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Clearing Muddied Waters: How Understanding Provincial Actors Could Prevent Future US-China Conflict in the South China Sea

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EXECUTIVE SUMMARY

Since becoming a standalone province in 1988, Hainan Island has played an outsized role in China's strategic goals and operations in the South China Sea (SCS). This includes administrative oversight of the controversial Sansha City, hosting the People's Liberation Army Navy's (PLAN) nuclear submarine fleet at Yuli Naval Base, and hosting the National Institute for South China Sea Studies (NISCSS) in Haikou City. Beijing's decision to make Hainan a province was a deliberate strategy to use the island as a proxy for its long-term SCS objectives.

Hainan Province balances its own strategic interests within the SCS with its directives from Beijing. This behavior is not unique to Hainan but reflects the role of provincial governments in directing and implementing Chinese foreign policy objectives vis-à-vis neighboring countries. What is unique, however, is the economic and strategic importance of the SCS. The SCS is one of the world's most heavily trafficked waterways, with an estimated $3.4 trillion in ship-borne commerce transiting the sea each year. It is also a potential flashpoint for conflict between the United States and China, due to overlapping maritime claims from Beijing and its neighbors (Philippines, Vietnam, and Taiwan).[1]

In recent decades, China has taken actions its neighbors perceive as aggressive and expansionist behavior in disputed territorial waters, increasing the risk of a flashpoint event that triggers direct conflict between the U.S. and China. While U.S. policymakers have particularized the risks associated with Chinese behavior in the SCS, less attention has been paid to the source and drivers of this risk. There is a misconception among many in Washington that China is a unitary actor led exclusively by the Central Committee of the Chinese Communist Party (CCP). Subnational actors like Hainanese provincial officials are able to interpret Beijing's directives to simultaneously address their own economic and political issues. These factors incentivize

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comparatively aggressive behavior by Chinese actors in the SCS that while within the parameters of acceptable behavior in Beijing, cause preventable tensions between other claimants and actors.

It is unclear to what extent Beijing sees Hainan's behavior as a problem to address or the cost of its long-term strategic goals. What is clear is that economic and political opportunities brought about by Beijing's objectives in the South China Sea are increasing the risk of incidents that in tandem with Washington's belief in a "New Cold War" could trigger a full blown U.S.-China conflict.

To address these issues, this paper will examine the role subnational actors such as Hainan Province play in shaping Chinese behavior in the SCS and how the U.S. can take into account this behavior in advancing its strategic aims in the SCS. Specifically, this paper will argue that Beijing's more aggressive and expansionist tactics in the SCS are in part due to sub-national actors like Hainan Province taking advantage of an incentive structure CCP and other central government appendages to maintain central control over provincial actors.

To craft policies that effectively deter Chinese escalatory behavior while reducing flashpoints for conflict, U.S. decision-makers must account for the economic concerns and strategic influence of Hainan Province. By drawing a more comprehensive picture of what drives China's behavior in the SCS, U.S. policymakers can effectively explore potential policies that both address Hainan's economic and political drivers while reducing the risk of escalatory behavior.

Center Provincial Relations in Chinese Foreign Policy

For the first three decades of CCP rule, Chinese provincial institutions and actors lacked agency and influence in policy. This center-province dynamic was codified in Chinese law, where before 1982, the Chinese constitution failed to specify the power of the provincial administrative and legislative branches. As a result, the central government maintained neartotal control, forcing provinces to rely almost exclusively on directives from Beijing.[2]

Under Deng Xiaoping, China began to reform its center-provincial relations in a process known as "decentralization." Decentralization attempted to empower provinces by transferring responsibilities and power away from the center and towards the provinces, transforming them into "internationally-oriented and selfmotivated developmental entities." Deng's decentralization policy included transferring control of State-Owned Enterprises (SOEs) as well as provincial currency earnings—which gave provinces more economic power and influence—and granting provincial governments the ability to establish trading corporations to represent regional business interests.[3] This move towards a more decentralized decision-making apparatus has been described by scholars as "decentralized authoritarianism" or "de facto federalism."[4]

