A Contemporary Assessment of Sino-Guyanese Relations in the Belt and Road Era

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Abstract

By examining the Sino-Guyanese relationship and China’s parastatal involvement in Guyana, this paper seeks to demonstrate that the former’s potential for upending conventional geopolitical realities in Latin America and the Caribbean are overstated. As Western public concern regarding the perils of China to the international order grows, the case of Guyana draws attention to China’s still deepening integration within the neoliberal global economy. Guyana’s historic relationship with China, geostrategic location as a Belt and Road Initiative partner country, and the recent emergence of the Guyana Basin as an energy nexus, suggest its importance as a bellwether of China’s presence in the region. As the COVID-19 pandemic continues, assumptions regarding China’s re-emergence in the global order are being overturned frequently. Though it remains unclear what impact contemporary socio-economic, political, or ecological instabilities will...
have on a realignment of the incumbent international system, the need for nuanced and novel approaches for assessing the agency of a risen China is unequivocal.

Keywords: China, Guyana, Belt and Road Initiative (BRI), Parastatal Corporations, Oil/Energy Transnationals

Résumé

En analysant la relation sino-guyanaise et les interventions paragouvrnementsales de la Chine au Guyana, cette dissertation tente de démontrer que l’impact potentiel de la Chine au sein des réalités géopolitiques en Amérique latine et dans les Caraïbes est surestimé. Alors que les préoccupations de l’Occident à l’égard de la Chine continuent d’augmenter, le cas du Guyana démontre que l’intégration de la Chine prend toujours racine dans l’économie néolibérale mondiale. La relation historique entre le Guyana et la Chine, sa position géostratégique en tant que partenaire dans la nouvelle route de la soie ainsi que l’émergence du bassin de Guyana comme filière énergétique démontrent l’importance de ce pays comme baromètre de la présence régionale de la Chine. Alors que la pandémie de la COVID-19 continue, les hypothèses concernant la réémergence de la Chine au sein de l’ordre mondial changent fréquemment. L’impact qu’auront les instabilités politiques, écologiques et socio-économiques contemporaines dans le réalignement du système international actuel demeure incertain. Il est nécessaire d’employer une approche nuancée et novatrice afin de mesurer le pouvoir de la Chine.

Mots-clés : Chine, Guyane, initiative "Belt and Road" (BRI), sociétés paraétatiques, transnationales du pétrole et de l’énergie.
Introduction

Though different in historic formation and present-day conventional power, the trajectories of China and Guyana are being steadily intertwined. China has re-emerged in recent decades to a place of decisive economic importance, and influence within the international system. Owing to its British colonial legacy, Guyana, in turn, is the only English-speaking state on the South American mainland and is located within the continent’s northern Guiana Shield. The population of Guyana remains under one million, with a sizeable diaspora located in the global North. Guyana consistently ranks among the poorest states in the Western hemisphere and remains significantly underdeveloped. Lately, the country has been among the world’s fastest growing economies due to the 2015 discovery of sizeable oil and gas deposits within its continental shelf, with estimates of Guyana’s growth rate in 2020 having exceeded 40% (International Monetary Fund [IMF], 2021). These developments will see Guyana become the Western hemisphere’s fifth largest producer of barrels of oil equivalents (BOE) per day by 2025.¹ Guyana’s shifting role in the geopolitical landscape of Latin America and the Caribbean is occurring amidst an array of global crises, which have served to further destabilize the socio-political and economic international order.

Public discourse in the West has increasingly portrayed China as responsible for an array of contemporary international crises and instabilities. Campion (2020, p. 48) states that, despite deepening integration between China and the West, the prevalence of the “China Threat Discourse” relies on the othering of China, and the securitization of China-related issues to protect American interests. In asserting that China and Chinese-affiliated actors are threats, the United States and its allies, are reserving justifications for action against China that fall beyond the limitations of established international norms (Campion, 2020). To mitigate this hostility, scholarly discussions regarding the rise of China should orbit away from the bifurcated lenses of confrontation or cooperation. Instead, greater attention should be given to cases that demonstrate the interplay of contestation and efforts by China to uphold and strengthen liberal institutions within the international system (de Graff et al., 2020). By framing China’s rise as either an acquiescence to the status quo or

¹ Argus Media: ExxonMobil ups Guyana 2025 oil target to 800,000 b/d. Canute James, May 12, 2021.
the hegemonic displacement of the Western world via conflict, scholars risk oversimplifying geopolitical realities and the agency of state actors.

