



# From Corals to Conflict: When do Environmental Issues Build Trust or Undermine it in the South China Sea?

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## **From Corals to Conflict: When do Environmental Issues Build Trust or Undermine it in the South China Sea?**

*By Ian Seow Cheng Wei*

### **SYNOPSIS**

*Environmental cooperation in the South China Sea has long been framed to build trust between China and the South China Sea claimant states. Yet, it does not seem to be the case with recent developments over the Scarborough Shoal. To understand when environmental issues promote trust and when they advance geopolitical interests, two conditions are key: China's perceptions of the Philippine leadership's approach to the dispute and its broader regional security environment.*

### **COMMENTARY**

On 10<sup>th</sup> September 2025, China announced plans to [designate the Scarborough Shoal as a nature reserve to protect coral reefs and fisheries](#). Unsurprisingly, Manila [condemned the plan](#), arguing that it impinges on the Philippines' Exclusive Economic Zone and could [pave the way for militarisation](#).

While environmental issues can be securitised to serve national interests, they were envisioned in the 2002 Declaration on the Conduct of Parties in the South China Sea (DOC) to foster trust between China and other claimant states. As such, recent developments in the Scarborough Shoal raises a key question: when do environmental issues serve as Confidence-Building Measures (CBMs) or tools to advance geopolitical claims in the South China Sea?

In the Scarborough Shoal dispute, whether environmental issues serve as CBMs or as instruments of statecraft hinges on China's perceptions of (1) the Philippine administration's stance towards the South China Sea dispute, and (2) the regional security environment. When China perceives Philippine policies as creating

opportunities for cooperation and views the security situation as favourable, environmental issues tend to function as CBMs. Conversely, when China interprets Philippine actions as challenging its interests and perceives the security environment as less favourable, environmental issues are more likely to be used as instruments of statecraft.

This conditionality raises questions about the conventional understanding of CBMs, which the [UN Office for Disarmament Affairs defines](#) as measures to “exchange information, build trust and reduce tensions.” In the Scarborough Shoal dispute, trust may be more of a prerequisite than the intended outcome of CBMs.

### **When Do Environmental Issues Become CBMs in the South China Sea?**

The South China Sea is an important source of food security for China and ASEAN, and it supports the livelihoods of millions of people. ASEAN had used cooperation on marine environmental protection in the South China Sea to find common ground to build trust with China to manage disputes peacefully. In the wake of the 1995 Mischief Reef Incident, ASEAN and China negotiated the DOC to identify “cooperative areas” to foster mutual trust and confidence. In the 2002 DOC, [Article six](#) listed marine environmental protection as one of five key areas for China-ASEAN cooperation in the South China Sea.

In the case of the Scarborough Shoal dispute, environmental issues tended to function as a CBM when Beijing perceived the Duterte administration’s policies as conducive to cooperation and viewed its regional security environment as stable.

In contrast to the Benigno Aquino III administration, Duterte sought to promote closer ties with China to improve the Philippines’ economic development and to [deflect US criticism of his “War on Drugs.”](#) For example, Duterte began [downplaying the 2016 Tribunal award](#) while [delaying the implementation of the 2014 US-Philippines Enhanced Defence Cooperation Agreement \(EDCA\)](#) that would allow the US access to the Philippines’ military facilities and naval base at Subic Bay. Unsurprisingly, Beijing perceived these moves as favourable for its security situation in the South China Sea and saw Duterte as a [pragmatic partner](#).

Against the backdrop of warming China-Philippines relations in 2017, both countries established their first [Bilateral Consultative Mechanism \(BCM\)](#) to enhance maritime cooperation in the South China Sea through marine environmental protection, fisheries, and scientific research. Since then, the Philippines and China have held the BCM biannually to discuss areas for cooperation in the South China Sea.

However, discussions under the BCM on environmental cooperation have largely been symbolic due to the absence of substantive collaboration between both countries in the South China Sea. Continued territorial disputes and the limited economic returns from environmental protection, unlike [joint oil and gas exploration between both countries](#), have constrained deeper cooperation. Nevertheless, for China, even symbolic environmental initiatives signal its compliance with the DOC and a commitment to managing disputes peacefully, which helps counter criticisms of its assertiveness in the region.

## From CBMs to Geopolitics

The shift of environmental issues from CBMs to a tool of geopolitics could be attributed to China's distrust of the Philippines, especially following Manila's policy changes between January and February 2023.

Following the election of Ferdinand "Bongbong" Marcos Jr. as the Philippine President in 2022, he paid a state visit to China in January 2023 to maintain cordial relations with Beijing. In the [2023 joint statement between China and the Philippines](#), Chinese President Xi Jinping and President Marcos agreed to "strengthen maritime cooperation in areas such as environmental protection and the maritime economy."

However, in February 2023, Marcos sought to revive the Philippines' claims in the South China Sea by adopting a combination of military, legal, and fishing initiatives. Manila strengthened its military alliance with the US by accelerating the implementation of the 2014 EDCA, thereby enabling the US' [access to military facilities throughout the Philippines](#) and the Subic Bay naval facility. Additionally, Manila conducted [regular resupply missions to fishermen](#) to support the Philippines' presence in the Scarborough Shoal. Manila also passed the [Philippine Maritime Zones Act](#), reaffirming the 2016 Arbitral Tribunal Award and codifying the Philippines' maritime rights in the disputed waters.

From China's perspective, Marcos' policy shifts heightened concerns about Beijing's interests in the South China Sea and its regional security situation, given the increased proximity of US naval and ground forces to China. As such, the control of the Scarborough Shoal is crucial for China as the Shoal would complete Beijing's ["strategic triangle"](#) in the South China Sea, linking the Paracels in the East and the Fiery Cross Reef in the South, while enabling Beijing to better monitor the US' naval presence in the region.

China's designation of the Scarborough Shoal as a nature reserve may reflect a cautious strategy to assert control. Following China's 2015 land reclamation activities, the US increased its [Freedom of Navigation Operations in the South China Sea](#), which China perceived as a threat. By framing its actions around environmental protection of vulnerable coral reefs and fisheries, China can strengthen its presence on a strategic maritime feature while reducing the risk of military escalation with the US.

## Lessons for Southeast Asia

Understanding when environmental issues function as CBMs or a geopolitical tool as seen in the Scarborough Shoal dispute has wider implications for Southeast Asia and the US. Firstly, China appears to treat trust as a prerequisite for CBMs, while the US and ASEAN tend to view CBMs as instruments to build trust. Such differing perspectives on CBMs could complicate dispute management and limit the effectiveness of multilateral confidence-building efforts. Secondly, the effectiveness of CBMs also depends on domestic political conditions. Even if one side is willing to engage in environmental cooperation, changes in leadership or domestic priorities can alter how these measures are perceived or whether they can be sustained.

Consequently, how environmental issues are used in the Scarborough Shoal dispute will not only affect China-Philippine relations but may also weaken trust the DOC is envisaged to build between China and ASEAN.

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