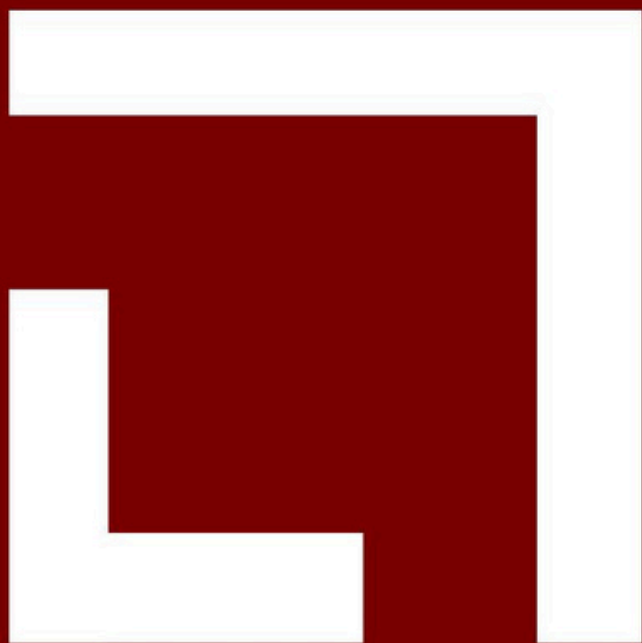




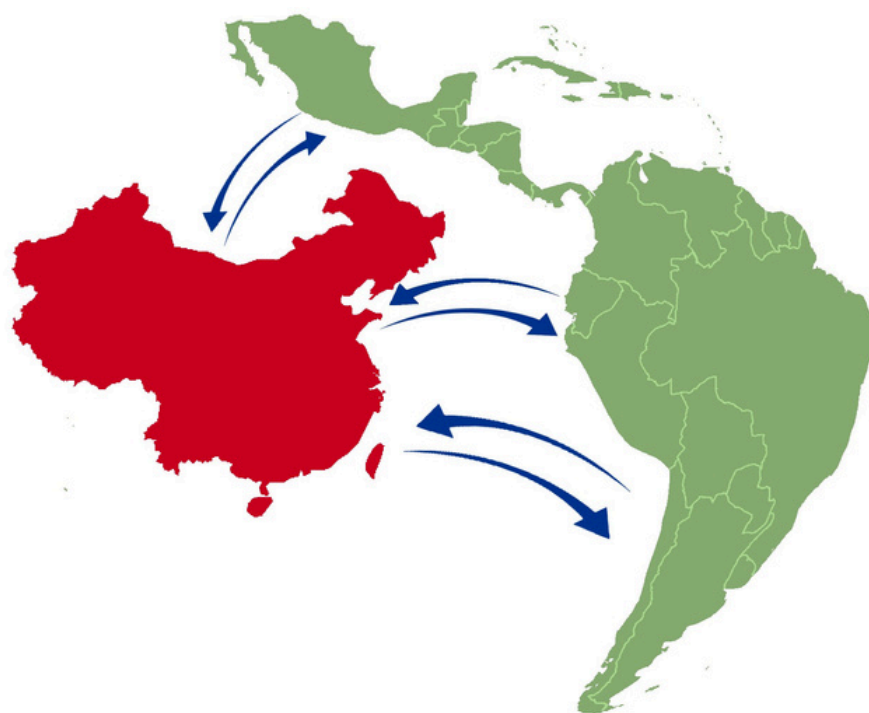
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Research Article

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Chinese “Guanxi” in Latin-America: The Belt and Road Initiative as a Reimagination of Chinese Soft Power in the era of Globalization



Research Article

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Introduction:

Since its rise as a global superpower, the People's Republic of China has actively sought to expand its influence and enhance its global image across various regions. Through initiatives like the 2013 Belt and Road Initiative (BRI), designed to funnel Chinese capital into the development of Global South countries, and the spread of Chinese culture via Confucius Institutes, China has employed a range of strategies to increase its prominence in the global economy. However, one emerging and often overlooked avenue of global engagement is China's growing economic investment and strategic programming in international markets, including Sub-Saharan Africa, Southeast Asia, and Latin America, which is the primary focus of this paper.