By interrogating the political economy of the China-Guyana bilateral relationship, this analysis seeks to demonstrate that China’s agency in the global South and its growing influence simultaneously reinforces and contests the neoliberal global economic system. For commodity dependent emerging economies like Guyana, engagement with China is vital, but its implications require increased and sustained policy attention. Given Guyana’s under-representation in international political economy (IPE) literature, this discourse analysis of contemporary Sino-Guyanese relations is reliant on the digital archives and editorials of Guyana’s most widely distributed, privately published dailies, namely the Kaieteur News and Stabroek News newspapers. Additionally, government communiques via the Department of Information and state-owned Guyana Chronicle newspaper, China’s state-owned/affiliated online news agencies, and international news media publications were also examined for this analysis. Content analysis as outlined by Neuendorf (2017) was then utilised to extrapolate major themes of the Sino-Guyanese relationship from the signing of their Belt and Road Initiative (BRI) Memorandum of Understanding in 2018 onwards. During the period under analysis, major themes that emerged from these sources included, debt risks derived from the BRI, Chinese corporate actors operating in Guyana, and China’s engagement with Guyana amidst the global COVID-19 pandemic. Other major areas that emerged from the content analysis, like China’s development assistance to Guyana, the environmental impact of Chinese companies, or provision of the Sinopharm vaccine, have been incorporated into discussions under these major themes. The bilateral relationship between China and Guyana is further examined using discourse analysis (Antaki, 2008) and IPE lenses (Helleiner, 2015) to assess the interests and objectives of the two states amidst their respective economic transitions currently underway. Although the portrayal of China’s international presence as a new phenomenon challenging the status quo is prevalent, historic examinations of the Sino-Guyanese relationship reaffirm modern China’s engagement with the Latin American and Caribbean regions
as occurring well before the success of China’s *Going Out* policies (Haiyue & Manzoor, 2020). This analysis will situate the China-Guyana relationship within the latest configuration of these policies, the *Belt and Road Initiative* and its ability to normatively strengthen China’s role as an alternative to Western economic paradigms in Latin America and the Caribbean. Given the newness of Guyana’s oil sector, scholarly attention has yet to assess Guyana within China’s energy interests, or the broader ‘Rise of China’ discourse. Additionally, the political economy analysis of the Guiana Shield is inadequate when contextualized with the region’s emerging role as the new frontier of transnational corporate oil interests in the Western hemisphere. Past assessments of China’s energy security interests in Latin America have been framed as a potential reinforcement of South-South cooperation (Sun, 2014), neo-imperialist (Hogenboom, 2014), or alternately as a theatre for possible hegemonic competition and displacement (Liu Currier & Dorraj, 2011). By probing the extent of China’s ongoing parastatal activity, the paper will seek to establish Guyana’s emerging role as a site for cooperation between the corporate actors of China and the West, as they seek to maintain profitability, and thus reinforce status quo neoliberal paradigms. Finally, this analysis will draw attention to the Sino-Guyanese relationship amidst China’s vaccine diplomacy in the region, and closer ties between Georgetown and Washington, D.C.

It is important to note that using IPE frameworks replicates dynamics of the “North as a site of knowledge production and the South as a ‘field’ of investigation” under colonial gaze (Gonzalez-Vicente & Montoute, 2020, p.220). While critical of the Cold War style binaries and securitization that characterizes Western and Western-adjacent views of China, this paper also seeks to draw attention to the primacy of China’s national interests above rhetorical commitments to Southern cooperation in Latin America and the Caribbean. It should not be considered contradictory, or controversial to call for a new model of China-led South-South cooperation while being wary of alterity in the discourse towards China. A saturation of the literature by threat analyses may produce dangerous implications that contribute to

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2 In the late 1990’s and early 2000’s, the Chinese Communist Party (CCP) began to facilitate and encourage outward investments using the People’s Republic of China’s (PRC) newfound liquidity to stimulate domestic growth. These policies have been a hallmark of China’s engagement in the global South over the past two decades.
miscalculation and conflict. As a statist interrogation of bilateralism and regional geopolitical dynamics, the findings of this paper are hardly heterodox. This analysis does, however, reiterate the relevance of conventional IPE frames for analysing the contemporary international system in flux, and so might assist in uplifting the South, as it mitigates its subordination.