However, party leaders became concerned that these reforms had given provincial actors enough political and economic leverage to contest the state.[5] In response, the central government implemented institutional reforms that attempted to limit provincial power and influence vis-à-vis the central government. This included the frequent transfer of officials among provinces and the central government to limit individuals' ability to accumulate political capital within a single province. In addition, Beijing prevented government officials from taking up high level positions within their home province. The presence of this tactic is evident in Hainan, where none of the province's governors or party secretaries were born on the island.[6]

However, the decentralized nature of the Chinese state allows provincial and local actors to define and interpret directives from the central government to advance their own political and economic goals.[7] Provincial and local government actors can also lobby for their interests within the institutional parameters provided by the central government through a variety of tactics and strategies. First, the province implements a strategy of "trailblazing" by creating new policy ideas on specific issues that constitute broader foreign policy and proactively persuading Beijing to adopt them. Second, the province uses "carpetbagging" by publicly echoing central rhetoric but pursues different priorities, leading to divergence in implementation.

If a province perceives that a foreign policy directive from Beijing has adverse effects on its local interests, it can "resist" the policy by "lobbying the center to reformulate policy… influence policy implementation by… refusing to carry out the center's instructions… or stall – thereby delaying implementation." These strategies are showcased in mechanisms used by provincial governments to influence central government policy including but not limited to: lobbying through the National People's Congress (NPC); Establishing a local bureaucratic system of external relations through Foreign Affairs Offices (FAOs) and Foreign Trade and Economic Cooperation Commissions (FTEC), and using provincial institutions and actors as "resource providers in the implementation of Chinese foreign policy."[8]

Throughout the mid-2000s, southern Chinese provinces conceived, developed, and implemented initiatives focused on "forging and intensifying cross-border interactions in the social, economic, and cultural arenas." These initiatives were instrumental in spearheading China's growing economic and geopolitical influence in Southeast Asia, culminating in the 2010 China-ASEAN Free Trade Area (ACFTA). Moreover, they provide a series of case studies that go against the dominant narrative that Chinese government policy is predominantly directed from the top-down rather than a more fluid process.

Despite the central government's best attempts, decentralization fundamentally changed the balance of power in Chinese central-provincial relations in the following decades. This shift provided provincial governments with greater autonomy not only in implementing policy but also in influencing policy creation within Beijing. While giving provinces additional autonomy reduces the burden on the central government's state capacity, it also brings about new challenges for Beijing to address.

Hainan's Role in China's Foreign Policy on the South China Sea

Hainan's Strategic Influence on China's SCS Policy

Despite its sparse population and economic underdevelopment, the decision to elevate Hainan Island to provincial status during the 1988 National People's Congress was key to the central government's maritime policy in the SCS for several reasons. First, Hainan was instrumental in attempting to legitimize China's historical claims in the SCS. Official Chinese maps (whether national, regional, or local) published during the 18th and 19th centuries showed Hainan Island as the Southern most point of Chinese territory.[9] Although the linkages to Hainan Island and contested claims are dubious at best, they play a key role in nationalist Chinese narratives. By expanding its territorial claims, China can both "feed its national need to redress past humiliations over lost territory" and re-establish itself as the rightful regional maritime power, according to a commonly articulated historical narrative by Chinese historians.[10] Therefore, to match its claims and grievances with historical records, Chinese officials would have to tie further claims in the SCS to Hainan province.

Second, Hainan's role in Chinese maritime policy is critical as China's domestic economy has become increasingly dependent on maintaining control of its "strategic waterways" in the SCS, which China's leadership perceived to be vulnerable to interdiction. Today, China is by far the world's largest 'producer' of nonfarmed fish, accounting for around 15 percent of global production. Many shipping lanes critical to Chinese trade and energy supplies pass through the SCS on their way to major shipping ports.[11] In 2017, China surpassed the U.S. as the world's largest crude oil and gas importer, consuming over ten million barrels of imported crude oil daily. A sizable proportion of those imports—primarily from Gulf Cooperation Council (GCC) members like Saudi Arabia and Oman—must pass through maritime chokepoints in the SCS on their way to refineries in Huizhou. By maintaining a presence in the South China Sea, Beijing can ensure the safe passage of imports of oil, food, and other commodities.

