



Filling the Void: China's Expanding Caribbean Presence

| By **BEN TANNENBAUM**

Extramural Contributor at the Council on Hemispheric Affairs] at the Council on Hemispheric Affairs

To view this article online, please click [here](#).

The Peace Ark sailed smoothly into Havana Harbor, floating past the aging brick Morro Cabana fortress under a luminous yellow sun. The Ark's 416 crewmembers disembarked on a warm Friday afternoon in October 2011 without much pomp, pageantry, or even a token media presence.¹ The white ship featured little ornamentation aside from a red hospital cross that was painted to denote its ostensible purpose: "offering medical service to local people."² Yet, despite this humble

¹ Franks, Jeff. "Chinese Navy Hospital Ship Visits Cuba, Caribbean." *Reuters*. October 21, 2011. Accessed March 4, 2018.

² Zhenjiang, Wang and Dai Zongfeng. "Peace Ark Hospital Ship to Visit Latin America." *Liberation Army Daily*. September 16, 2011. Accessed March 4, 2018 at <http://www.andrewerickson.com/2011/09/pla-daily-offers-latest-details-on-peace-ark-hospital-ships-1st-medical-mission-to-caribbean/>.

presentation, the crew's "Harmonious Mission" had profound geopolitical significance. This voyage represented the first naval exercise in the Caribbean by the Chinese Navy.

In the years following the arrival of the Peace Ark, China has continued to expand its engagement with the Caribbean on economic, political, and even military fronts.³ Economically, China has begun to pour substantial funds into infrastructure investments, deals which often impose heavy burdens on their Caribbean recipients. On the political side, China has increasingly paid diplomatic attention to Caribbean nations, including Washington's regional foe, Cuba. This presence also features arms sales and security cooperation. China's growing regional role could pose a substantive strategic threat to American security or to its economic goals. Washington should not continue to ignore this growing trend. China's increased economic and political ties to the Caribbean represent a symbolic challenge that the U.S. should prepare to respond to with increased diplomatic and cultural outreach.

Tight Belts and Rocky Roads: Investment at a Price

Over the past decade, China has steadily increased spending on major infrastructure projects in the Caribbean. This provides an opportunity for Chinese firms to expand to markets in the Western Hemisphere it had previously ignored.⁴ However, Chinese investment levies significant obligations on its Caribbean partners.

Jamaica has been a primary recipient of Chinese largess. In 2016, a Chinese-sponsored highway opened, streamlining transit between Kingston and sea-side resort towns such as Ochos

³ Note: For the purposes of this article, "The Caribbean" refers to island nations in the Caribbean sea. It does not refer to all countries in the region that have significant Caribbean coastal presence (with the one-off exception of Guyana, due to its important Chinese ties).

⁴ Interview with Jared Ward, March 1, 2018



Rios.⁵ The China Harbor Engineering Company spent \$730 million dollars to expand the highway and plans to begin investment in a new Jamaican port.⁶ The Bahamas has also partnered with China on high-profile investments. China's Export-Import Bank provided a \$2.5 billion loan to help develop the Baha Mar resort, which opened last year.⁷ Bahamian politicians provided peachy projections about the project's potentially lucrative prospects, estimating that Baha Mar would yield a 10% boost to the archipelago's GDP.⁸ Even smaller islands, such as St. Maarten, have not escaped Beijing's notice. Jared Ward, an analyst at the University of Akron, describes St. Maarten as a "hub for Chinese business people,"⁹ and a major resort currently under development has received the sobriquet "The Pearl of China" due to the influx of Chinese investment.¹⁰

Along similar lines, China has dramatically expanded investment in Cuba despite their conspicuous lack of relationship during the Cold War. Trade between the two countries has increased since 2015, and China now trails only Venezuela as the second largest exporter to Cuba.¹¹ In addition to these exports and loans, Chinese firms have invested in Cuban infrastructure with

⁵ Laville, Sandra. "Beijing Highway: \$600 Million Road Just the Start of Chinese Investments in the Caribbean." *The Guardian*. December 24, 2015. Accessed February 24, 2018, <https://www.theguardian.com/world/2015/dec/24/beijing-highway-600m-road-just-the-start-of-chinas-investments-in-caribbean>.