An Overview of Sino-Guyanese Relations: Historically and in the BRI Era

China’s stance in the Americas shifted several times during the Cold War and was characterized by broader foreign policy objectives as they related to relations with the United States, as well as the Sino-Soviet and Sino-Cuban splits (Ratliff, 1972). International recognition came rather slowly in the early years after the 1949 Proclamation of the People’s Republic of China, with no independent states in the Latin American or Caribbean regions maintaining formal diplomatic ties until Revolutionary Cuba in 1960. This did not improve significantly until around the time of United Nations Resolution 2758 - Restoration of the lawful rights of the People’s Republic of China in the United Nations also known as the Albanian Resolution in the early 1970’s, which marked a turning point for Beijing’s international legitimacy (Ratliff, 1972). At that time, Guyana was among the 12 out of 24 independent states of the region to vote in favour of the Albanian Resolution. It would then go on to be among the first in the Americas (after Cuba, Chile, Peru, Mexico, and Argentina, respectively), and indeed the very first state in the English-speaking Caribbean to establish diplomatic relations with China. Similar to the Cold War Era, China’s attention in Latin America has factored less importantly in its foreign policy objectives when compared to its strategic interests in Asia and Africa (Wang, 2019). Modern China identified itself with the ‘Third World’ struggle against U.S. imperialism, achieving economic independence, and reasserting the rights of states in exercising their sovereignty. This is not dissimilar to contemporary efforts by China to champion South-South cooperation, though its present-day material capabilities far exceed those of any state actor in what is now termed the global South. The skepticism deriving from this self-casting as the Third World/global South’s standard bearer is also as old as China’s half-century of engagement in the region. In his 1972 interview with

William Ratliff, Chilean ambassador to the United States Radomiro Tomic noted that though Chinese support was welcomed, few governments in Latin America wanted to exchange a spokesman in Washington for one in Beijing (p. 863).

Guyana’s fraught, ethnically mobilized domestic political landscape, has contributed to the cultivation of strong diplomatic relations that are tied to development objectives as much as they are to garnering external legitimacy (Brotherson, 1989). The country’s post-independence institutional formation was different from the rest of the former British Caribbean, in that the metropolitan oriented upper-middle class were marginalized from the onset and almost entirely emigrated. These factors have facilitated continuity in Guyana’s foreign policy inclusive of its engagement with China, most especially after the liberalization brought about by the IMF Economic Recovery Program of the 1980’s and 1990’s (France, 2005). As such, there have been few substantive changes in the Sino-Guyanese relationship over the past five decades. Even amidst deepening economic integration and more frequent institutional contact by way of multilateral outfits like the Forum of China and Community of Latin American and Caribbean States and China-Caribbean Economic and Trade Cooperation Forum, the region’s relationship with China continues to be overwhelmingly bilateral.

In July of 2018, Guyana and China marked 46 years of diplomatic relations with the signing of a Memorandum of Understanding on the Belt and Road Initiative. This was followed by China’s State Councillor and Minister of Foreign Affairs visiting Georgetown only two months later to extend additional bilateral support; thereupon cementing Guyana’s participation as the first South American country in the BRI international infrastructure strategy. Although these events occurred alongside the United States-China trade war, and domestic political fallout in neighbouring countries like Brazil over China’s economic influence, Guyana’s commitment to the BRI is unsurprising when contextualized within its longstanding bilateral relationship with China. Even as China’s role in Guyana’s political economy grows, the former is still far from consolidating a dependent bilateral partner in the Western hemisphere. Although Guyana is among China’s closest partners in the Caribbean, less than 2% of Guyana’s pre-oil exports went to China, with most destined for

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4 Government of Guyana (GoG) Department of Public Information (DPI) Release: Guyana, China Sign Two Agreements, September 22, 2018
the United States, Canada, the United Kingdom, and the European Union. Despite fears of trade dumping across the region, only 10% of Guyana’s pre-oil imports arrived from China (Clegg, 2014).

Following the 2008 financial crisis, China’s economic interests in Latin America and the Caribbean have continued to align with the established commercial priorities of the global North, even amidst flashpoints such as the securitization of critical infrastructure or contestations of the One China Policy. In the years since, China’s passive incorporation of the Caribbean into its political economy has further entrenched neoliberalism and may serve to further heighten the vulnerabilities that the Caribbean has historically faced (Gonzalez-Vincente & Montoute, 2020). With the rapid rate in transformation of China’s presence in the Caribbean, its regional role will only continue to grow in the medium-term (Harris & Arrias, 2016). Given the importance of state-owned enterprises (SOEs) and parastatal subsidiaries in implementing China’s foreign policy objectives, their overrepresentation in the BRI has been treated normatively by partner-state governments. Unease surrounding the participation of Chinese SOEs has instead derived from within partner countries’ civil societies, and the SOEs themselves, as they lament the unprofitability of some segments of the BRI (Zhao, 2019). Haiyue & Manzoor (2020) corroborate these sentiments in their findings that China’s private sector outperformed SOEs across the entirety of the BRI network. While Latin America and the Caribbean were deemed to be less productive investments than those made by Chinese companies in other parts of the global South, their inclusion stems from the lucrativeness of their extractive sectors over manufacturing and technology-based investments overall (Haiyue & Manzoor, 2020). In response to ongoing scrutiny of the BRI, and poor public reception in partner countries of the Belt and Road as a part of Chinese ‘debt traps’, the Xi administration has announced the Belt and Road Debt Sustainability Framework. Additionally, to assuage reservations by partner governments and domestic skeptics within corporate and policymaking circles, China has muted its rhetoric around the geopolitical outcomes associated with the BRI and shifted emphasis to other policy priorities like environmentalism and international humanitarian impact in development (Zhao, 2019).

