

Ibero-America Moves Towards Belt and Road, Urges United States to Join

by Gretchen Small

Oct. 14—Panama has staked its future on all of the Americas—the United States included—jumping on board the Chinese-initiated great global Belt and Road Initiative (BRI), just as Panama has done.

Since it established diplomatic relations last June 13 with the People's Republic of China (PRC), instead of Taiwan, Panama and China have been negotiating a slew of cooperation agreements centered on developing Panama as a strategic logistical, transport, financial, and technological “bridge” or “platform” for Chinese investments in Belt and Road projects in the rest of the region.

On Sept. 16-17, Chinese Foreign Minister Wang Yi visited Panama to oversee the opening of the first-ever PRC Embassy in Panama, and to continue discussions with President Juan Carlos Varela, Vice President and Foreign Minister Isabel Saint Malo, and other cabinet members, on what Panamanian Deputy Foreign Minister Luis Miguel Hincapié dubbed last June as the “incalculable” possibilities for development generated by Panama becoming China's gateway to the rest of Ibero-America.

“A new era begins in which we should be closer than ever on behalf of our people's well-being. Geographic distance will not be an obstacle to our being allies,” President Varela said at the opening of the PRC embassy. At a press conference with his counterpart Saint Malo, Wang said the first 100 days of diplomatic relations get “a full score of 100 points.” He confirmed that President Xi Jinping will receive President Varela before the end of 2017 in Beijing, where he expects they will sign many of the more than a dozen cooperation agreements under discussion. Varela is expected to bring a delegation with him to China, where he will



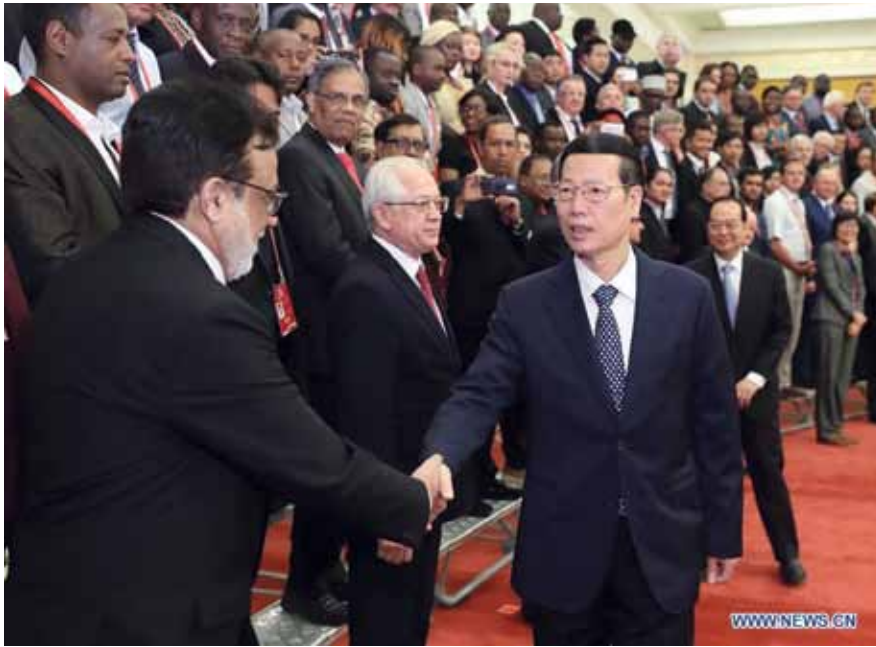
Xinhua/Dan Hang

Panama President Juan Carlos Varela (L) and China's Foreign Minister Wang Yi, inaugurating the first-ever Embassy of China in Panama City, Panama, Sept. 17, 2017.

visit Shanghai and Guangzhou, as well as Beijing, to promote business and tourism.

Projects by Chinese companies already underway and under discussion for Panama, range from construction of a modern, deep-water container port and a giant logistics park of four and a half square miles on land around the now-expanded Panama Canal, to reactivation of the stalled Chan II hydroelectric project and Chinese financing of the construction of a cargo and passenger train from Panama to the border with Costa Rica. The latter may not be the “flashiest” of the projects, but it is critical, given the scandalous lack of railways throughout a Central America which the imperial Teddy Roosevelt faction in the United States historically regards as its backyard.