⁶ https://www.youtube.com/watch?v=do3uV_FjEwc

⁷ Cohen, Muhammad. "How China Rescued- Then Ruined- The Caribbean's Largest Resort Project." *Forbes*. December 14, 2016. Accessed February 24, 2018 <https://www.forbes.com/sites/muhammadcohen/2016/12/14/how-china-rescued-then-ruined-the-caribbeans-largest-resort-project/#4f8806513edb>.

⁸ Cohen, Muhammad. "Bahamas' Beleaguered Baha Mar Casino Resort to Open with Chinese Characteristics." *Forbes*. March 9, 2017. Accessed February 24, 2018 at <https://www.forbes.com/sites/muhammadcohen/2017/03/09/bahamas-beleaguered-baha-mar-casino-to-open-with-chinese-characteristics/#7489d3595fcd>.

⁹ Interview with Jared Ward, March 1, 2018

¹⁰ "China-Caribbean Pearl Investors Pledges to Secure Environment and to Contribute to St. Maarten Society Before Construction Kicks Off, 400 Stable and Well-Paid Jobs Will Be Available." *Saint Martin News Network*. September 17, 2016. Accessed February 24, 2018 <http://smn-news.com/st-maarten-st-martin-news/23604-china-caribbean-pearl-investors-pledges-to-secure-environment-and-to-contribute-to-st-maarten-society-before-construction-kicks-off-400-stable-and-well-paid-jobs-will-be-available.html>.

¹¹ Kuo, Mercy A. "China-Cuba Relations: Assessing US Stakes." *The Diplomat*. December 24, 2016. Accessed February 25, 2018. <https://thediplomat.com/2016/12/china-cuba-relations-assessing-us-stakes/>



projects such as renewable energy research centers and Huawei Wi-Fi hotspots.¹² Militarily, the China's People's Liberation Army (PLA) shares intelligence and training sessions with the Cuban military.¹³ Chinese tourists now have more opportunity to puff Cohibas while sauntering along El Malecón promenade in Havana. With the convenience of a new Beijing-Havana direct route, the number of Chinese visitors to Cuba increased by 17% in 2017.¹⁴

These are just a few of the most prominent examples of China's growing Caribbean footprint; Barbados, Grenada, Guyana, and Panama have also received major investments from China.¹⁵ Such large scale development projects represent an effort by China and its state-owned enterprises to make economic strides and gain influence in the Caribbean.

However, these Chinese investments come with major obligations and have serious repercussions for their Caribbean recipients. In exchange for building its Jamaican highway, the China Harbor Engineering Company received a 50-year toll concession in addition to land grants alongside the route.¹⁶ Prominent members of the Jamaican opposition have lamented both the high toll prices and the fact that China will receive this fare revenue.¹⁷ In addition, rather than use local laborers, the company brought in nearly 1,000 workers and engineers from China to build the highway. Adding to the complications, Chinese contractors receive significant advantages over local Jamaican firms.¹⁸ Considering Jamaica's already substantial debt obligation, this investment windfall appears unlikely to ease the island's foreign dependence.

¹² Frank, Marc. "China Piles into Cuba as Venezuela Fades and Trump Looms." *Reuters*. February 14, 2017. Accessed February 25, 2018. <https://www.reuters.com/article/us-cuba-china-analysis/china-piles-into-cuba-as-venezuela-fades-and-trump-looms-idUSKBN15T2PE>

¹³ Campbell, Caitlin. "China's Expanding and Evolving Engagement With the Caribbean." *U.S.-China Economic and Security Review Commission Staff Report*. May 16, 2014. Accessed February 25, 2018. https://www.uscc.gov/sites/default/files/Research/Staff%20Report_China-Caribbean%20Relations.pdf

¹⁴ "China Key Partner in Cuba's Tourism Development." *XinuaNet*. January 19, 2018. Accessed February 25, 2018. http://www.xinhuanet.com/english/2018-01/20/c_136910629.htm.

¹⁵ Ward, Jared. "Making Sense of China's Caribbean Policy." *The Jamestown Foundation*. July 21, 2017. Accessed February 25, 2018 at <https://jamestown.org/program/making-sense-of-chinas-caribbean-policy/>.