Having experienced periods of imperialism during the mid-19th and 20th century, however, China was arguably influenced by this period historically referred to as the "Century of Humiliation", where the government today often regards this period as a socially and politically backward period in time that enabled Western influences to penetrate Chinese history, society and politics. Despite the tumultuous era, China has managed to re-emerge as a prominent actor in the 21st century global economy, rising as a recognized influence in the international community, and most recently as a country that is progressively re-imagining the balance of power, namely through its global efforts such as the BRI. Even with China becoming a global superpower, however, the country's impact in the world is often misunderstood, generally cited to be purely economic or fiscal in nature; while accurate to some extent, it does not capture the complete nuance of China's new vision for the international order.

Through a qualitative case study analysis, I argue that China's global influence, as demonstrated by the BRI, is characterized by a strategic effort to cultivate *guanxi* — a network of relational ties — in an attempt to fortify its values as prioritizing international friendships and cultivate strategic partnerships across the Global South. First, I will incorporate a literature review that explains China's experience with imperial forces in the century of humiliation and evaluate its imperial history's impact on contemporary Chinese grand strategy. Then, I outline 3 distinct case studies from Latin America to assess the BRI's effectiveness and finally, I evaluate how BRI's influence in Latin-America incorporates non-coercive, economic, diplomatic, and

political forms of soft power to establish important partnerships across the American subcontinent.

Literature Review

In this literature review, I explore the key theories of global affairs, the BRI, and China's rise to the world stage that I will use to advance the argument of my paper. First, central to my research, is the premise that as a result of China's brutal and distasteful history during the "Century of Humiliation", where China, for several decades, saw a myriad of foreign influences engage in various forms of imperialist advances and warfare throughout the late 19th and mid-20th century, China's main objective in implementing the BRI is one that promotes peaceful coexistence with nations through the use of economic, diplomatic, and political soft power influence in the Global South, a region of the world impacted by similar colonial occurrences in history. Kirby (2021) argues that a fundamental blueprint of the PRC foreign strategy can be attributed to the values advocated during the founding of the Chinese Communist Party, where Mao Zedong pushed to absolve China from the "politics of imperialism", highlighting a need for an adamant initiative for China to regain its internal composure, rid itself of imperial influences, and rebrand its image as a strong nation meeting to meet "legitimate aspirations of the Chinese people".¹

Second, according to Liu (2021) in **China Engages in the Global South** one of the strongest, legitimizing components of China's Belt and Road initiative is its ability to connect with the Global South and thus cultivate stronger relationships through the use of economic linkages that serve as "alternative modernities", against traditionally Western, for historically-underdeveloped countries. Through this economic soft power, they argue, China has been able to deepen its geopolitical influence around the Global South through non-coercive, yet influential forms of authority by providing needed infrastructure and economic stimuli that benefit both China and its partners, highlighting how China's comparative advantage is its economic integration and connectivity to countries in the Global South.²

¹ Kirby WC (1997, June). The Internationalization of China. *China Quarterly*. 1997; 150 Hong Liu (2021) *China Engaged the Global South: From Bandung to the Belt and Road Initiative*, Global Policy,

On a similar note pertaining to China's growing influence in the world, in **Striving for Achievement in a New Era: China Debates its Global Role**, scholar Ling Wei (2020) describes Deng Xiaoping's framework for China to "keeping a low profile" (KLP), and attaining some achievement (ASA). The significance of their theory is that, initially, China's role in the global order was to strive to achieve a second-class, yet influential profile on the global stage. However, given China's recent exponential growth, and consequential emergence in the international community, a constant tension among the BRI is the inherent dichotomy between the profile, and the measure of achievement that China should strive for today, considering geopolitical tensions, the current state of global affairs, and China's potential to establish connections with countries in the Global South.³ This advances my argument as the Latin-American case studies I've provided evaluate China's successes and assess the prominent profile it has been establishing, against traditional presences like the United States in the region.

Further promoting this interpretation, Zhang (2016) argues that, since the establishment of the Chinese Communist Party, the government's grand strategy and foreign relations at the regional level need to shift, arguing that, irrespective of political differences, it is in the PRC's best interest to make allies and refrain from using force at all costs; furthermore, they advocate that through the adoption of traditional values that promote peace and harmony, China can circumvent Western countries' influence and progressively establish key friendships across the world, a significant facet of the Belt and Road Initiative that goes beyond mere economic allyships.⁴

Finally, Joseph Nye's concept of "soft power" (2005) provides a critical lens through which to examine global influence, describing how nations enhance their international standing by attracting and persuading others rather than resorting to force, which the aforementioned scholars have overwhelmingly advocated for China to adopt as a grand strategy. However, further qualifying this argument, I propose that China's global influence is driven by more than just the desire for soft power influence; instead, because of its own negative experiences with

³ Ling Wei (2020) - Diplomatic case; striving for achievement in a new era, China debates its global role, *The Pacific Review*, 33:3-4, 413-437

⁴ Zhang Yunling (2016) China and its Neighborhood: transformation, challenges, and grand strategy, *International Affairs*, 92,4, pp: 245-66.