Third, Hainan has played a pivotal role as a hub for China's emerging blue-water navy, the People's Liberation Army's Navy (PLAN). China's territorial waters are surrounded by the 'First Island Chain', which is occupied by what Beijing considers to be adversarial nations (i.e., Japan, South Korea, Taiwan, and Vietnam). As a result, China has prioritized

developing its anti-access/anti-denial (A2/AD) capabilities in the South China Sea, in preparation for a hypothetical conflict between themselves and the U.S. Seventh Fleet. A key element of China's deterrence strategy are the Type 094 (Jin-class) ballistic missile submarines, of which at least three are based at Yulin naval base, located just outside of the resort town of Sanya on Hainan Island.[13]

Hainan also hosts the Chinese Coast Guard (CCG), maritime law enforcement agencies, and vessels associated with China's 'maritime militia'. The maritime militia, whose fleets are scattered throughout Hainan Island help China rewrite the rules on freedom of navigation, buttress its maritime claims, and further extend its economic reach. According to the Asia Maritime Transparency Initiative (AMTI), China operates two distinct militia fleets dedicated to South China Sea operations: those Beijing calls "Maritime Militia Fishing Vessels" and those it labels "Spratly Backbone Fishing Vessels." The former are professionals who operate from Hainan province. The latter are civilians who are heavily subsidized and operate mainly from Guangdong. The professional Maritime Militia Fishing Vessels operating in the SCS, which are purpose built, usually state-owned, and whose operations are fully funded by the local, provincial, and central governments, all appear to be based out of Hainan province.[14]

Codependency: How Beijing and Hainan Reinforce Each Other's SCS Objectives

Beijing has cultivated a mutually reinforcing relationship with Hainan Province, where provincial authorities advance central government SCS objectives while leveraging those same policies to pursue their own economic interests. To achieve its policy objectives in the SCS, Beijing has focused on aligning the Hainan provincial government leadership's goals with their own. To accomplish this, Beijing has appointed individuals with previous leadership experience in fields directly related to the central government's SCS policy. Previous positions held by current and former Hainan Party Secretaries and Governors include the director of the State Oceanic Administration, political commissar of the CCG, and CEO of CNOOC.[15] Hainan has been active in lobbying the central government to enact policies that advance its domestic agenda, focusing on several critical industries and policy objectives related to the SCC.

Firstly, Hainan Island is dependent on natural gas for power generation and is highly dependent on CNOOC LNG production in the SCS for its energy needs. Second, over-fishing and pollution in waters near Hainan Island have forced local fishermen to venture into disputed waters, where their fishing grounds are more abundant. Over the past two decades, fish stocks in the South China Sea have decreased by around 66–75% and are thought to be only 5% of what they were in the 1950s.[16]

The economic consequences of replenishing the region's fishing reserves are dire. Many communities in Southern China, particularly in Hainan Province, are dependent on the fishing industry for their livelihoods. In China alone, there are roughly 10,000 processing companies—the largest fishery processing sector in the world—and the fisheries and marine foodstuffs industries are estimated to provide nearly 14.5 million jobs. In response, China has heavily subsidized its domestic fishing industry, accounting for 21% of all global fishing subsidies.[17] These subsidies come not only from national governments but also from the subnational governments of provinces or states who have been granted varying degrees of local autonomy over fishing-related policy. This venture has been encouraged by Hainan's local officials, who have provided subsidies and low interest-rate loans as well as helped facilitate private shareholding companies that can fish into waters near the Paracels and Spratly Islands.[18]

Hainan has also used Beijing's SCS policy as a way to attract development from both state-owned enterprises (SOEs) and private investment. One of the most notable developments in Hainan is the Yangpu Economic Development Zone, which has attracted 420,000 skilled workers and billions of dollars in tax revenue since opening in 2018. Development projects like Yangpu are integral to Beijing's plans to expand its economic and strategic footprint in the SCS as well as Hainan's domestic economic agenda.