¹⁶ https://www.youtube.com/watch?v=do3uV_FjEwc

¹⁷ https://www.youtube.com/watch?v=do3uV_FjEwc

¹⁸ Interview with Jared Ward, March 1, 2018



Along similar lines, the Bahamas may not reap many of the intended benefits from the grand Baha Mar resort. Baha Mar's construction took a circuitous path, with lawsuits forcing prominent Bahamian investors into bankruptcy.¹⁹ Like with the Jamaican highway, Chinese workers rather than locals received most of the construction jobs.²⁰ In addition, the Baha Mar investment agreement came with advantageous terms heavily weighted towards Beijing-backed companies.²¹ Chinese investment took an even more perverse turn in Guyana. An SOE hired to build a wood processing plant violated Guyana's labor laws by underpaying local workers.²² China's Caribbean involvement does not represent an altruistic Sino Marshall Plan. Beijing talks about "win-win," but actually emphasizes "China winning, and if Latin America will go along with what China wants, that's good too."²³ China expects tangible return on investment and arranges favorable deals to maximize profit. This coldly pragmatic outreach imposes serious constraints to China's Caribbean trade partners.

A Caribbean with Chinese Characteristics: Diplomatic Outreach

In addition to an expanded economic engagement, China has also increased its diplomatic and military outreach to the Caribbean. En route to the high-profile 2013 Sunnylands Summit with Barack Obama, President Xi Jinping paid a visit to Trinidad & Tobago. Xi struck substantive deals with the Trinidadian Prime Minister regarding natural gas, telecommunications, and healthcare while also

¹⁹ Lippert, John and Dawn McCarty. "The Ghosts of Baha Mar: How a \$3.5 Billion Paradise Went Bust." *Bloomberg*. January 4, 2016. Accessed February 25, 2018 <https://www.bloomberg.com/news/articles/2016-01-04/the-ghosts-of-baha-mar-how-a-3-5-billion-paradise-went-bust>.

²⁰ Campbell, Caitlin. "China's Expanding and Evolving Engagement With the Caribbean." *U.S.-China Economic and Security Review Commission Staff Report*. May 16, 2014. Accessed February 25, 2018. https://www.uscc.gov/sites/default/files/Research/Staff%20Report_China-Caribbean%20Relations.pdf

²¹ Ryun, Ned. "Trump Needs to Send China a Clear Message About What's Going On in the Bahamas." *Business Insider*. December 5, 2017. Accessed February 24, 2018, <http://www.businessinsider.com/trump-china-bahamas-2017-12>.

²² Ward, Jared. "Guyana is Proof of the Pitfalls of Chinese Aid and Investment in the Caribbean." *World Politics Review*. November 9, 2016. Accessed February 24, 2018, <https://www.worldpoliticsreview.com/articles/20410/guyana-is-proof-of-the-pitfalls-of-chinese-aid-and-investment-in-the-caribbean>.

²³ Ellis, Evan and Bonnie Glaser. "China's Tango with Latin America and the Caribbean." *China Power Podcast, Center for Strategic and International Studies*. March 16, 2018. Accessed March 22, 2018 via Apple Podcast and <https://soundcloud.com/csis-57169780/chinas-ties-with-latin-america-and-the-caribbean-a-conversation-with-evan-ellis>. Note: I have removed some ellipses from this quotation to save space.



feasting on local saheena at a gourmet luncheon.²⁴ Xi's visit to Trinidad during the first year of his administration indicates a growing Chinese political attention to the Caribbean. In contrast, Xi's predecessor Hu Jintao did not visit any nation in the region until his second term.²⁵ Similarly, in January 2018, Foreign Minister Wang Yi held a summit with diplomats from nine Caribbean nations.²⁶ Although this meeting emphasized cooperative bromides over formal policy agreements, its very occurrence appears significant. High-level policymakers in Beijing now place significant importance on political engagement with these often overlooked island nations.

China's Caribbean outreach also has a military dimension. For example, Trinidad & Tobago recently purchased naval patrol vessels from the People's Liberation Army.²⁷ Likewise, China has provided equipment such as tents, uniforms, and binoculars to the Jamaican military.²⁸ The Bahamas, Barbados, Dominica, and Guyana and have also discussed military collaboration with the PLA.²⁹ Such military agreements indicate a strong growth in Chinese security engagement with the Caribbean. Admittedly, these deals remain much smaller than the economic investments, and according to Ward China recognizes that "military [aid] isn't its best option to gain allies" compared with infrastructure spending.³⁰ Nevertheless, such agreements represent a significant increase in foreign military engagement with the Caribbean. Any Chinese military deals in the Western Hemisphere carry a substantial symbolic punch and counter America's regional hegemony.

