

# The Great Power of Culture

## China's Expansion into Latin America and the Caribbean\*

1ST LT ANDRES ANELLO, USAF

SSGT MARCOS ALFONSO, USAF

This article details the significant inroads China has made in Latin America and the Caribbean (LAC) through the lens of the instruments of national power, Diplomacy, Information, Military, and Economy, otherwise known as DIME. The 2018 National Defense Strategy shifted priorities with the re-emergence of long-term strategic competition, by identifying China and Russia as the United States' primary competitors. As a result, the US has awakened from a unipolar world and two decades of the Global War on Terrorism to an emerging multipolar world and fast rising China. In a statement to the Senate Armed Services Committee by USSOUTHCOM Commander, Navy Adm Craig Faller detailed how external actors such as China, Russia, and Iran have expanded their influence into LAC and how they are "blurring the lines of what constitutes military threat through economic coercion, the systematic stealing of technology, influence campaigns, and malicious cyber activity."<sup>1</sup>

### All Roads Lead to Beijing, China's Belt & Road Initiative

To evaluate how China is shoring up its soft power in LAC, it is important to have a baseline understanding of what China's Belt & Road Initiative (BRI) is and how it has manifested itself in other parts of the world. Launched in 2013 by Chinese President, Xi Jinping, BRI is China's massive economic policy towards emerging markets. The BRI seeks to economically link global markets to China via infrastructure projects such as railways, power grids, and ports. In practice we have seen BRI executed in Central, Western, and Southern Asia and Africa through the distribution of massive predatory loans, infrastructure deals, and through exportation of Chinese technology.<sup>2</sup> The BRI can be broken down into three distinct parts: traditional land lines of communications (Silk Road), maritime lines of communication (Maritime Silk Road), and an emerging digital line of communication (Digital Silk Road). China is using BRI to advance its

\*This research was originally conducted as part of a presentation given at the 6th Annual Air University Language, Regional Expertise, and Culture Symposium (October 2021).

narrative globally by underpinning it to all aspects of DIME. In short, China's BRI is a major economic, political, and security challenge for the US and its allies.

### **Diplomacy: From Executive Summits to Humanitarian Assistance**

Only two years following the implementation of the BRI in 2015, Beijing hosted the first ever China-Community of Latin American and Caribbean States Summit (CELAC). At this summit, President Xi Jinping along with foreign leaders from LAC, agreed to a five year cooperation plan (2015-2020) that ranged from politics, to security, trade, investment, finance, infrastructure, energy, resources, industry, agriculture, science, and people to people exchanges.<sup>3</sup> In 2018, a second summit took place in Santiago, Chile, which updated and extended the cooperation plan out to 2021. During this second summit, China officially invited LAC nations to participate in BRI.<sup>4</sup> Of concerning was that these economic summits excluded the US and Canada. In September 2021, CELAC held a third summit, this time in Mexico, where President Xi Jinping attended virtually and reiterated China's commitment to continuing to foster positive relations with the region. Although Chinese trade with LAC is nothing new, it was these summits that laid the foundation for the expansion of BRI into LAC and the subsequent strategic gains China made in the following years.

Fast forwarding to 2021, despite some major public relation setbacks suffered by China regarding the origins of COVID-19 and the efficacy of Chinese vaccines, these setbacks did little to slow down China's advance. Instead, China took the initiative to boost its public image in LAC by taking the lead in providing the region with much needed medical aid via shipments of personal protective equipment and vaccines. According to an article published by Foreign Policy, mid-May exports of Chinese vaccines were over 250 million, with 165 million of them sent to LAC.<sup>5</sup> This aid also came at cost for some; it is apparent China is interested in rewarding countries for siding with them in long-held international quarrels-notably the Taiwan-China debate. Some of the first nations which received humanitarian aid were those that in recent years cut ties with Taiwan, such as the Dominican Republic, El Salvador, and Panama; with the international community becoming concerned that China is taking advantage of the pandemic to advance its foreign policy. In response, on 21 June 2021, President Biden announced a plan to donate 80 million vaccines globally, of which 14 million destined for LAC.<sup>6</sup>

### **Information: Cultural Indoctrination to Deep-Space Stations**

Yet another aspect of China's engagement in the region is their interest in operating within the information domain. This engagement, when furthered, will

allow China to control narratives around some of the concessions they are already asking countries for (i.e., cutting diplomatic ties with Taiwan) in return for various economic deals. However, this domain takes many forms, and it is important to discuss them all to understand the pervasive influence of China.