These examples illustrate the critical role that subnational actors in Hainan play in executing Beijing's SCS policy, while simultaneously allowing these actors to advance their own personal, political, and economic interests. While China's political system centralizes authority in Beijing, this delegation of authority raises questions about how the central government manages escalatory behavior and maintains strategic control.

Managing Escalatory Behavior

As previously mentioned, subnational actors can use central party directives to advance their own personal economic and political goals. While Hainan and the central government share many economic and strategic objectives, Hainan's domestic political and economic agenda has diverged from Beijing on several occasions. Hainan's late start to economic modernization has meant that historically it has not developed the same level of economic linkages as its surrounding neighbors, Vietnam, and the Philippines. Increased tax revenue from SOEs and other projects focused on Beijing's SCS objectives incentivize Hainan to play up the threat from rival claimants to encourage Beijing to further increase funding for projects on the island.

It is important to note that while subnational actors can interpret central party directives for their own benefits, they must be careful to remain within the parameters provided by Beijing and overstepping those boundaries come with a painful cost. These parameters can be ambiguous, resulting in subnational actors taking a more aggressive interpretation of party directives that benefit the subnational actors at the expense of the central government's objectives.

In the case of Hainan Province, state and local actors can overextend China's reach in disputed waters, eliciting negative reactions from rival claimants and adversely impacting diplomatic, strategic, and economic goals elsewhere. When provincial actors pursue aggressive interpretations of central directives—whether through confrontational fishing operations, unilateral resource extraction, or harassment of foreign vessels—they risk potentially triggering responses that Beijing may not have intended or desired. Given the U.S. commitment to freedom of navigation in the SCS and its security partnerships with regional claimants such as the Philippines, such incidents carry the potential to draw the United States into unplanned confrontations with Chinese actors who may be operating beyond Beijing's direct control. These divergences, their impact on China's larger strategic goals, and their importance to U.S. policymakers, are reflected in the case studies below.

Case Studies

The following case studies illustrate how subnational actors within Hainan Province's pursuit of provincial interests within Beijing's SCS policy framework have created specific escalation risks with strategic implications for the United States. The first examines how inadequate oversight and fragmented funding of Hainan's maritime militia has led to unintentional confrontations in disputed waters, demonstrating the risks of decentralized maritime operations. The second explores how Sansha City's rapid development has incentivized both provincial officials and state-owned enterprises to expand activities in contested areas, blurring the line between economic opportunism and strategic policy. Together, these cases reveal how the gap between central directives and local implementation increases the likelihood of miscalculation and unintended U.S.-China confrontation in the South China Sea.

Illegal Fishing Operations and Hainan's Maritime Militia

While the central government's policy of decentralization benefits Hainan's economic development, it also increases the likelihood of escalation through miscommunication by local and provincial actors. This trend is apparent among China's 'maritime militia', many of whom operate out of Hainan Island. The PRC defines the militia as "an armed mass organization composed of civilians retaining their regular jobs." In the case of China's maritime militia, members often are fishermen who join the militia as an extra source of income. Beijing often references the maritime militia as a pivotal part of their maritime grand strategy. During a 2013 trip to Hainan Province, President Xi Jinping outlined a "national push to build the [maritime] militia into a genuine third arm of China's… maritime sovereignty defense strategy." In recent years, China's maritime militia has represented a key player in the implementation of "grey-zone tactics."[21]

These tactics are used to bolster claims in the SCS by blurring the lines between military and civilian units, allowing the militia to accomplish tasks otherwise impossible with escalating tensions with rival claimants.