The concept of state capitalism is not endemic to China, but McNally (2020, p. 282) coins the term “Sino-capitalism” to articulate China’s economic model of neoliberal tenets that endorse unfettered capital and markets, combined with the neo-statist assertion of
government paramountcy in steering the economy. There are several contradictions inherent in this model but, Sino-capitalism speaks to China’s reinforcement of existing international norms alongside a simultaneous effort to forge models that suit its national interests abroad. In Latin America and the Caribbean ongoing democratic backsliding and institutional erosion may be a by-product of growing multipolarity, as norms of the liberal system face competition from Sino-capitalism as a viable alternative (Narins, 2020). Owing to the spread of populist-derived isolationism across North America and Western Europe, Sino-capitalism is an appealing alternative to states seeking to operate outside of Western institutional constraints (McNally, 2020). Given the disillusionment in recent years with neoliberalism (Kaplan, 2016), and historic attempts in the Southern Americas at state-led societal development, the degree by which China will be emulated in the region may not yet be fully realized (Narins, 2020).

In their examination of neighbouring, ethno-politically similar Trinidad and Tobago, Tudoroiu & Ramlogan (2019) find that China’s presence in that country directly impacted state-society complexes by way of favourable economic terms and the socialization of the country’s elite through support of national institutions. These arrangements have fostered favourable pro-China policies and proxy advocacy on behalf of China that portray its role within the Caribbean and the global South as net-positive. Domestic policies that favour China in order to obtain the benefits of that country’s foreign direct investment (FDI) and loan financing are now a key plank across much of the Americas, as seen in other cases such as Ecuador (Herrera-Vinelli & Bonilla, 2018) and Jamaica (Gonzalez-Vincente, 2021). Although still developing, and despite China’s overwhelmingly positive view as a state-actor in some countries like Trinidad and Tobago, efforts to cultivate Beijing-centred norms will be limited by cultural differences and domestic suspicion regarding the intent of external powers (Tudoroiu & Ramlogan, 2019). It is also likely that any breakthrough in relations will be hindered by the overall xenophobia and racism that has historically characterised the Chinese experience in Latin America and the Caribbean (Armony & Velásquez, 2015; Sie Fat, 2010). In recent times, the case of the Nicaragua Interoceanic Canal further displays the limitations of China in the region. Touted by Managua as a tool by which to economically transform the country, the privately funded mega-infrastructure project has remained stillborn owing to a combination of local, community protests against its
development, alongside a lack of support from Beijing or its parastatal agents as the Ortega government continues to recognize Taiwan (Su & Delgado, 2017). Owing to domestic political considerations, the Nicaraguan government has refrained from cracking down on designated canal zone communities, and affirming that local receptivity is still critical to China’s success in the region (Su & Delgado, 2017). Ongoing efforts to frame the BRI as illegitimate or hostile in its intent are now giving way to acknowledgement that infrastructure with better lending conditions is a priority for global South countries and should be a focus of Western efforts. This delayed realization will have little effect on China’s already entrenched status as a favoured lender, and its still-growing deployment of economic statecraft across the developing world. In contrast, the BRI has been constitutionally enshrined by China’s National People’s Congress. Despite growing concerns around conditionalities and sovereignty, for global South governments the BRI is filling the void of international organizations, multinational corporations, and large countries that have moved away from official development assistance in recent years (Valderrey et al., 2020).

China’s Parastatalism in Guyana

The Commodities Boom of the early 2000’s continues to define the Sino-Latin American and Caribbean relationship. Guyana’s pre-oil economic growth in recent decades has been driven by significant FDI inflows to primary commodity sectors. Even prior to its 2015 discovery of offshore oil in commercial quantities, Guyana served as a destination for Chinese FDI, and a supplier of the natural resources needed to meet China’s growing consumer demand. Over the past two decades the bilateral relationship between the two has been facilitated by parastatal corporations situated almost entirely within the primary extractive and construction industries. Logging company Baishanlin International Forest Development Inc. (BSL) secured nearly 1 million hectares of productive forests within less than a decade of its arrival in Guyana (Bulkan, 2014), before public outcry forced state intervention that halted the company’s operations. To

