

The Dragon on the Beaches: China and the Caribbean as Development Partners?

By David Gomezⁱ

The United States' withdrawal from key multilateral institutions (read from global leadership), whether real or threatened, has opened the door for China to assert itself more prominently as the new global leader, and in a number of other fora.

This is an opportunity that Beijing has welcomed and fully embraced, including in the Caribbean region. This shift in global leadership towards Beijing has significant implications for Caribbean countries, including for Caribbean-United States relations. To be sure, over the past decade or more, China has taken calculated steps aimed at usurping Taiwan's influence within the Caribbean, while also using the opportunity to penetrate a traditional sphere United States influence. It has accomplished this by playing to the Caribbean's colonial passion - cricket (China funded cricket stadiums for the Cricket World Cup in a number of Caribbean countries); and by directly strengthening bi-lateral relations with countries in the region, though focusing more on the regions stronger economies. Yet the United States' response to these incidents is hardly discernible, emblematic of the way it views the Caribbean: that is, as a backwater and drugs trans-shipment zone, but lacking any real value relative to US global strategic interests.

China's growing economic power positions it well for assuming a leading role as one of the Caribbean's main development partners. The roots of this strategy are already in place, and agriculture and economic cooperation programs, as well as cultural exchanges between China and the Caribbean are now commonplace, much to Taiwan's chagrin. China's track record in Latin America and Africa suggests that it will use this opening as a 'development partner' to expand Chinese influence in the Caribbean. This will likely continue to involve agricultural and economic cooperation

programs but Chinese investments and credit in renewable energy generation technologies is likely to play a more significant role in the future. This is an area where China holds strong competitive advantages vis-a-vis the United States and there are obvious advantages to the Caribbean for migrating its energy generation to renewable sources though countries in the region are (inexplicably) rather slow in doing so.

Chinese investments in tourism could follow. China is not currently a big market for the Caribbean's tourism industry and it is uncertain whether that will change anytime soon. Nonetheless, there is significant value in owning and controlling the tourism sector and this can be attained by means of investments in properties, supply chains, and even transportation. The recent collapse of the rather inefficient LIAT airlines provides one opportunity for new (Chinese?)

investments, and the economic impact of the prevailing global COVID pandemic is likely to leave Caribbean economies with a few more areas in need of new injections of capital. Mainland Caribbean countries such as Belize and Guyana provide other opportunities for other forms of investments - in mining and forestry, among other things. At the same time, China still does not hold up much promise as a market for the Caribbean's traditional exports, because of distance, but also because this remains predicated on a narrow range of primary commodities, and in a handful of the countries. Instead, the sectors (bananas, sugar, coffee, aqua-culture) hold a different type of attraction for China: as ones for Chinese investments and take-over.

These scenarios are troubling, if not for Caribbean countries themselves, then certainly for the United States, or it should be. China's growing role as new global leader is not one that it will take up without also taking advantage of opportunities for asserting its influence in spheres that were traditionally the domain of the United States. The Caribbean is ripe for the picking. The region's economic and social vulnerabilities leave its leaders with the need for Taiwan-style development partnerships (un-tied aid and much flexibility in supporting the countries' development initiatives if not their priorities). This is not necessarily China's way of doing things, but at the doorstep to the United States the Caribbean is sufficiently enticing, and small enough, for this to be a consideration. Besides, Caribbean leaders

have been openly calling for "deeper relations" with China giving China the leverage it already didn't need. To add to this, the Caribbean Basin Trade Partnership Initiative is by any measure, of little value to most Caribbean countries, and many Caribbean politicians will quietly tell you that the Caribbean Basin Security Initiative hurts the 'informal economy' (which in many instances have kept Caribbean economies afloat if not buoyant). By the look of things, the dragon is headed for the Caribbean's beaches. Considering the Chinese diaspora in the region, maybe it's already there...

ⁱ The author is a Managing Partner at Launchpad Consulting and an International development, trade and value chain specialist leading and delivering high quality results under development initiatives in Africa, the Caribbean and the South Pacific. His specialisms include development policy, international trade policy, export and SME value chain development, and trade support institution capacity building.