Although this strategy has blurred the lines between civilian and military units, it also struggles to effectively accomplish its intended goals, whilst also adversely affecting other foreign policy objectives for the central government. China's National Defense Mobilization Commission (NDMC) system lacks a clear chain of command. Under the NDMC, the maritime militia receives training from local PLAN and CCG officials to perform tasks including, "border patrol, surveillance, reconnaissance, maritime transportation, search and rescue…" among others. However, neither the NDMC, PLAN nor CCG has instituted standardized training procedures.[22]

Furthermore, each organization's role in Beijing's maritime strategy varies between province and locality, with roles and responsibilities often overlapping with one another. The lack of a clear chain of command and varying levels of training has resulted in cases of local and provincial actors in Hainan unintentionally escalating situations with rival claimants and U.S. Navy vessels operating in the SCS. Many escalatory incidents between U.S. Navy Vessels are due to actions inconsistent with internationally recognized rules considering maritime behavior rather than deliberate escalatory acts. As a result, escalatory behavior between local authorities and rival claimants is often not directly attributed to central government directives, but rather the result of actions by individual actors who may not see or understand their actions as escalatory.

The frequency of escalatory incidents has increased due to local fishing regulations that incentivize fishermen to travel to disputed waters. In 2013, Hainan introduced a new set of regulations with the stated purpose of securing and protecting fishery resources. These domestic regulations covered areas where China's territorial claim overlaps with the claimed EEZs of Vietnam and the Philippines, creating concern about provisions that would require foreign ships to seek approval from Chinese authorities or risk being seized or fined. Hainan decided to enact these regulations without consulting the central government in Beijing in advance.[23] In doing so, Hainan's subnational government asserted Chinese interests in the South China Sea on its own, shaping the policies of the country as a whole and impacting China's relations with neighboring states.

Another source of escalatory behavior among Hainan's maritime militia is the complex funding system implemented by the central government. Local funding has proven inadequate to compensate for gaps in the central government's outlays. In a guideline issued in 2014, the Hainan provincial authority stated that the provincial and county/city/prefecture governments each would be responsible for 50 percent of the province's maritime militia expenditure. However, the provincial government only earmarked 28 million RMB (US$4.3 million) for the maritime militia, with each militia member only compensated with 500 RMB per day. Without a standardized payment system or an agreed upon breakout of funding sources, militia members are disincentivized to follow agreed upon procedures and instead begin fishing in disputed waters—especially during China's yearly fishing moratorium—to supplement their income. According to a 2015 Hainan Provincial Military District survey conducted in Hainan localities, 42 percent of fishermen prioritized material benefits over their participation in the maritime militia. This has manifested in fishermen taking actions such as manipulating maritime militia policies to evade regulations and concealing illegal attempts to fish for endangered or protected marine species in contested waters.

These issues not only increase the likelihood of an escalatory event with members of the maritime militia but also go against the central government's environmental and diplomatic objective in the SCS. This is reflected in public statements from Beijing, who explicitly prohibit illegal fishing in contested waters to avoid "causing trouble for China's diplomacy and damaging China's international image." While local governments in Hainan are delegated the responsibility of these vessels, these issues are the direct result of the central government, whose policy directives have created a complex and unwieldy maritime institutional framework that obscures accountability and complicates crisis management.

Without a clear ability to differentiate between the various actors operating in contested waters, it is difficult for U.S. policymakers to assess the extent to which Chinese authorities are involved in escalatory incidents within contested waters. For example, in one prominent international crisis between Beijing and Tokyo—stemming from a 2010 collision between a Chinese fishing trawler and two Japan Coast Guard vessels—the evidence later showed that a drunk Chinese fishing captain bore responsibility for the accident, rather than China's maritime militia.[26] As China's maritime militia continues to grow in size and sophistication, incidents like these are likely to become even more common.