Western imperial powers, China in the 21st century is motivated by the strategic desire of cultivating multinational Guanxi (关系), or a multinational network of social relationships and friendships with other countries in the Global South to ultimately facilitate cooperation and mutual benefit. This interpretation of Guanxi, that prioritizes international friendships over calamity, is key for understanding how China uses the Belt and Road Initiative model as a reimagination of soft power in the era of globalization.⁵ I present the qualitative results of the three China-Latin-American case studies below.

Case Study Results

Case #1: Economic Guanxi & The Chancay Port (Peru)

China's foreign direct investment (FDI) and economic engagement in Latin America, driven by the Belt and Road Initiative, leverages economic soft power to cultivate Guanxi and foster strategic relationships across the region through investments in infrastructure and bilateral markets. For instance, one of the most prominent Chinese-led investment projects in Latin American contemporary history is the construction of the Chancay Port in Peru.

In November of 2024, the Peruvian government, with assistance from President Xi Jinping, opened the Chancay Port, the first Chinese-financed port in Peru, marking a significant milestone for both the country and China, its largest trading partner. Since the inception of the port's blueprint, President Xi pledged to donate hundreds of millions of dollars to establish the port, and with the aid of a Chinese company, Peruvian policymakers oversaw its construction. Additionally, as part of the construction plan, the Chinese government is to be allowed to use the port for trading in Latin-America, circumventing the formerly US-owned Panama Canal.⁶ Notably, prior to 2014, the United States was Peru's largest trading partner, but as China heightened its investment in the region, it quickly favored Peruvian interests, thus increasing its stronghold in the Andean country. This infrastructure project is expected to generate approximately \$1.3 billion in revenue in its first year of operation.

⁵ Nye, Joseph S. Jr. (2005). *Soft Power: The Means to Success in World Politics*. New York: The

⁶ Washington Post. (n.d.-a). China opens huge port in Peru to extend its reach in Latin America - The Washington Post. <https://www.washingtonpost.com/world/2024/11/14/china-peru-port-latin-america/>

According to Liu (2021), this infrastructure project and its consequential impact on Latin-American geopolitics is best defined by how China's economic model provides "alternative modernities" to countries in the Global South in the 21st century. First, apart from the clear economic benefit that China obtains by becoming an exclusive trading partner of this port, the country's expansion regionally challenges the centuries-long status quo that historically has viewed the United States as a sole influencer in the region. In explaining how this port offers Peru and the rest of Latin-America with "alternative modernities", it is important to note that for decades, Peru, much like many other countries in Latin-America, have been viewed through the lens of being in America's backyard.⁷ Kirby (2021)'s interpretation of China's worldview after decades of imperial humiliation serves as a powerful connector between China and countries in the Global South, as in the case of Peru, the neo-imperial backwardness that Latin-American countries have experienced throughout the 20th century, potentially enabled leaders in the region to welcome and trust in China's project, demonstrating how China's economy-focused, non-coercive measure was a soft power strategy that viewed Peru as an equal, underscoring the PRC's intention to pursue a prominent economic partnership and strategic allyship that was based on a strong relationship between both countries.⁸

Case #2: Diplomatic Guanxi & El Salvador's National Library

On a similar note, the Belt and Road Initiative's infrastructure projects have extended beyond pure economic strategy; China additionally uses infrastructure projects to cultivate guanxi through international displays of diplomacy and strategic partnership building. China's most recent display of infrastructure diplomacy saw the reinvigorating of El Salvador's National Library, leveraging the Belt and Road initiative's resources to increase its positive legacy and visibility in the Global South through diplomatic soft power.

The National Library of El Salvador, was a state-of-the-art, \$50 million dollar donation from the Chinese government during the early years of Nayib Bukele's presidency. Described as a gift of diplomacy, the Salvadoran government attributes the library as primarily sponsored by

⁷ Hong Liu (2021) China Engaged the Global South: From Bandung to the Belt and Road Initiative, *Global Policy*, 11-22.

