

## Executive Summary<sup>1</sup>

- 1) **Summary:** On October 12-13, 2023, dozens of leading experts from the Americas and Africa met at Florida International University (FIU) to discuss China's engagement in Latin America and the Caribbean (LAC) and Africa. The analysis focused on trade, investment, and finance, security and law enforcement, media and cultural exchanges, technology and cybersecurity, among other topics. This inaugural conference was co-hosted by FIU's Jack D. Gordon Institute for Public Policy, Witwatersrand University in Johannesburg, FLACSO Argentina, the Atlantic Council Global China Hub, and the United States Institute of Peace. The session was recorded, and conference proceedings are available in English.

### Trade, Investment, and Finance

- 2) Hannah Wanjie Ryder argued that there is no one African story when talking about China. The challenges have been around for many years. The opportunities are increasing but also changing. The China-Africa relationship is determined through government-to-government relations. Foreign Direct Investment (FDI) has been increasing over time. FDI stocks are almost back to pre-Covid levels for China on the African continent. Ten countries account for 65 percent of the FDI. Mining is a smaller proportion of investment compared to other forms of FDI. The share of manufacturing is around 14 percent.
- 3) Victoria Chonn Ching noted that one trend that has existed in LAC is that there is also not only a single story in Latin America—as indicated in the African context. There have been many commercial and financial investments in LAC over the past two years. For 20 years or so, there has been the conversation of what China can offer. This continues to be the case, but it has shifted for the Latin American countries. It is not only what China can offer but how it is offered. The question for many LAC countries is how can they negotiate with China?
- 4) Chinese finance programs accept local safeguards. For the development banks, incremental conditions are required. The finance is packaged with Chinese construction companies. Consequently, you receive a company that will design, implement, and finish the project. The United States and Europe depend on their influence at the World Bank and International Monetary Fund. This influence can be diluted with China's role. The negative ramification is decreased levels of transparency. If local safeguards are weak then there is a risk of environmental damage and social problems.
- 5) Twenty-one countries in LAC have signed up for the Belt and Road Initiative (BRI). China is an increasingly relevant actor in the region's foreign trade. For Mexico and Central America, Chinese manufacturers are not only a problem in the domestic market but the American market. Bolivia, Colombia, Chile, and Peru export minerals. Other countries like Argentina and Brazil export agricultural products.

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<sup>1</sup> The detailed version of the conference proceeding attributes each argument to a specific presenter.

## Security and Law Enforcement

- 6) Since 2004, the Chinese have had an active presence at the Organization of American States (OAS). Evan Ellis maintained that the Belt and Road Initiative still exists in Latin America. The Global Development Initiative (GDI) is a shift away from the BRI and focuses on common causes with the developing world. Yet the GDI has not had much traction.
- 7) Furthermore, Latin America has witnessed the deployment of Chinese forces in a police role. China is more present in Africa and Asia in terms of private security companies. The Chinese are preparing themselves to get more involved in LAC.
- 8) There is a security deficit in Africa. The current military coups demonstrate this deficit. China is concerned if African countries are strong enough to project Chinese investment interests. There is resentment in Africa because of the military coups toward the presence of foreign militaries. There is the perception among the public of the existence of “neo-colonialism.” The Chinese, however, are sensitive to how they are perceived in Africa.
- 9) In Central America, the relationship with China is new. The first country that opened relations with China was Costa Rica. Honduras kicked out Taiwan and embraced China. In El Salvador, President Bukele has maintained a consistent Chinese narrative. They have discussed construction projects. In Nicaragua, Honduras, and El Salvador, China is finding new opportunities. China seeks to deploy communication exchanges to consolidate its narrative in the region. This diplomatic relationship helps expand the global vision of China as a “beneficent power.”
- 10) The People’s Republic of China (PRC) has made efforts to position itself as a preferred security partner through attractive cost packages and credit to buy military hardware in Africa. The notion is that China will help combat US influence. This can sometimes be seen in how African countries vote in the United Nations.

## Session 3: Media and Cultural Exchanges

- 11) Maria Montt argued that the Chinese diaspora is not at the center of the narrative in Chile. The community has played a role, but it has not been studied enough. Chile opened diplomatic relations with the PRC in 1970 and maintained these relations after the Chilean coup in 1973. The Confucius institutes have become useful institutes and help decrease the knowledge gap.
- 12) Chinese relations have been concentrated in autocratic regimes, larger economies (Brazil, Mexico, and Argentina), and then middle-income countries that rely on the export of commodities. There is not much engagement with local communities in autocratic countries. Venezuela, for instance, used to have an important Chinese community that dated back to the 1950s and 60s.
- 13) In LAC, it is often “high level” when you are talking about Chinese engagement. There are countries like Brazil, Peru, and Panama where there are large and diversified PRC communities that work with these “friendship communities.” Yet it is more about supporting their local community. The BRI has become a global brand, especially in the

Global South. The PRC is very good at this branding. While there are media campaigns that do reach an audience, it is a political audience and members of academia.

- 14) Fikayo Akeredolu contended that there is a funding war in Africa when it comes to climate change. Africa receives substantial funding from China in terms of climate change (e.g., hydropower and wind). China has not received much PR about this. Yet the data reveals that there are many countries looking at China. In 2021, there was a massive shift from building “all the roads to you need” to solar panels and climate friendly sustainable products. The push to “small is beautiful” is changing this dynamic with African countries. The Afrobarometer looks at African perceptions of China, and most of the respondents in 2021 had a positive external perception of China (63 percent) compared to the US with 60 percent. Chinas’ climate multilateralism is driven by protecting Chinese sovereignty and upholding its role as a reliable leader of the developing world.