²⁴ "China Leader Xi Jinping in Trinidad and Tobago." *BBC*. June 1, 2013. Accessed February 25, 2018.

²⁵ Campbell, Caitlin. "China's Expanding and Evolving Engagement With the Caribbean." *U.S.-China Economic and Security Review Commission Staff Report*. May 16, 2014. Accessed February 25, 2018.

https://www.uscc.gov/sites/default/files/Research/Staff%20Report_China-Caribbean%20Relations.pdf

²⁶ "Wang Yi Holds Group Meeting With Foreign Ministers of Caribbean Countries Having Diplomatic Relations With China." *Ministry of Foreign Affairs of the People's Republic of China*. January 22, 2018. Accessed February 25, 2018. Wang Yi met with ministers from Antigua and Barbuda; Barbados; Bahamas; Dominica; Grenada; Guyana; Jamaica; Suriname; and Trinidad and Tobago. http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1528306.shtml.

²⁷ Badri-Maharaj, Sanjay. "China's Growing Arms Sales to Latin America." *Institute for Defence Studies and Analyses*. June 20, 2016. Accessed February 18, 2018 https://idsa.in/idsacomments/china-growing-arms-sales-to-latin-america_sbmaharaj_200616.

²⁸ Campbell, Caitlin. "China's Expanding and Evolving Engagement With the Caribbean." *U.S.-China Economic and Security Review Commission Staff Report*. May 16, 2014. Accessed February 25, 2018.

https://www.uscc.gov/sites/default/files/Research/Staff%20Report_China-Caribbean%20Relations.pdf

²⁹ Interview with Jared Ward, March 1, 2018

³⁰ Interview with Jared Ward, March 1, 2018

China's Caribbean diplomacy has a few key goals. First, as noted, the economic deals represent an opportunity for financial gain. The impositions placed on Caribbean recipients provide favorable conditions for the Chinese investors. Secondly, China hopes to potentially flip some of the five Caribbean countries that currently recognize Taiwan.³¹ Third, and most important, China can use its Caribbean outreach to advance its broader vision of development and international relations.³²

Leading with the Belt and Road Initiative, Xi has expanded Chinese prestige and clout throughout the developing world from Manila to Morocco.³³ Improving relations with the Caribbean represents a logical extension of his approach, especially important given the United States' historical dominance of this region.³⁴ China hopes to tout its own political and economic model as an attractive alternative to America's.³⁵ This Chinese outreach falls upon receptive ears to those who "view their relationship with America through a Monroe Doctrine [or] paternalistic lens."³⁶ China comes across as less patronizing and demanding than the U.S. does. Such a symbolic challenge to America's regional role represents the key objective – and success– of China's Caribbean outreach.

The Sleeping Colossus: America's Response

Despite the region's plentiful golf courses and proximity to Mar-a-Lago, the Trump Administration has placed little emphasis on the Caribbean. Former Secretary of State Rex Tillerson did not travel to the area until a February 2018 visit to Jamaica, well over a year after his appointment.³⁷ In contrast, his counterpart Wang Yi has met with more Caribbean foreign ministers

³¹ "China vs. Taiwan: Battle for Influence in the Caribbean." Council on Hemispheric Affairs. March 13, 2012. Accessed March 24, 2018 at <http://www.coha.org/china-vs-taiwan-battle-for-influence-in-the-caribbean/>.

³² Interview with Jared Ward, March 1, 2018

³³ Hammond, Joseph. "Morocco: China's Gateway to Africa?" *The Diplomat*. March 1, 2017. Accessed March 4, 2018 at <https://thediplomat.com/2017/03/morocco-chinas-gateway-to-africa/>.