⁸ Kirby WC (1997, June). The Internationalization of China. *China Quarterly*. 1997; 150

the government, accepting the gift as a token of appreciation for newly-established diplomatic relations between both countries, with the only requirement to sign a “Friendship Agreement” with the Chinese government in return.⁹

Seen from the perspective of Ling Wei (2020), these public displays of diplomacy highlight the PRC’s desire to transition from Deng Xiaoping’s original vision for China to simply maintain a “low profile” on the global stage, and instead progressively push for wider recognition, while still maintaining a relatively non-combative image on the global stage. It is through the expansion of the Belt and Road Initiative in the Global South that China has experimented with “attaining more achievement” as an influential actor among countries like El Salvador because not only do these diplomatic initiatives bolster guanxi & strategic partnerships between China and countries in the Global South, but also they continue to challenge the historical hegemon’s standing in the region, further boosting local countries receptiveness to China. Seen from the lens of a wider perspective, while President-Elect Trump, for example, is making strides to recall ownership of the Panama Canal and simultaneously reappropriate the United States as a regional power, China’s efforts to cultivate Guanxi win over the trust and willingness of more and more Latin-American governments, ultimately highlighting how China’s efforts are reimagining the use of soft power in Latin-America, while, arguably, the US is losing its appeal.

Case #3: Political Guanxi & the Formal Establishment of Foreign Relations with Honduras

Lastly, China’s Belt and Road Initiative serves as a tool for the Chinese Communist Party, utilizing robust international relations to promote political soft power, particularly on the issue of Taiwan. In fact, for Latin American countries to establish relations with China, they have been required to acknowledge the One-China policy, and doing so, practically guarantees improved infrastructural, economic, diplomatic relations and benefits from the Chinese government. An example of the Belt and Road Initiative serving as leverage for political soft power was Honduras’ recent establishing of formal relations with China in 2023.

⁹ Times, G. (n.d.). *China-aided library applauded as new cultural landmark for El Salvador*. Copyright 2021 by the Global Times. <https://www.globaltimes.cn/page/202312/1303572.shtml>

In March of that year, Honduran President Xiomara Castro broke off diplomatic ties with Taiwan, and adopted a One-China policy, formerly establishing diplomatic ties with Beijing. Following the announcement, the government officially declared Honduras as a participating member of the BRI, pledging to aid the Central American country with exclusive trading opportunities and investments in infrastructure. While there were numerous factors contributing to Honduras' decision to break off relations with Taiwan, along with other Latin-American countries in recent history, President Castro cited a need for development assistance and a desire to attract Chinese foreign investments as a key factor in doing so.¹⁰

China's active efforts to also influence the political atmosphere of the Global South highlights an important strategy of its approach to globalization in the 21st century: non-violence. The topic of Taiwan has long been a prominent issue across the Americas, considering the region's very own struggle with democracies and weak liberalism. However, the recent shifts towards China's alliance, and the method in which China managed to do so, demonstrates the successful approach that Zhang (2016) delineates as "China's best interest to make allies – by promoting peace and harmony". Not taking a stance on the issue itself, it is important to note however, that even in the most controversial of topics, though critics may argue against the validity of the decision notwithstanding questions of economic development for countries like Honduras, the belt and road initiative's efforts to influence the Global South demonstrates China's vision of promoting its values in a diplomatic and non-disruptive manner, ultimately demonstrating that given China's history, it now wants to be known as a respected superpower that mutually respects and benefits from strong relationships and partnerships with other countries.

¹⁰ *Asia & Latin America: Honduran Relations 2023*. InterAmerican Dialogue. (2023, March 24). <https://thedialogue.org/analysis/what-will-honduras-gain-by-establishing-ties-with-china/>

Conclusion

Altogether, China's emergence in the 21st century global stage is indicative of a realignment of its vision about the international order and global balance of power. It is evident that, despite periods of imperialism and social & political backwardness, China desires to present itself as an influential actor in the international community – but one that contradicts the traditional Western approach of influence around the world, of which has historically relied on force, coercion, or economic trapping. Instead, through the three cases of the Chinese Belt and Road Initiative in Latin-America, it is clear that China relies on a mix of economic, diplomatic, and political soft power to non-coercively influence and promote the establishment of strategic partnerships. As I define it in this research paper, China, then, uses the concept of Guanxi to cultivate meaningful and profound relationships with countries in the Global South in an effort to seek ally-ships and friendships in this ever-changing global order.

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