

Opinion – China’s Soft Power Diplomacy in the Caribbean

Written by Pablo Baltodano

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PABLO BALTOIANO, DEC 6 2023

On November 17th, 2023, the Asian-Pacific Economic Cooperation (APEC) summit took place in San Francisco. The primary topics addressed were mutual respect, peaceful coexistence, a win-win cooperation attitude, and stability. Chinese President Xi Jinping declared the importance of these topics: “Development in our region has been achieved not through provoking antagonism and confrontation (...), but by staying open and inclusive and drawing on each other’s strengths.” China’s vision of stability, cooperation, and development does not only include the Asian-Pacific region but extends to Africa, Latin America, and the Caribbean.

The Caribbean “neighborhood” (15 nations members and five associates that belong to CARICOM, the seven Central American countries, Mexico, Cuba, Dominican Republic, Colombia, and Venezuela) is crucial because of demographics; it represents a population of about 280 million and a Gross Domestic Product (GDP) of around \$4.5 trillion. Also, it is of geopolitical, strategic, and logistical significance because it is a central location between the Americas and Europe. Further, it is a vital area for financial matters, and it is rich in natural resources, including vast amounts of oil, natural gas, minerals, agricultural products, and marine reserves. The availability of resources made the region a hotspot during the colonial era, and the influence of some countries over Caribbean nations still lingers.

With China’s growing presence internationally, Latin America and the Caribbean have been subjects of Chinese “soft power diplomacy” within the Belt and Road Initiative (BRI) framework. For example, in the last decade, China has made significant investments in Jamaica, created solid cooperation ties with Cuba (including a recent communication center), invested millions of dollars in the expansion of the Panama Canal, financed the oil economy in Venezuela, and promoted several cooperation projects with Mexico, among many other ventures. As a result, China has taken diplomatic protocol to the highest-level officials, and President Xi Jinping has personally met with leaders from countries with access to the Caribbean.

Regardless of what the US Southern Command (SOUTHCOM) concludes about China, it is important to note that many countries in Latin America do not see China as a threat but as an ally that will bring new opportunities to the region. Indeed, China’s assistance has focused on telecommunications, renewable energy, and infrastructure investments for their private enterprises. Chinese presence in Latin America could even expand beyond the BRI to areas such as humanitarian assistance, natural disaster prevention, climate change, security assistance against drug trafficking and transnational organized crime, pandemics, and other security issues threatening the area.

If China wants to enhance its presence in the Caribbean, it will need a home base to set up its operations and showcase its products. Nicaragua offers the right conditions for China. Nicaragua is the largest country in Central America, with access to both oceans, enough resources for solar, hydro, aeolic, and geothermal energy, and arable land for agriculture and vast amounts of fresh water. Furthermore, Nicaragua offers plenty of mineral reserves, low-wage labor, and a Free Trade Agreement (FTA) with China and many other countries. Furthermore, Nicaragua offers economic and political stability today. There are no significant internal threats to the government’s power, and security institutions like the police and army are loyal to the government. There is no indication of any division among them. These facts are essential for China’s confidence in using Nicaragua as its home base. The army’s commander-in-chief, Julio Cesar Aviles, recently visited China in October.

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Nicaragua will not represent an economic burden to China either since it presents good economic performance. International organizations such as the International Monetary Fund (IMF) recently praised Nicaragua’s economic resilience, supported by “appropriate economic policies, substantial buffers, and multilateral support.” Further, the IMF supports the authorities’ plans to continue prudent macroeconomic policies. Unlike other allies of China in the region, Cuba and Venezuela present different challenges and opportunities.

On the one hand, Cuba, despite facing economic hardships since the end of the Cold War and an ongoing embargo by the United States, does not have any internal or external challengers to the government’s power. This gives China some confidence to set up an intelligence gathering and communication center, but not necessarily for a home base. Additionally, Chinese naval ships have been able to dock in Cuban ports. On the other hand, Venezuela seems like a thousand-piece puzzle. Significant economic debts burden it and have internal and external challenges to President Maduro’s power. Considering these factors, Nicaragua emerges as a more stable and promising option for China to establish its presence in the Caribbean region.