³⁴ Interview with Jared Ward, March 1, 2018

³⁵ Interview with Jared Ward, March 1, 2018

³⁶ Interview with Jared Ward, March 1, 2018

³⁷ "Secretary of State Rex Tillerson's Travel: 2017." *U.S. Department of State*. Accessed March 4, 2018 at <https://www.state.gov/secretary/travel/2017/index.htm>. And Clarke, Paul. "U.S. Secretary of State Rex Tillerson Arrives

than Secretary Tillerson did. Tillerson's successor, Mike Pompeo, has expressed little interest in the region aside from a reflexively negative reaction to any semblance of engagement with Cuba.³⁸ Likewise, President Trump himself has alienated Caribbean nations with his tweets on topics such as climate change and race relations.³⁹ The Trump administration even has a fraught relationship with its own Caribbean holding, Puerto Rico, catalyzed by the President's petty personal barbs with San Juan's mayor.⁴⁰ Overall, many Caribbean leaders perceive that "the United States has neglected the region while China has embraced it."⁴¹

The U.S. cannot continue to ignore China's expanding Caribbean role. A reduced role for U.S. trade challenges America's economic goals in the Caribbean. Politically, China's alternative leadership model stands as an obstacle to America's presentation of its values as a democratic role model. While the U.S. ostensibly advocates liberal democratic values, China intends to offer an alternative path for the region to develop. In fairness, Caribbean diplomacy need not descend to a zero-sum competition, and Ward cautions that the trope of "the 'Red Menace' in the Caribbean is overplayed."⁴² Militarily, unless Chinese security exports include a revived Admiral Zheng He, no Caribbean navy can even fathom challenging America's. The United States can and should accommodate some Chinese presence. Still, in order to lead a prosperous, thriving, and free Western Hemisphere, the United States cannot allow China – or naysayers in Washington – to

Today." *The Jamaica Gleaner*. February 7, 2018. Accessed March 4, 2018 at <http://jamaica-gleaner.com/article/lead-stories/20180207/us-secretary-state-rex-tillerson-arrives-today>

³⁸ Erickson, Amanda. "The One Interview that Explains Mike Pompeo's Foreign Policy Approach." *Washington Post*. March 13, 2018. Accessed March 24, 2018 at https://www.washingtonpost.com/news/worldviews/wp/2018/03/13/the-one-interview-that-explains-mike-pompeos-foreign-policy-approach/?utm_term=.db07347db447

³⁹ Bernal, Richard. "A Caribbean Policy for the Trump Administration." *Center for Strategic and International Studies*. April 13, 2017. Accessed March 4, 2018 <https://www.csis.org/analysis/caribbean-policy-trump-administration>

⁴⁰ Hernandez Jehivian Alexis. "Puerto Rico: Not a 'Good News' Story." *Council on Hemispheric Affairs*. February 8, 2018. Accessed March 24, 2018 at <http://www.coha.org/puerto-rico-not-a-good-news-story/>.

⁴¹ Campbell, Caitlin. "China's Expanding and Evolving Engagement With the Caribbean." *U.S.-China Economic and Security Review Commission Staff Report*. May 16, 2014. Accessed March 4, 2018.

⁴² Interview with Jared Ward, March 1, 2018

undermine democratic partnerships in the region. The U.S. should proactively revamp its leadership status in the Caribbean.

America has a few available ways to respond to China's Caribbean challenge. Economically, the U.S. can refocus the types of aid and trade it offers. Promoting advanced technology and infrastructure (such as Wi-Fi and telecommunications) can develop Caribbean economies in a constructive fashion.⁴³ Likewise, the U.S. can work through institutions such as the Caribbean Community (CARICOM) to facilitate regional trade and help integrate Caribbean economies.⁴⁴ These reforms would help to alleviate some of the administration's mistakes and offer a tangible economic benefit to the Caribbean.

The diplomatic side appears even easier to address. Much of China's diplomatic success has grown from simply paying attention and getting engaged. The fact that Trump has still not visited the region speaks volumes. Additional U.S. diplomatic outreach- such as a state visit or a summit meeting- could counter concerns that the region "is receding from America's priorities."⁴⁵ Toning down the current administration's denials of climate change- admittedly an unlikely hope- would further demonstrate that the U.S. shares the Caribbean's long-term concerns. The U.S. can learn from China's successes by making Caribbean nations understand that Washington also cares about and relates to their priorities. If the United States continues to ignore and neglect its regional leadership status, China appears ready to fill the void.

Additional editorial support provided by KEITH CARR, Research Associate and SHELDON BIRKETT, Research Fellow.

COHA is a non-profit organization. We depend on the support of our readers to help us keep our organization strong and independent. Please consider supporting our work with a subscription to our Washington Report on the Hemisphere or by making a donation.

⁴³ Interview with Jared Ward, March 1, 2018

⁴⁴ Interview with Jared Ward, March 1, 2018

⁴⁵ Interview with Jared Ward, March 1, 2018