#### **Session 4: Technology and Cybersecurity**

- 15) The BRI and other initiatives have helped increase engagement with the Global South. The Chinese movement toward this region is not only based on commercial and economic goals. It is also related to national development and Chinese defense strategies. According to Fernanda Magnotta, Chinese companies are leading the race for patents and 5G. Xi Jinping has argued that China is a cyber superpower. There are some specific sectors that are the most relevant for the Chinese in the region. Artificial Intelligence (AI), cloud computing, smart cities, and 5G are the most important.
- 16) Africa is the region where the adoption of the internet has the fastest growth rate of the internet in the world. Ten percent of Africa’s GDP is impacted by cyber-crime. Huawei has had an impact in Latin America. Since 2014, this company has sent 160 students each year for training in China. There are also education agreements with 400 universities. In May 2023, for example, Huawei’s 100 industries in Southern China contribute to Latin America’s digitalization.
- 17) China likely wants structural reforms in the international system. It is still not clear what China’s interest are in terms of providing global public goods. China wants space to accommodate its interests. We always wonder if China will be a challenger to the international order. Yet agency also matters. In the Global South, the sense of opportunities and pragmatism prevail.
- 18) Bulelani Jili argued that Kenya provides a good example of some of the current issues. In Kenya, 1997 is the year when the Kenyan Communication Authority relinquished its authority of the tech space. Private companies could then come into this space. This enabled the government to leverage IT infrastructure as a method of development. There was also growing pressure from civil society. The earliest CCT cameras arrived in 2011/2012. The data protection act arrived in 2019. It, however, only becomes “somewhat implemented” in 2022. In Kenya, there is no law governing the CCT system. In the absence of a regulatory framework, they can be misused. In 2020, a protection law was created. The training for some of the police officials in surveillance headquarters has been financed by Huawei. There are many opportunities in the context of Africa. People

are not ignoring concerns with breaches of data. There is a need to build cyber capacities. There are many opportunities for individuals to think about a robust cyber security framework in Africa.

- 19) Some of the dilemmas are domestic in nature. South America, including Brazil, is not ready to have this discussion. According to Fernanda Magnotta, it is very difficult because the legal architecture must be addressed. In Brazil, there are endless discussions of the regulation of social networks. This stalled in congress. In Brazil, there are more than 35 parties represented in the congress. Thus, some scholars are skeptical of seeing bridges being crossed between policies and legal frameworks.

### **Closing Remarks of the Day**

- 20) This is a pivotal moment for both Africa and LAC. The balkanization of international relations has increased the desire for partnerships around the world. There are moments like this where we can get deeper conversations and analysis. It is a significant movement to have conferences like this. The lack of knowledge on China in some regions is often not regarded as a problem.

### **Partner Organization Research Presentations**

- 21) Leland Lazarus noted that agency is very important. This is a common theme throughout the conference. Moreover, information sharing between countries is a key issue. There were various examples by presenters about how China is increasing its positive image.
- 22) There is an opportunity for companies and businesses to match solutions at the local level. The defense technology ecosystem in the US is a huge opportunity for the import and export of technology. The United States Southern Command (SOUTHCOM) has been realizing the importance more and more of the private sector. The commander has met with CEOs of various companies. This is a heartening trend, given the importance of the private sector.
- 23) Several presenters made comments about shifts in thinking about risk on the part of Chinese entities—whether we are talking about companies or banks. Today, there are longer timelines when talking about the negotiations of timelines. In other words, banks have taken more precautions. This is something that we will have to keep an eye on. This could have an impact on other countries, particularly in Central America where countries have cut ties with Taiwan.
- 24) The most recent reports and studies on Chinese digital technologies in Africa focus on countering malign Chinese influence in Africa. This is the framing and strategic competition. Who is the audience for the research output? This often is US audiences speaking to themselves. This defeats the purpose of agency. Perhaps we could have research that is comparative in orientation so that you compare the US and China (and other external actors) in Africa. There could be a focus on comparing China's approaches and the responses in African countries.
- 25) There has been an acceleration of investments and finance in certain sectors. This trend has been a big emphasis since the BRI. Finance and investments have been focused on

the Global South. When we talk about renewables, there have been large investments from the Chinese in Chile, Argentina, and Brazil.

- 26) Juliana Gonzalez Jauregui presented her research on Lithium. She argued that China has accomplished the vertical integration of the Lithium supply chain. What is the difference between Chinese companies from other global companies? In Argentina, there is the presence of Chinese companies in nine projects. Companies have the bidding permits approved and have started construction on their plants.
- 27) The companies want to control the lithium carbonate that will be produced. The Chinese companies start with small participation, and they acquire more through mergers and acquisitions—until they get the majority or all the assets in the project. There are relations between the central government and the Chinese government. Chinese provincial governments are establishing relations that promote closer relations between Chinese companies and local entities. Argentina's local governments have been pushing Chinese presence in their provinces.
- 28) Moreover, the FIU team presented on its new dashboard, which examined Chinese engagement in different sectors across LAC. The Social Science Research Council also discussed various reports published on Chinese engagement in Africa and LAC.

### **Conclusions and Wrap-Up**

- 29) In future iterations of this conference, there could be an in-depth dive about what China is doing in space or what they are doing in LAC in space. What are the patterns in telecom or security systems. What are the Chinese doing in Zambia? We can look at ports and other sectors. Perhaps we could talk and compare what is going on in Africa to Latin America point by point. How do we see these different techniques playing out?
- 30) The strategic use of mergers is something that we could talk about more in future events. We could also focus on differences between LAC and Africa. How do the Chinese use multilateral institutions? What are the similarities and differences? There are some interesting questions about strategic partnerships. Does China use its strategic partnerships differently in Africa? How is China advancing in public-private partnerships? What are the dynamics with elites? Is this the same across regions? What about the use of Freed Trade Agreements (FTAs)? This is different across the regions.