5 Al Jazeera: Biden suggests creating initiative to rival China’s Belt and Road. March, 26, 2021
date, BSL is a subsidiary of the SOE Beijing Uni.-Construction Group Co., Ltd., which is a part of China’s domestic parastatal construction sector charged with vertically integrated real estate development. Though allegedly still non-operational since its closure, BSL and similar operators have sought to capitalize on Guyana’s change in government and political instability to petition for reopening.\(^7\) The company’s practices were featured with near daily frequency in highly circulated print newspapers, and sustained accusations of corruption against successive government administrations during the company’s operational lifespan.\(^8\) The subsequent profile of other Chinese transnational corporations (TNCs) in Guyana have been notably less significant, likely owing to the lessons learnt from public scrutiny against BSL. In the country’s mining sector, similar dynamics were demonstrably at play in the 2006 purchase of Omai Bauxite Mining Inc., a subsidiary of Canadian Iamgold Corporation, by the private Chongqing-based Bosai Mineral Group. The latter went on to purchase the subsidiary Guyanese Manganese Inc. from Canadian mining company Reunion Gold Corporation in 2016. Though Bosai is a private firm, the company’s vertical supply chain intersects with parastatals like Chinalco Mining Corporation International, which is among the world’s leading aluminum producers. In 2020, the Toronto Stock Exchange (TSX)-listed firm Guyana Goldfields received an offer of acquisition from Vancouver-based Silvercorp Metals, one of China’s largest silver producers, before ultimately being purchased in 2021 by the parastatal gold mining Zijin Mining Group.\(^9\) Despite the growing salience of the China Threat Discourse in the West, the pattern established by these acquisitions is one of financial symbiosis between American and American-adjacent TNCs and their Chinese counterparts. This analysis is, however, careful not to overstate China’s parastatal agency in the global South compared to that of its Western counterparts. Although China’s presence in primary commodity sectors is growing, Chinese SOEs remain well behind their Organization for Economic Cooperation and Development (OECD) counterparts both in market share and technological capabilities.

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\(^7\) [http://www.globaltimber.org.uk/guyana](http://www.globaltimber.org.uk/guyana)

\(^8\) Kaieteur News, the most widely circulated newspaper in Guyana, publishes series on the dangers of foreign ownership and parastatals, including titles like *Heist of Guyana* and *China’s modus operandi*, respectively. This content is reinforced by online access and public radio programs on the subject.

(Ericsson et al., 2020). Additionally, examining the Sino-Guyanese relationship via parastatal corporations demonstrates that there is a short-sighted domestic consensus by governing elites regarding Guyana’s economic development. Dating back to the Caribbean’s plantation society, Guyana now autonomously perpetuates the Caribbean’s passive incorporation into a structural and epistemic dependency with profit-seeking externalities (Gonzalez-Vincente, 2021). This model of TNC-reliant extraction has no doubt laid the groundwork for Guyana’s management of its newfound energy resources.

With Guyana’s emergence as a petrostate, it is likely that this model of parastatal-led bilateralism will continue, albeit with slight modifications that reflect China’s caution to avoid fallout in the region, caused either by the activities of its SOEs or political mobilization against its economic influence.10 The international consortium directing Guyana’s petroleum industry via local subsidiaries is comprised of operator Exxon-Mobil with 45% of the project share, Hess Corporation possessing a 35% working interest, and Calgary-based CNOOC Petroleum North America ULC (formerly Nexen), with a 25% working interest. The latter company is a subsidiary of the Hong Kong-based offshore operator CNOOC Limited, which is itself a daughter company of the SOE, China National Offshore Oil Corporation. The expansion abroad of Chinese national oil companies (CNOCs) has rapidly occurred since the Great Recession, as China’s government sought to meet domestic demand and pursue policy efforts to create an internationally competitive oil industry (Chen & Chen 2019; Vermeer, 2015). The consortium-style partnership in Guyana is, therefore, a part of China’s broader energy objectives being pursued across the global South. As China’s domestic production declines and concerns grow over the national reserve replacement ratios of SOEs, the internationalization of the oil and gas sector is now a key component of its energy security policy (Vermeer, 2015). Moreover, this form of partnership helps to address longstanding issues faced by China’s energy sector around insufficient offshore oil expertise and technological challenges relating to exploration and production efficiency.

Though original in the context of the emerging energy nexus in the Guyana Basin, de Graaff (2014) has utilised social network