Sansha City and Incentivized Escalatory Behavior

Since its establishment in 2012, Sansha city has significantly increased Hainan's involvement in SCS contentions. Sansha City's working committees and management committees provide further policy formulation and implementation resources for the central government. Since the local government is within the jurisdiction of Hainan Province, this provides policy leverage for Hainan to achieve its provincial policy objectives. For instance, the city's leaders have coordinated the construction of physical infrastructure, developed the city's paramilitary forces, built up political institutions and local governance, procured new ships, promoted tourism in the Paracel Islands, and integrated the command of the military, coast guard, and maritime militia operations. Over half of the Hainan-based militia identified by AMTI are registered to Sansha Fisheries Development Co. Ltd., a state-owned fishing company headquartered in Sansha City.[27]

The development of Sansha City also fueled an explosion of corporate activity in the SCS. In 2012 there were less than 10 companies registered with the Chinese authorities for administering China's claims. By June 2019 there were 446, resulting in an astonishing 4360 percent increase. Many of these companies are located in Hainan, providing the province with an estimated USD$100 million in tax revenue. Hainan Province used investment opportunities tied to SCS claims in Sansha City to further additional economic development on Hainan Island by encouraging these outside companies to bid for city contracts. Due to the limits associated with operating out of Sansha, local officials in Hainan began allowing companies registered in Sansha City to operate in Hainan Island instead, as a model coined as "register in Sansha, pay taxes to Sansha, brand as Sansha, operate elsewhere."[28]

Sansha City also provided the provincial government with opportunities to empower local government officials and leverage institutional levers to advance domestic economic objectives. Since 2012, Sansha City has introduced new forms of local governance including four working committees and management committees as well as ten neighborhood resident committees. In April 2020, China's State Council announced the establishment of two new district governments in Sansha, providing much-needed policy formation and implementation resources for a city whose population had ballooned to 1,443 people.[29] These administrative developments allowed local officials to push for policies that aligned with Hainan Province's economic and business interests such as opening the Spratly Islands to Chinese tourists.

By placing Sansha at the forefront of China's claims in the SCS, Hainan provincial officials were able to leverage the city as a tool to advance their economic interests, even as these policies raised concerns among China's surrounding neighbors and the U.S. Companies like China Communications Construction Company Ltd. (CCCC) have benefitted enormously from Sansha City contracts, evolving from a mere contractor into a multi-sector conglomerate. As a result, the Chinese State Owned Enterprises (CSOEs) who have led the development of Sansha City are incentivized to further expand Chinese operations in contested waters.

While all CSOEs are required to follow central government commands, the line between those commands and internal economic and political benefits are often blurred. Many CSOE executives are often appointed to the CCP's Organizational Department, several of whom hold ministerial or vice ministerial ranks, while others even serve as alternative members of the Party's Central Committee.[31] Wei Liucheng, who served as the Party Secretary for Hainan Province from 2007-11, served as the

Chairman and CEO of CNOOC from 1999 to 2003.[32] More recently, the Governor of Hainan, Liu Xiaoming, was a Vice-Minister at the Ministry of Transportation –giving him oversight over companies like CCCC – prior to his appointment in 2023. [33] This ambiguity limits Washington's ability to discern the extent to which Chinese actions in the SCS are part of a clear strategic vision or unintentional overdevelopment resulting from CSOE executives lining their pockets. The implications of this subnational dynamic for U.S. strategy in the South China Sea warrant careful consideration.

Policy Recommendations

Although policy recommendations outlining the U.S. role in the South China Sea have been discussed *ad nauseam* by policymakers in Washington, recommendations addressing subnational dynamics remain underdeveloped. Examining drivers of escalatory behavior at the provincial and local level highlights the importance of adopting a more restraint-based deterrence policy in the South China Sea—one that accounts for the economic incentives and institutional constraints shaping Chinese actors' behavior. By acknowledging the concerns of subnational actors rather than perpetuating a cycle of escalation, U.S. policymakers can build sustainable mechanisms that reduce the likelihood of incidents devolving into conflict without sacrificing national security or credibility with Indo-Pacific allies and partners.

To best tackle potential escalatory behavior in the SCS, it is important for U.S. policymakers to acknowledge the economic drivers underpinning Hainan's role in the South China Sea. Moreover, separating industries that see escalatory behavior as good for business (i.e.,construction industry) and those who do not (i.e., the tourism industry) is important for identifying risks associated with certain business practices.

