-process-outsourcing-companies-in-China-struggle-with-weak-yen-soaring-wages>.
- Nikkei Weekly*. 2005. "No Anti-Japan Portests Held in China on May 4 Tinderbox," May 9.
 ———. 2012a. "Japan Inc. Fears Senkaku Fallout," September 24.
 ———. 2012b. "Firms Begin Healing Process," October 1.
 ———. 2012c. "China IT Park Looking to Keep Japanese Firms," November 19.
- Qingdao Ribao*. 2012a. "Aiguo Reqing Yingdang Lixing Yifa Biaoda," September 17.
 ———. 2012b. "'Aiguo' Bushi Weihai Gonggong Anquande Jiekou," September 18.
- Renmin Ribao*. 2005. "Riben Zhengfu Yinggai Dancheng Chuli Lishi Wenti," April 4.
- Reuters*. 2012a. "Japan Says Disputed Islands Should Not Hurt Key China Ties," August 20.
<http://www.reuters.com/article/us-japan-china-idUSBRE87I00F20120820>.
 ———. 2012b. "Anti-Japan Protests Reignite across China on Occupation Anniversary," September 18.
<http://http://www.reuters.com/article/us-china-japan-idUSBRE88F00H20120918.sina.com/gb/chn/chnnews/ausdaily/20120819/16003688146.html>
 1.
 ———. 2014. "Two Years after Protests, 'China Risk' Still Haunts Japan Firms," September 11.
<http://www.reuters.com/article/japan-china-investment-idUSL3N0RB3NU20140911>.
- Sina*. 2012. "Lu Yu 20 Cheng Youxing Fan Ri: Guan Mei Xiang Ting," August 19.
<http://dailynews.sina.com/gb/chn/chnnews/ausdaily/20120819/16003688146.html>.
 ———. 2014. "Xiao Shengfeng Ren Dalian Shi Daili Shizhang; Li Wancai Cizhi," December 29.
<http://dailynews.sina.com/gb/chn/chnpolitics/xinhuanet/20141229/04326344524.html>.
 ———. 2014. "Zhongshihua Dongshizhang Fu Chengyu He Qingdaoshi Shizhang Zhang Xinqi Bei Chufen,"
 January 11. <http://news.sina.com.cn/c/2014-01-11/031029211664.shtml>.
- South China Morning Post*. 2005. "Shanghai Says It Will Not Approve Rallies," April 15.
 ———. 2010. "Police Snuff out Anti-Japan Protests," September 19.
 ———. 2012a. "Rumour-Plagued Zhang Guangning Gets Top Post with Steel Firm," September 13.
<http://www.scmp.com/news/china/article/1035301/rumour-plagued-zhang-guangning-gets-top-post-steel-firm>.
 ———. 2012b. "Anti-Japan Protests Turn Violent in Shenzhen, Guangzhou and Qingdao,"
 September 17.
 ———. 2012c. "Environmental Protests in China on Dramatic Rise, Expert Says," October 29.
<http://www.scmp.com/news/china/article/1072407/environmental-protests-china-rise-expert-says>.

- The Economist*. 2012. "Outrage, to a Point," September 17.
<http://www.economist.com/blogs/analects/2012/09/anti-japan-protests>.
- . 2013. "Bo Xilai's Japanese History," August 29.
<http://www.economist.com/blogs/analects/2013/08/fallen-leaders-legacy-dalian>.
- . 2014. "Why Hong Kong Remains Vital to China's Economy," September 30.
<http://www.economist.com/blogs/economist-explains/2014/09/economist-explains-22>.
- The Guardian*. 2005. "Violence Flares as the Chinese Rage at Japan," April 16.
- . 2012. "Japan's Beijing Embassy Beseiged by Chinese Crowd in Islands Dispute," September 16. <http://www.theguardian.com/world/2012/sep/16/japan-embassy-beseiged-chinese-crowd>.
- The Straits Times*. 2005. "Japan Finds a Frost-Free Welcome in China," November 21.
- Xinhua*. 2005. "Shangwubu Buzhang BO Xilai Jiu ZhongRi Jingmao Guanxi Da Jizhe Wen," April 22. http://news.xinhuanet.com/newscenter/2005-04/22/content_2865615.htm.
- . 2012. "Han Zheng Appointed Shanghai's Party Chief," November 20.
http://news.xinhuanet.com/english/china/2012-11/20/c_131987411.htm.
- . 2014. "Party Chief of Guangzhou City Dismissed for Graft Probe," June 30.
http://news.xinhuanet.com/english/china/2014-06/30/c_133448457.htm.
- Yomiuri Shimbun*. 2005a. "Consulate Officials Feared for Safety / Shanghai Police Said Ineffective as Protesters Hurl Rocks at Building," April 17.
- . 2005b. "Police Guided Protesters to Japanese Consulate," April 18.
- . 2005c. "Tang Criticizes Japan for 'Policy Change on China,'" April 19.
- . 2005d. "Police Quiet China Protesters," May 3.