10 The Bolsonaro administration for example, has frequently positioned itself as averse to China’s regional engagement.
analysis to map the hybrid alliances that characterize the ongoing transnationalization of China’s energy sector. These alliances are marked by their receptivity to collaboration with Western companies and their business presence in Western markets. In addition to mitigating domestic concerns related to pollution, hybrid alliances abroad serve to maintain profitability given their autonomy from the conventional principal-agent relationship that is strictly maintained between the Chinese state and its oil companies (de Graaff, 2014; Vermeer, 2015). Alongside the parastatal bilateralism that CNOOC reinforces via its presence in emerging oil economies, the interests of CNOCs abroad do not always align with that of the central government in Beijing. Wang (2019) interrogates the structural changes of China’s oil industry in the past decade under President Xi Jinping as the incumbent administration seeks to recalibrate China’s SOEs. State-owned CNOCs have maintained their vice-ministry status and autonomy, due to their status as critical infrastructure and the highly specialised nature of the petroleum industry. There have also been tensions that derive from efforts in recent years to reform SOEs, and CNOCs in particular, so as to consolidate the number operating and reassert their subordination to the state bureaucracy and CCP (Wang, 2019). Energy features at the heart of China’s gross domestic product (GDP) growth-led development, and so anti-corruption drives have sought to curtail CNOC political machinations within the economic performance competitions of the faction-prone CCP hierarchy even prior to the Xi administration. As Chinese energy security continues to transnationalize, CNOC operations will require further scrutiny both in the examination of China’s advancing international integration, and its domestic political economy.

CNOCs have demonstrated a high degree of adaptability over the past four decades. They have done so while meeting the concurrent demands of marketization tangentially with the policy objectives set by the central government as China’s role continues to change internationally (Chen & Chen, 2019). This resilience is especially noteworthy amidst present day tensions between China and the United States. In November 2020 the Trump administration issued Executive Order (EO) 13959 - on Addressing the Threat from Securities Investments that Finance Communist Chinese Military Companies that sought to severely limit the ability for American investors and corporations to engage in commercial activities with
several of China’s leading state-owned TNCs. The order called for American entities to divest from ongoing commercial activity inclusive of joint ventures and engagement with the subsidiaries of any such companies. One month after being signed, EO 13959 was amended to include the CNOOC. It was again amended in January 2021 to bring the number of embargoed corporations to a total of 44. Owing to domestic political sensitivities, the Biden administration has done little to reverse Trump-era foreign policy decisions regarding China given the bi-partisan support for such policy positions at this time. Moreover, there has been no indication by the U.S. Operators of Guyana’s fledgling oil industry, or their subsidiaries, that this Executive Order necessitates any changes to the CNOOC’s 25% working interest in that country’s reserves of 9 billion proven barrels of oil and oil equivalents.

When the U.S. Secretary of State visited Guyana and Suriname in September 2020 to canvas support against the Maduro-led administration in Caracas, an explicit appeal was made for these emerging oil producers to “buy American” and be wary of China’s overtures. Arriving in Georgetown, the Secretary of State would have landed at the Cheddi Jagan International Airport much the same as the hundreds of North American and European expatriates that are operating the Guyanese oil industry. The airport has remained under renovation over the past decade by the China Harbour and Engineering Company Ltd, a subsidiary of China Communications Construction Company, which itself is an asset of China’s State-owned Assets Supervision and Administration Commission of the State Council (SASAC). The Secretary of State would have then driven along the same coastal road system that services Exxon’s offshore rigs with food, potable water, and other materials. The transportation network has undergone significant renovation in recent years, with more expansion anticipated in the new era of oil and gas production. The company that has undertaken most of this work is China Railway First Group Ltd, a subsidiary of the Hong Kong Exchange and

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Clearing (HKEx) and Shanghai Stock Exchange (SSE) traded China Railway Group Limited, which similarly is the daughter company of the SOE China Railway Engineering Corporation. Both SASAC entities have been named under E.O 13959 and are subject to its provisions. Contrary to the emphasis on critical infrastructure, like energy and cyber security, within the China threat discourse (Campion, 2020), Guyana’s emerging oil industry demonstrates the deepening of economic ties between China and the West simultaneously alongside a deterioration in relations. All the while, the skills that these parastatals deploy across Guyana’s economy may yield little in technology transfer, capacity building, or in terms of stimulating local economic growth, as is the case elsewhere in the Caribbean (Gajadhur, 2018). The neoliberal integration of Guyana into the global economy will, however, likely continue to serve as a site of these hybrid alliances, and more broadly, as one for cooperation between traditional and emerging powers. Gonzalez-Vincente & Montoute (2020) argue that the modus operandi of China’s SOEs abroad to procure contracts under Chinese loan facilities, with local concessions like tax exemptions acting as conditionalities, create new mechanisms of expropriation by external forces in the Caribbean. These economic structures pre-date the rise of China and have been a hallmark of the post-Conquest plantation societies of the ‘New World’. Imbedded across the region, external export orientation continues to inform the elite’s management of Latin America and the Caribbean’s patrimony.