“China would like to join hands with Panama tightly,” Wang said. Xinhua added in its report that Wang and Panama's leadership “also agreed to enhance high-level exchanges, deepen political mutual trust, and take joint construction of the Silk Road Economic Belt and the 21st Century Maritime Silk Road as an op-



Xinhua/Wang Ye

China's Vice Premier Zhang Gaoli, meeting delegates to another media forum on the Belt and Road Initiative hosted by the People's Daily, attended by more than 300 representatives from 126 countries and international organizations, in Beijing, Sept. 21.

portunity to promote mutually beneficial cooperation, so as to better serve the two peoples.”

Project for Future Generations

Panama's decision reflects the realization dawning across Ibero-America and the Caribbean, that the Belt and Road Initiative (BRI) is not something happening “over in Asia,” of which they are spectators. Since the May 2017 Belt and Road International Cooperation Forum in Beijing in particular, the BRI is being seen as a potential source of investment for their nations, too, in long-desired ports, railroads, and other infrastructure, but more important, as an emerging new system of relations among nations. They are awakening to the idea that their nations, in cooperation with others, can leap into a future without the poverty, misery and backwardness which oppress the vast majority of the world's people today.

This growing excitement is seen in the coverage by some of the leading Ibero-American journalists who attended the *People's Daily* Media Cooperation Forum on the Belt and Road in Dunhuang, China, on Sept. 19, 2017.

Notable is the Sept. 20 report by the official news agency of Mexico, Notimex, from Dunhuang, that its Director General Alejandro Ramos Esquivel called upon

the representatives of media from around the world present in [Dunhuang](#) to spread the word “in favor of an ordered development of this New Silk Road.” In Ramos Esquivel's view, the Belt and Road began as a commercial project, but by bringing together geographically separated peoples representing a richness of traditions, cultural expressions, and religions, it is becoming “an emblem of cooperation...” “Let us, from our platforms, our print media ... let us make use of our social networks to invite the new generations to be part of this project for cooperation and interaction,” he urged.

The Belt and Road “passes through Brazil,” Marcos de Oliveira, editor of that nation's *Monitor Mercantil* newspaper, wrote on Sept. 29, in his second article promoting the Belt and Road

Initiative since he returned from Dunhuang. “Can the Chinese Belt and Road Initiative benefit Brazil? The answer is: yes,” de Oliveira wrote. China's project goes beyond creating routes for trade. “The size and greatness of the investments will create a dynamic in the global economy which can benefit not only the economies in its vicinity, but also other parts of the world, such as Brazil and Latin America. ... The initiative is counterposed to the current immobility of the world economy, created by the preponderance of speculative financial interests over real production. This is how China has made itself a great power, proposing partnership and cooperation for the benefit of all countries.”

In de Oliveira's view, Brazil, as the only member of the BRICS (Brazil, Russia, India, China, and South Africa group) in the Americas, “can play a fundamental role in building a new world. Therefore Brazil must establish its interests and seek partners so that it joins the Belt and Road. If China sets its goals and interests, each country should look for the strategy which best serves it, within this world cooperation.” Brazil's problem is that it does not have a national project, but instead an illegitimate government, “rejected by 97% of the population,” de Oliveira wrote, so he proposed business sectors should put together an agenda for Brazil's role in this initiative—a message directed to *Monitor Mercan-*



Costa Rica's President Luis Guillermo Solis (L), meeting China Foreign Minister Wang Yi in San José, Sept. 15, 2017.

til's more nationalist-oriented business and economic readership.

Spurring Others into the BRI

Panama's historic decision has already spread, with other American nations aspiring to jump on board the Belt and Road project. On his way to Panama in September, Foreign Minister Wang stopped in Costa Rica, Panama's immediate neighbor and the only other Central American country which has relations with the PRC, established 10 years ago. Before Wang's visit, Costa Rican President Luis Guillermo Solis spoke with enthusiasm of the potential of Chinese-Costa Rican relations in a Sept. 1 interview with Xinhua, but he argued that before participation in the BRI, bilateral relations should first be expanded. After Wang's meeting with both the President and Costa Rican Foreign Minister Manuel González on Sept. 15, González announced that Costa Rica is ready to actively take part in building the Belt and Road, because it will promote Costa Rica's own development. He specified also, that his government is willing to explore trilateral cooperation with China and Panama.

After Panama's break in relations with Taiwan to establish ties with China, there are signs that other nations in the region may follow suit, particularly in the Caribbean. The Dominican Republic, which shares the island of Hispaniola with Haiti, has taken note of the

just-announced \$4.7 billion Chinese investment to rebuild Port-au-Prince (although Haiti still maintains relations with Taiwan), and a debate has broken out over whether the Dominican Republic should follow Panama's lead and establish ties with the PRC, or attempt to participate in this global development with China without doing so.