China has placed a concerted effort towards exporting Chinese culture - or rather an understanding of it. China is doing this interpersonally through the 41 Confucius Institutes located throughout LAC, 11 of which are in Brazil.<sup>7</sup> Confucius Institutes are typically co-located within higher education institutions and universities, and offer language training, facilitate cultural exchanges, and promote the global advancement of Chinese culture. Domestically, on 24 August 2020 the Department of State designated the Confucius Institute US a foreign mission.<sup>8</sup> The following year, on 4 March 2021, the US Senate voted to deny federal funding to institutions of higher education due concerns of “malign influence” and direct funding of Confucius Institutes by the Chinese Communist Party.<sup>9 10</sup>

Chinese involvement with LAC takes on both physical and digital means. On the social media front, the CCP used embassy-linked twitter accounts to project narratives on the treatment of Uygur Muslims in China, an issue that has created concern globally.<sup>11</sup> Within the information-technology domain, China’s Huawei moving into Latin America has stoked concerns as well. Due to pressure from the United States and Brazilian President Jair Bolsonaro’s close ties to former President Trump’s administration, Huawei initially failed to expand their 5G network to Brazil. However, in an unforeseen reversal, Bolsonaro has allowed Huawei to bid on contracts for the development of Brazil’s 5G infrastructure.<sup>12</sup>

Perhaps the most elusive form on control in the information environment is the ability to collect information. This capability appears to be present with the development of projects such as the China Satellite Launch and Control General (CLTC) - Comisión Nacional de Actividades Espaciales (CONAE) deep-space station, in Neuquén province, Argentina.<sup>13</sup> In addition to rumors that this site reports to China’s People’s Liberation Army (PLA), the dual-use military-civil technology applications are readily apparent.<sup>14</sup>

### **Military: Senior Level Military Exchanges to Military Exercises**

China’s military engagement in the region appears to be measured, but is expectedly pervasive. Several factors encapsulate their spectrum of influence in the area. First, China has committed to senior level personnel exchanges and attendance at professional military education programs with many LAC nations. In a study done by the Asia-Pacific Center for Security Studies, these exchanges included attendance to courses at the “Lanceros” Special Forces School in Tolomaidá, Colombia, and the Jungle Warfare School in Manaus, Brazil.<sup>15</sup>

In exercise and practice, China has put particular emphasis on extending their most mobile branch of military, their navy. Purposeful influence is also codified in current PLA Naval (PLAN) Foreign Affairs tasks, designated in a 2015 PLAN conference, where tasks such as “expanding the scope of exchanges” and “strengthening external propaganda to create a favorable public opinion” are detailed. Over the last 10 years the People’s Liberation Army Navy has routinely conducted bilateral and multilateral exercises in the region. Notably, the PLAN has conducted Peace Ark deployments to the region in 2011, 2015, and 2018.<sup>16</sup> China’s Peace Ark deployments to Caribbean nations are illogical, at best, when considering other available deployment options.<sup>17</sup> PLAN deployments represent a concerted interest by China to influence the region across domains and reward countries for political accessions.

Another Chinese area of influence in the region is their arms sales. Major Chinese weapons have been exported to Argentina, Bolivia, Ecuador, Peru, Trinidad and Tobago, with the majority going to Venezuela. From 2009 to 2019 Chinese arms sales to LAC totaled USD \$634M.<sup>18</sup> It is very clear that China uses arms sales as an economic and diplomatic tool to garner influence in the region.