Appendix

Figure 1: Map of Open Coastal Cities (Han and Yan 1999, 221)



Table 1: Strength of Economic Ties to Japan (for cities included in matching sample)

	City	AVG	2004	2009	2011
1	Dalian	13.56	19.79	10.57	10.33
2	Shanghai	9.91	14.05	7.42	8.26
3	Qingdao	8.64	13.44	6.42	6.07
4	Shenzhen	6.65	11.04	4.44	4.48
5	Hangzhou	5.53	9.48	3.56	3.52
6	Ningbo	5.23	7.11	4.52	4.05
7	Nantong	4.81	2.01	6.86	5.54
8	Tianjin	4.59	8.13	2.8	2.83
9	Beijing	2.5	3.45	1.63	2.41
10	Fuzhou	2.2	1.15	2.73	2.71
11	Guangzhou	2.13	3.19	1.57	1.61
12	Xi'an	1.16	1.83	.98	.68
13	Changchun	.76	1.39	.49	.41
14	Harbin	.46	.83	.25	.3
15	Chongqing	.4	.6	.27	.31

Percentage of GDP

Table 2: Mahalanobis Distances for Pairwise Matches⁵³

	distances	unit id 1	unit id 2	treat.variance
1	2.34	Dalian	Qingdao	12.10
2	12.24	Qingdao	Harbin	33.46
3	13.26	Dalian	Changchun	81.92
4	13.42	Qingdao	Fuzhou	20.74
5	13.78	Qingdao	Changchun	31.05
6	14.85	Qingdao	Beijing	18.85
7	16.02	Shanghai	Changchun	41.86
8	16.14	Qingdao	Guangzhou	21.19
9	16.77	Dalian	Fuzhou	64.52
10	17.11	Qingdao	Xi'an	27.98
11	18.17	Dalian	Xi'an	76.88
12	18.44	Dalian	Guangzhou	65.32
13	18.76	Dalian	Hangzhou	32.24
14	18.96	Dalian	Harbin	85.81
15	19.16	Qingdao	Chongqing	33.95
16	19.43	Shanghai	Guangzhou	30.26
17	19.48	Dalian	Nantong	38.28
18	20.44	Dalian	Chongqing	86.59
19	20.58	Shenzhen	Changchun	17.35
20	21.11	Dalian	Tianjin	40.23
21	21.43	Dalian	Ningbo	34.69
22	21.48	Nantong	Shanghai	13.01
23	21.83	Dalian	Beijing	61.16
24	21.89	Shanghai	Harbin	44.65
25	22.28	Shanghai	Chongqing	45.22
26	22.51	Shanghai	Xi'an	38.28
27	22.54	Shenzhen	Harbin	19.16
28	22.62	Dalian	Shenzhen	23.87
29	23.32	Shenzhen	Xi'an	15.07
30	23.90	Hangzhou	Chongqing	13.16
31	24.64	Shanghai	Fuzhou	29.72
32	25.56	Shanghai	Beijing	27.45
33	25.86	Hangzhou	Harbin	12.85
34	26.62	Shenzhen	Chongqing	19.53
35	26.74	Shanghai	Tianjin	14.15

Table 1: Most-Similar Matches

Treatment variable: Strength of economic ties to Japan: (exports to Japan + FDI from Japan) / GDP

Variables matched on: GDP, GDP per capita, economic growth rate, population size, unemployment rate, number of college students, OCC status, presence of Japanese consulate, presence of Patriotic Education Bases, full occupation by Japan

⁵³ I use the case.Match package in R developed by Richard Nielsen (2014).

Table 3 (Dalian and Qingdao): Accessing the similarities in socio-economic variables in the years prior to the 2012, 2010, and 2005 protests.⁵⁴

Year	Variable	Dalian	Qingdao
2004	GDP (100,000,000 USD)	229.29	268.12
2004	GDP per cap (USD)	4,087.14	3,536.47
2004	Economic growth rate	16.2	16.8
2004	Population (10,000)	278.09	258.4
2004	Unemployment rate	4.5	3.1
2004	Number of university students	174,673	201,739
2009	GDP (100,000,000 USD)	659.86	741.90
2009	GDP per cap (USD)	10,888.14	8,685.45
2009	Economic growth rate	15	12.2
2009	Population (10,000)	617	762.92
2009	Unemployment rate	2.8	2.81
2009	Number of university students	235,784	269,000
2010	Unemployed graduates (proportion of pop.)	1.22	.66
2010	Ethnic minorities (proportion of pop.)	5.85	.88
2010	Migrant workers (proportion of pop.)	24.62	20.58
2011	GDP (100,000,000 USD)	975.87	1,049.65
2011	GDP per cap (USD)	14,485.06	11,988.99
2011	Economic growth rate	13.5	11.7
2011	Population (10,000)	588.54	766.36
2011	Unemployment rate	2.89	2.95
2011	Number of university students	255,171	291,453