First, the U.S. should reestablish military-to-military track 1 dialogues between the U.S. and Chinese Coast Guard officials located in Hainan. Prior to 2015, the two countries held regular points of contact, including joint training exercises in the SCS.[34] This allowed for the development of interpersonal relationships and an opportunity to discuss best practices on crisis management at a regular cadence. Because of the outsized influence of Hainan provincial officials and Hainan-based SOEs, unofficial U.S.-China dialogues should prioritize opportunities to address issues with key actors within the province. These dialogues would provide a forum for the United States and China to jointly define de-escalatory norms, identify relevant lines of communication between key government stakeholders, and establish mutually acceptable crisis-avoidance protocols in the SCS. On issues directly affecting their territorial claims and maritime security, these discussions should include other rival claimants such as the Philippines and Vietnam. These dialogues should be complemented with strengthening current diplomatic and civilian channels for communications as prerequisite to direct military engagement.

These dialogues would allow opportunities to align on mutually acceptable behavior within the SCS and should focus on clearly defining de-escalatory norms, identifying relevant lines of communication between key government stakeholders, and establishing crisis-avoidance protocols in the SCS. As China's maritime militia becomes more professionalized, establishing mutually agreed-upon rules of engagement becomes critical to limiting opportunities for escalation. Given the wide conceptual gap that exists between U.S. and Chinese policymakers at present, reestablishing these dialogues would be a wise investment. The recent military maritime consultative agreement (MMCA) working group between senior U.S. and Chinese naval officials is a step in the right direction and a good template for the U.S. Coast Guard to follow.

However, it is important to point out that the conditions that allowed for the success of mil-to-mil dialogue prior to 2015 may not be replicable for several reasons; most notably, the restructuring of the Chinese military under Xi that weakened the influence of senior military officials. However, the long-term effects of interpersonal relationships and unofficial dialogue between the two parties should not be understated.

The U.S. should also prioritize track 1.5 dialogues with key political and economic stakeholders in Hainan. One potential idea would be to establish working relationships between the NISCSS and U.S. institutions such as the Naval War College. While on

the surface, it would seem like there is not a direct tie between think tanks and provincial governments in China, the representation of party cadres (and their role in intellectualizing Chinese SCS claims within academia) means that the connective tissue between Chinese academics in Hainan and the central government may be closer than previously expected. Moreover, by developing these working relationships with Hainanbased academic institutions, the United States can disseminate its point of view to both the central government and the Hainan provincial government without forcing either side to use valuable political capital. While there may be variance in the responses from Beijing and Hainan, the position of the United States would remain consistent between both parties. Additionally, it could allow for a better sense of who is driving sources of tension in the SCS during potential future escalatory events.

Conclusion

This paper is not meant to claim that SCS tensions can be traced to Hainan, but rather that examining China as a monolithic actor fails to address the underlying causes of escalatory behavior among Chinese maritime actors. By identifying and examining the factors driving the behavior of Chinese maritime actors, the U.S. is better able to both tailor its responses to reduce the risk of further escalation and prioritize policies that advance shared interests among all parties. While this paper does not examine the drivers advancing similar escalatory actions from other rival claimants such as the Philippines and Vietnam, it is worth mentioning that taking a similar approach would likely have similar benefits for the parties involved.

Recent attempts at reestablishing more consistent lines of communication between United States and Chinese military officials by the Trump Administration is a positive development. However, Xi Jinping's purge of the military establishment and growing economic uncertainty in China's domestic economy heightens the risk of conflict. Therefore, the goal should be to reduce flashpoints for conflict between the U.S. and China rather than positioning any clear resolution of these tensions.

In conclusion, while the trajectory of U.S.-China relations in the SCS remains unclear, it is critical that U.S. policy decision-makers craft policies that decrease tensions, rather than the other way around. A restraint-focused approach, that considers decision-makers at all levels of the Chinese government, can do just that, allowing Washington to focus its finite resources on other critical issues.

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