Joining a 'Noble' Idea

English-speaking Caribbean countries are also orienting towards the Belt and Road. Trinidad and Tobago Prime Minister Stuart Young announced last June that his nation is "well-positioned" to take on the task of being the economic conduit for China in the region.

The Jamaican government signed an agreement with China Harbor Engineering Co. in September 2016, for construction of a megaport through which it hopes to transform

itself into a hub for the increased numbers of giant Chinese ships passing through the expanded Panama Canal, which opened in June 2016.

This past June 22, Jamaica's Prime Minister Andrew Holness announced that "the government of Jamaica endorses this policy" of the Belt and Road, and at some stage, "we would want to formally, if possible, join in what we think is a very beneficial, but very noble expression of not just the Chinese aspiration for development, but the development of economies right across the world through a cooperative and inclusive strategy."

That desire was followed up in September, when China's State Councillor Yang Jiechi, accompanied by a twelve-person delegation, visited Jamaica for a one-day working meeting on Sept. 11. There, he and the Prime Minister discussed a range of bilateral, regional, and multilateral issues, including Chinese investment projects on the island and the Belt and Road Initiative. According to the *Jamaica Gleaner*, Prime Minister Holness vowed that "we will continue to ensure that the projects undertaken between our countries are aligned, not just for our development but for the development of China as well, so that the development is mutual." Holness added that Jamaica has benefitted from China-financed infrastructural development, and said he sees the bilateral relationship as a means by which Jamaica can significantly expand its manufacturing sector.



Xinhua/Huang Yanan

Jamaican Prime Minister Andrew Holness (R), meeting China State Councilor Yang Jiechi in Kingston, Jamaica, Sept. 11, 2017.

Join Us in the BRI!

Geopolitical diehards, such as the U.S. Army War College's resident Latin American Research Fellow, R. Evan Ellis, have been beating the anti-China drum for some time, claiming that China's increasing presence south of the U.S. border—diplomatic, economic, people-to-people, as well as military—is a danger, because the United States and China might end up in “a shooting war.”

In an interview with *World Policy Review* (“What Panama's Recognition of China Means for America's Backyard,” Oct. 5), Ellis admitted that Panama's economy may benefit from its new relations with China, and that those relations might also lead to cooperation in fighting Chinese organized-crime networks in Panama. Nonetheless, Ellis insists that Panama's cooperation with China has “potentially negative implications for the strategic position of the United States in the region and its policy agenda of Western-style free trade, democracy, human rights, and the rule of law.” For such Wall Street addicts, fostering economic development so close to the United States is a threat!

President Varela does not treat Panama's joining China in building the BRI as remotely anti-American. Less than a week after his national television broadcast announcing the establishment of relations with the PRC—a country, as he said, which represents 20% of

the world's population, is the second-largest economy in the world, and is playing a key role internationally and in the region, with which no responsible leader should not establish relations—Varela paid a four-day visit to the United States to meet with President Trump and members of his cabinet. Speaking before the Inter-American Dialogue in Washington, D.C. on June 21, Varela defended his decision on relations with China enthusiastically, at the same time that he emphasized that Panama is a strong U.S. partner, which plays an important regional role in Central America, particularly working with other nations on dealing with security issues in the “Northern Tier” of El Salvador,

Guatemala, and Honduras, where drug gangs rampage.

What Varela did not say, was made explicit by an official from the Economics Unit of the Panama Canal Authority, in a speech on “Panama's New Relations with China and the Possible Implications for the Canal: One Belt, One Road,” reported by Panama's *La Estrella* on Sept. 17, the last day of Wang's visit to Panama. In his speech, economist Eddie Tapiero, emphasized that Panama's new relations with China go beyond increasing trade; Panama is joining in the Chinese Belt and Road Initiative, “which will change the world in the coming years,” a world which the United States must also join.

Tapiero declared: the Belt and Road is “a new business model of globalization in the world, and Panama should not be alien to it. The United States as the main partner of all countries in Latin America needs to be part of the initiative. With all the players working towards the same goal, the countries will achieve a balance in their strength and stability in the long term.”

The rapid, high-technology development which U.S. cooperation with China on the Belt and Road would bring to the peoples of Central America is, in fact, the single most effective strategy for freeing Central America from the grip of the drug trade and narco-terrorism, which is a very real security threat for the United States.