Table 4 (Dalian and Qingdao): Accessing the differences in economic dependency in the years prior to the 2012, 2010, and 2005 protests:

Year	Variable	Dalian	Qingdao
2004	Exports to Japan (10,000 USD)	393,753	318,478
2004	Exports to Japan (percent of GDP)	17.17	11.88
2004	FDI from Japan (10, 000 USD)	59,989	42,012
2004	FDI from Japan (percent of GDP)	2.62	1.57
2004	<i>Strength of Economic Ties to Japan</i>	19.79	14.05
2009	Exports to Japan (10,000 USD)	631,754	469,279
2009	Exports to Japan (percent of GDP)	9.57	6.32
2009	FDI from Japan (10, 000 USD)	65,817	7,152
2009	FDI from Japan (percent of GDP)	1.0	.10
2009	<i>Strength of Economic Ties to Japan</i>	10.57	6.42
2011	Exports to Japan (10,000 USD)	895,730	617,645
2011	Exports to Japan (percent of GDP)	9.18	5.88
2011	FDI from Japan (10, 000 USD)	111,901	19,657
2011	FDI from Japan (percent of GDP)	1.15	.19
2011	<i>Strength of Economic Ties to Japan</i>	10.33	6.07

⁵⁴ Note: 2010 data is from the 2010 China National Census

Table 5 (Shanghai and Guangzhou): Accessing the similarities in socio-economic variables in the years prior to the 2012, 2010, and 2005 protests:⁵⁵

Year	Variable	Shanghai	Guangzhou
2004	GDP (100,000,000 USD)	923.18	551.48
2004	GDP per cap (USD)	5,556.12	5,688.33
2004	Economic growth rate	13.6	12.9
2004	Population (10,000)	1,352.39	737.67
2004	Unemployment rate	4.5	2.4
2004	Number of university students	415,700	459,676
2009	GDP (100,000,000 USD)	2,282.67	1,386.34
2009	GDP per cap (USD)	15,046.45	9,138.21
2009	Economic growth rate	8.2	11.7
2009	Population (10,000)	1,921.32	794.62
2009	Unemployment rate	4.3	2.25
2009	Number of university students	512,778	796,006
2010	Unemployed graduates (proportion of pop.)	.69	.95
2010	Ethnic minorities (proportion of pop.)	1.2	.168
2010	Migrant workers (proportion of pop.)	39	42.66
2011	GDP (100,000,000 USD)	3,045.62	1,825.49
2011	GDP per cap (USD)	13,099.15	17,519.63
2011	Economic growth rate	8.2	13.2
2011	Population (10,000)	2,347.46	1,046.74
2011	Unemployment rate	4.2	2.2
2011	Number of university students	511,300	700,004

Table 6 (Shanghai and Guangzhou): Accessing the differences in economic dependency in the years prior to the 2012, 2010, and 2005 protests:

Year	Variable	Shanghai	Guangzhou
2004	Exports to Japan (10,000 USD)	1,178,200	145,386
2004	Exports to Japan (percent of GDP)	12.76	2.64
2004	FDI from Japan (10, 000 USD)	119,000	30,736
2004	FDI from Japan (percent of GDP)	1.29	.56
2004	<i>Strength of Economic Ties to Japan</i>	14.05	3.19
2009	Exports to Japan (10,000 USD)	1,608,400	218,320
2009	Exports to Japan (percent of GDP)	7.05	1.57
2009	FDI from Japan (10, 000 USD)	85,600	33,953
2009	FDI from Japan (percent of GDP)	.38	.00
2009	<i>Strength of Economic Ties to Japan</i>	7.42	1.57
2011	Exports to Japan (10,000 USD)	2,397,400	806,707
2011	Exports to Japan (percent of GDP)	7.87	4.42
2011	FDI from Japan (10, 000 USD)	119,200	10,745
2011	FDI from Japan (percent of GDP)	1.15	.19
2011	<i>Strength of Economic Ties to Japan</i>	8.26	4.48

⁵⁵ Note: 2010 data is from the 2010 China National Census

Figures 2 and 3: Petition-signing event in Qingdao, April 2005 (*Aiguozhe Tongmeng Wang*)



Figure 4: A Japanese department store in Qingdao, September 2012 (*CNN* 2012)



Figures 5 and 6: AEON Dongtai Company in Qingdao, September 2012 (*Associated Press* 2012); a Panasonic Factory in Qingdao, September 2012 (*Bloomberg* 2012)



Figures 7 and 8: Japanese Consulate in Shanghai, April 2005 (*Getty Images 2005*)



Figures 9 and 10: Japanese Consulate in Shanghai, September 2012 (*South China Morning Post 2012; The Guardian 2012*)



Figures 11 and 12: Garden Hotel in Guangzhou, April 2005 (*Getty Images* 2005)



Figures 13 and 14: Garden Hotel in Guangzhou, September 2012 (*Fenghuang* 2012)