### **Economy: Trade to Mega Infrastructure Projects**

The final and most important area of influence regarding China’s approach in LAC is its economic strategy. Although difficult to accurately capture, China’s economic activity over the last 20 years has steadily increased. At its current rate of growth, China-LAC trade is expected to reach USD \$700B by 2035 and could propel China to becoming LAC’s top trading partner. China already accounts for over 40 percent of trade for Brazil, Chile, and Peru.<sup>19</sup> However, even more concerning is the expansion of BRI with the participating CELAC nations.<sup>20</sup> This BRI expansion comes with significant foreign direct investment (FDI). Brazil, the region’s largest economy represents over 40 percent of Chinese FDI in the region.<sup>21</sup> Chinese investment and loans often include clauses and measures to ensure strategic resources are funneled to China. An example would be a 2010 loan made by China to Ecuador. This loan was partnered with an oil contract, thus ensuring consistent Ecuadorian oil sales to China and securing China with valuable energy resources.<sup>22</sup>

In 2017, Panama cut ties with Taiwan and became the first LAC nation to sign a non-binding Memorandum of Understanding regarding BRI. This is addition to China operating ports on both sides of the Panama Canal (Balboa and Cristobal) since 1997. With the extension of BRI, new infrastructure port projects in Panama were initiated, specifically the expansion of Panama Colón Container

Port (2016), located at Margarita Island and The Panama Amador Cruise Terminal (2017).<sup>23</sup> It is these type of infrastructure projects that enable China to have “strategic ownership” in key locations in LAC and around the world.

### Closing Remarks: Future Presence and Intentions

Chinese influence in LAC has taken many forms. Amongst those forms we’ve noticed several behaviors. These include the ability to adapt lessons learned during the deployment of medical PPE, to the successful rollout and implementation of vaccine diplomacy; employ a diverse toolkit for levying influence across domains, as exhibited in their involvement in economic and information environment; and finally, exploitation due to permissive access in areas previously considered uncontested. These behaviors represent an acceptance by LAC nations of Chinese influence, and China’s willingness to primarily compete economically in the region. Whether China’s interest in LAC represents an advantageous business venture, an imitation of our presence in south-east Asia, or the roots of a new cross-cultural relationship between Asia and LAC, is yet to be seen. However, these unknowns offer valid reasons to remain observant of China’s engagement in the region. The future of LAC; whether it be access to 5G networks, create major infrastructure projects, or obtain port privileges for Chinese warships, may be finely intertwined in a successful overall approach against US interests, if the US does not take strides to compete for influence in the region. □

#### Notes

1. Admiral Craig S. Faller, “The Statement of Admiral Craig S. Faller Commander, United States Southern Command, before the 116th Congress, Senate Armed Services Committee Subcommittee on Emerging Threats and Capabilities,” 9 July 2019, [https://www.armed-services.senate.gov/imo/media/doc/Faller\\_07-09-19.pdf](https://www.armed-services.senate.gov/imo/media/doc/Faller_07-09-19.pdf).

2. Jennifer Hillman et al., and David Sacks, “China’s Belt and Road: Implications for the United States,” *Independent Task Force Report* No. 79, March 2021, <https://www.cfr.org/report/chinas-belt-and-road-implications-for-the-united-states/>.

3. Mark P. Sullivan, and Thomas Lunn, “China’s Engagement with Latin America and the Caribbean,” 1 July 2021, <https://crsreports.congress.gov/product/pdf/IF/IF10982>.

4. Ibid.

5. Oliver Stuenkel, “Vaccine Diplomacy Boosts China’s Standing in Latin America,” 11 June 2021, <https://foreignpolicy.com/2021/06/11/vaccine-diplomacy-boosts-china-in-latin-america/>.

6. The White House, “FACT SHEET: Biden-Harris Administration Announces Allocation Plan for 55 Million Doses to be Shared Globally,” 21 June 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/21/fact-sheet-biden-harris-administration-announces-allocation-plan-for-55-million-doses-to-be-shared-globally/>.

7. House of Foreign Affairs Committee, “China Regional Snapshot: South America,” 16 March 2021, <https://gop-foreignaffairs.house.gov/china-regional-snapshot-south-america/>.