The stance of Guyana’s government – to aggressively develop its oil wealth during the brief window that remains for exploiting non-renewable energy – further supports the complimentary nature of China’s growing presence and the Occident’s established corporate/extractivist interests in Latin America and the Caribbean. With discoveries announced in 2015, Guyana’s first oil was drawn in 2019, and capacity is anticipated to reach 750,000 BOE per day by 2026. The breakneck pace of the international consortium, non-inclusive of ongoing exploratory efforts expected to yield further reserves, reflects consensus between all parties. Exploration by a Royal Dutch Shell-led consortium offshore in neighbouring Suriname does not include any of China’s major oil companies. Yet, the current scope of joint venture operations between CNOCs and companies

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comprising the consortium in sub-sectors like the petrochemical manufacturing industry remains substantial. The rate of return for the consortium’s Guyanese operation, owing to state royalties six-times below market averages for the developing world, at a price of $35 USD per barrel, is currently estimated to be between 10-20%. On account of this, the Guyana Basin is rapidly transforming into the transnational petroleum sector’s bastion as it attempts to extend its life expectancy.

Recent tests to the Sino-Guyanese relationship in the COVID-19 Era

Attempts to frame the pandemic as China’s doing continue to come up short, with potentially little effect on the country’s international standing outside of the Western world (Gauttam et al., 2020). Instead, the unresponsiveness of Northern countries, namely the United States, has created a vacuum in health diplomacy and given China even greater license to successfully deploy its soft power across the developing world. Ongoing focus on China’s medical diplomacy may, therefore, serve to reinforce other Chinese foreign policy objectives like the BRI, while focus shifts away from issues that have impacted China’s international reputation in the past such as the management of cross-Strait relations, or that of its Special Administrative and Autonomous Regions (Gauttam et al., 2020). To be sure, assessments such as these lay a clear-cut path for hegemonic ascendance, despite being too early to tell what the impacts of China’s ‘vaccine diplomacy’ will be on the international system. For the Caribbean, however, the signs of Western isolationism amidst the pandemic are glaring as the region’s countries seek cooperation and inoculation assistance from China, Russia and India.17

With the international system in flux, Guyana is an important bellwether of China’s tenor and tone in post-pandemic Latin America and the Caribbean. In early February 2021, it was announced by the United States via its Embassy in Guyana and statements by the Assistant Secretary for the Department of State’s Bureau of Western Hemisphere Affairs that, Taiwan would be opening an ‘office’ in

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Georgetown. The international attention and framing of the incident by the Tsai administration – as garnering a new diplomatic ally by alluding to the establishment of a de facto embassy in Guyana – drew the immediate ire of China. Amidst condemnation by China and the Guyanese foreign policy establishment, the Government of Guyana terminated the agreement within less than one day of the U.S. announcement, reiterating its commitment to China and its adherence to the One China Policy. One month following the incident, Guyana received 20,000 doses of Sinopharm, followed by a commitment of more inoculation support from China in a bilateral conference call between the heads of state of the two countries. During that interaction China reiterated its status as a developing country, and both sides expressed an abiding commitment to strengthen bilateral cooperation around the Belt and Road Initiative. For China, this episode was a test of its ability to keep existing partners in line, while undermining Taiwan in a critical part of the world where it possesses the bulk of its formal diplomatic recognition. China’s opinion outside of the bilateral economic relationship with a given state now matters, and in some cases with equal measure to that of the United States (MacDonald, 2019). Additionally, China’s commitment to South-South cooperation will continue to be a hallmark of its engagement, albeit in a manner far more assertive of its interests than before the global pandemic. In the case of Guyana, the immediate about-face has demonstrated the continued importance of traditional international political economy in conducting foreign policy. Moreover, the policy error and poor response management validate calls for greater investments to institutional capacity, so to better navigate Guyana’s novel petrostate contexts (Clegg, 2014). Despite the blunder of offending both China and the United States in the span of one day on an issue as important to both as Taiwan, the incident’s rapid dissipation corroborates that the prospect of conflict has been exaggerated within the China Threat Discourse’s binary framings.

Enforcement of the One China Policy has been a major component of Beijing’s objectives in Latin America and the Caribbean (McElroy & Bai, 2008). Recent interrogations of Taiwan’s diplomatic relations in the region indicate that Taipei is more and more reliant on the United States to patronize and/or coerce its dwindling regional partners to remain onside (Portada et al., 2020). The efforts by the Trump administration to implement sanctions against states who switch recognition to Beijing came after Taipei’s loss of recognition by Panama in 2017, the Dominican Republic in 2018, and El Salvador in 2019. Although these measures have yet to be tested, Taiwan’s responsiveness to its remaining bilateral partners during the pandemic has temporarily halted the trending of recognition towards China (Portada et al., 2020). This may not, however, be enough for Taiwan to remain competitive in a head-to-head contest of economic statecraft with China, given the limitations of American support that was displayed during the recent Guyana-Taiwan incident. While some contemporary probes of cross-Strait relations continue to advance securitized lenses that predict inevitable conflict (Singh & Pradhan, 2019), the current deterioration of relations that has fueled the latest bout of recognition switching comes after a détente between the two sides that lasted for nearly a decade. The region’s states have also demonstrated their ability to maneuver between the two sides and make use of the One China Policy for their own political and economic advantages, as demonstrated by Grenada in 2005 and St. Lucia in 2007 (Lewis, 2016). It is possible, therefore, that Taiwan’s lack of engagement in the Guyana Basin energy nexus or the broader Latin American and Caribbean region will not remain static.