During a recent meeting in China between Wang Yi, a member of the political bureau and director of the Central Commission for Foreign Affairs, and Nicaraguan presidential advisor, Laureano Ortega, Wang Yi said, “China has always viewed China-Nicaragua relations from a strategic and long-term perspective, regards Nicaragua as a trustworthy partner and China stands ready to work with Nicaragua to elevate the strategic level of bilateral relations.” In response, Mr. Ortega affirmed that Nicaragua will always stand with China. This high-level meeting confirmed that China views Nicaragua as a future strategic partner and a geopolitical ally in the projection of security soft-power diplomacy.

In contrast, the US presence in the South China Sea is militarily offensive to contain China. The presence of the US in the Pacific and its security projection of power is massive compared to the presence of China in Latin America and the Caribbean. China is currently cloistered in the Indo-Pacific area, with an active presence of US allies like Japan, South Korea, Australia, Singapore, Taiwan, and, more recently, the opening of a fourth military base in the Philippines. Additionally, the U.S. Pacific Fleet consists of approximately 200 ships (including five aircraft carrier strike groups) and nearly 1,100 aircraft – while China has no military base in Latin America. Further, the US has no moral argument to deny sovereign China and Nicaragua the right to open a home base when the US has many military bases and the 4th Naval Fleet throughout the region, even for the “protection” of nations not ideologically sympathetic to US foreign policy.

A tangible demonstration of this alliance and trust in the Nicaraguan government that starts to build a Chinese hub for the Caribbean neighborhood will create opportunities and options for the region. For example, the proposed \$491 million international airport in Punta Huete within the Belt and Road Initiative (BRI) framework could be the hub for a Chinese airline to service the region. Also, opening an international Chinese bank, proposed by the Nicaraguan government, would facilitate financial competition and use another currency, the Yuan, for trade. Also, it could be an export manufacturing base for the Caribbean neighborhood market, e.g., transportation, medical equipment, pharmaceuticals, and technological equipment in the region. Using Nicaragua as a base and developing a framework with regional nations for countering transnational organized crime, maritime security, cyber security, money laundering, and human trafficking can be an integral part of security soft power diplomacy. The presence of China in the Caribbean neighborhood could also help recognize the “One China Policy” for the remaining countries in the region.

Additionally, China and Nicaragua could keep working together closely since Nicaragua has been successful in the fight against drug trafficking. China could sign an agreement to share military bases between the People’s Liberation Army (PLA) and the Nicaraguan army. The aforementioned implies that none of the said equipment will be offensive. Thus, China can show the world that it is not trying to compete militarily with the US in Latin America for hegemonic purposes. If peaceful coexistence and win-win cooperation are the ultimate objectives of the US in the region, then it must show flexibility and mutual respect in Latin America. As President Xi said, “Let us galvanize the Chinese and American peoples into a strong force to renew China-US friendship, advance China-US relations, and make even greater contributions to world peace and development.”

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If there is competition between the US and China in the Caribbean region, it will be in the use of soft power diplomacy to resolve problems of general interest. A Chinese presence in Nicaragua should not be seen as a direct threat to US national security. Instead, it should be an opportunity to peacefully coexist and cooperate on matters of common interest between the two dominant world military superpowers. China could, therefore, benefit its international reputation, not as a country that exports financial debt traps and uses the region to extract natural resources without leaving wealth behind, but instead as a country that fosters cooperation and development.

**The views presented in this article are the author’s own and do not represent the views of any other organization.*

About the author:

Pablo Baltodano is a former Consul General from Nicaragua to Mexico and former elected president of the Honorable Associations of the Consul Generals for two consecutive terms. He holds a BA in Intelligence and Security Studies from Bellevue University (Summa Cum Laude). His research focuses on Latin American affairs and security.