8. Department of State (Public Notice 11188), “Determination Pursuant to the Foreign Missions Act,” 24 August 2020, <https://www.federalregister.gov/documents/2020/08/24/2020-18525/determination-pursuant-to-the-foreign-missions-act>.

9. 117th Congress, “CONFUCIUS Act,” 4 March 2021, <https://www.congress.gov/bill/117th-congress/senate-bill/590>.

10. Jamie P. Horsley, “It’s Time for a New Policy on Confucius Institutes,” 1 April 2021, <https://www.brookings.edu/articles/its-time-for-a-new-policy-on-confucius-institutes/>.

11. Embassy of the Peoples Republic of China in Ecuador, @EmbajadaChinaEc. Twitter Post. 23 July 2021 8:30 PM, <https://twitter.com/EmbajadaChinaEc/status/1418730146790584321>.

12. Oliver Stuenkel, “Latin American Governments Are Caught in the Middle of the U.S.-China Tech War,” 26 February 2021, <https://foreignpolicy.com/2021/02/26/latin-america-united-states-china-5g-technology-war/>.

13. Ministerio de Ciencia, Tecnología e Innovación, “Estación CLTC—CONAE—NEUQUEN,” 2021, <https://www.argentina.gob.ar/ciencia/conae/centros-y-estacione/estacion-cltc-conae-neuquen>.

14. Lara Seligman, “U.S. Military Warns of Threat From Chinese-Run Space Station in Argentina,” 8 February 2019, <https://foreignpolicy.com/2019/02/08/us-military-warns-of-threat-from-chinese-run-space-station-in-argentina/>.

15. Katherine Koleski, and Alec Blivas, “China’s Engagement with Latin America and the Caribbean,” U.S.-China Economic and Security Review Commission, 17 October 2017, [https://www.uscc.gov/sites/default/files/Research/China's%20Engagement%20with%20Latin%20America%20and%20the%20Caribbean\\_.pdf](https://www.uscc.gov/sites/default/files/Research/China's%20Engagement%20with%20Latin%20America%20and%20the%20Caribbean_.pdf).

16. Ibid.

17. Timothy R. Heath, “China Maritime Report No. 8: Winning Friends and Influencing People: Naval Diplomacy with Chinese Characteristics,” *US Naval War College Digital Commons*, 10 September 2020, <https://digital-commons.usnwc.edu/cmsi-maritime-reports/8>.

18. Ibid.

19. Pepe Zhang, and Tatiana Lacerda Prazeres, “China’s Trade with Latin America is Bound to Keep Growing. Here’s why that Matters,” 17 June 2021, <https://www.weforum.org/agenda/2021/06/china-trade-latin-america-caribbean/>.

20. Ibid.

21. China Power Team, “Does China Dominate Global Investment?,” *China Power*, 26 September 2016, Updated 28 January 2021, Accessed 9 December 2021, <https://chinapower.csis.org/china-foreign-direct-investment/>.

22. Anna Gelpert, Sebastian Horn, Scott Morris, Brad Parks, and Christoph Trebesch, “How China Lends: A Rare Look into 100 Debt Contracts with Foreign Governments,” 31 March 2021, <https://www.cgdev.org/sites/default/files/how-china-lends-rare-look-100-debt-contracts-foreign-governments.pdf>.

23. Katherine Koleski, and Alec Blivas. (2017).



**1st Lt Andres Anello, USAF**

Lt Anello is an Intelligence Element Officer in Charge with the 482d Attack Squadron, Shaw AFB, South Carolina. He has been active member of LEAP since 2013. Prior duty assignments include RAF Mildenhall, United Kingdom and Barksdale AFB, Louisiana.



**SSgt Marcos Alfonso, USAF**

SSgt Alfonso is an Aerospace Intelligence Analyst at USNORTHCOM, Peterson SFB, Colorado. Previous assignments include intelligence analysis with the 482d Attack Squadron, Shaw AFB, SC.