Predictions by some scholars (Bishop et al., 2017) that Latin America’s regional integration efforts like Union of South American Nations (UNASUR), or South-South institutional structures such as the BRICS (Brazil, Russia, India, China and South Africa), would bear fruit in an increasingly multipolar world have not yet materialized. While the devastation wrought by the COVID-19 pandemic has been felt across the world, for Guyana and other Caribbean small-island developing states, the current crisis has reaffirmed vulnerabilities that stem from their Northern economic orientation and developmental dependency.

22 Both states have switched diplomatic recognition between China and Taiwan on more than one occasion over the past three decades. St. Lucia currently recognizes Taipei, while Grenada’s diplomatic relations are with Beijing.
As extractive and export-oriented economic models continue to be the modus operandi of governments in Latin America and the Caribbean, it is likely that the region’s states will strive to capitalize on the resilience China has demonstrated in mitigating the pandemic, and the recovery of its domestic market. Recent structural gravity modeling indicates an export potential gap of approximately 30% between Caribbean Community (CARICOM) and Association of South-East Nations (ASEAN) economies (Lorde et al., 2020). This will likely seem all the more necessary when analyses of the Caribbean’s economic circumstances are expanded to include the incremental end of preferential market access across the OECD, dwindling FDI, the pandemic’s effect on global remittance, and the region’s unceasing exodus of skilled labour (Lorde et al., 2020). Such recourse runs the risk of the region trading one spokesman for another (see Ratliff, 1972, p. 863). A growth-led, economy-oriented post-pandemic recovery in the global South could work to further entrench harmful social-ecological processes and delay transitions away from unsustainable development.

Conclusion

China’s economic development models centre neoliberal capitalist structures and outcomes, while only rhetorically bolstering South-South cooperation (de Graff, 2020; Gonzalez-Vincente, 2021). Regardless, China’s predominantly bilateral support for infrastructural investments and economic activities have provided an alternative source of capital otherwise inaccessible to poor developing states (Liu et al., 2020; Rimmer, 2018). As such, contemporary iterations of the Going Out policy, like the BRI, may be affecting the agency of traditional donors and the calculations of other established external actors as they engage in Latin America and the Caribbean (Visvizi et al., 2020). Although China’s current involvement in the Latin America and Caribbean region has raised concerns of a potential hegemonic challenge, this assessment finds that such assumptions are ahistorical, and do not represent China’s contemporary priorities of a stable, geo-logistically connected international commons with its own economic interests among its multipolar centers (Rimmer, 2018). Moreover, the transnational, neoliberal, and statist nature of Sinocapitalism may find increasing favour among developing countries in the post-pandemic era. This would worsen the potency of the China Threat Discourse, and lead to the over-securitization of developmental
paradigms across the South. For Guyana and the states of the region, foreign policy engagement with emerging and established external powers will require greater levels of domestic political reform and institutional strengthening to safeguard against exploitation (Clegg, 2014). These countries might do well to attempt development models that are people and community-centred, in lieu of those that are solely attentive to export-oriented infrastructure.

At the 1955 Bandung conference, an appeal was made by attendees for Third World solidarity, the assertion of political independence, ending colonial rule and preventing economic neo-colonialism in the early years of the Cold War (Lewis, 2016). The emergence into the international system of the majority of the world’s people was hailed as an opportunity to undermine the racial stratification of global society by way of sovereignty. Nearly seven decades on, these objectives have remained partly elusive, even more so as the post-war order buckles after a mere seven decades. Although malleability and contradictions have always been hallmarks of the liberal international system (McNally, 2020), the triumph of neoliberal globalization in the post-Cold War period is already unstable and in flux. It is unlikely that the system’s fragilities or recalibration are entirely to do with China, now a proponent of the incumbent order. China has endured continuously for two millennia and its developmental progress of the past 40 years has fostered alternatives to the incumbent international systems. For the states of Latin America and the Caribbean, like Guyana, the post-plantation, post-colonial decolonization process of recent centuries or decades is still ongoing amidst undue external interference. China’s models do present an alternative to Western paradigms of development and the exploitation that the region’s peoples have endured. These models are, however, imbedded in the very system of capitalism that attempts to subordinate the global South (Gonzalez-Vincente & Montoute, 2020), and continues to operate from an ideological premise of neoliberal economic progress. Even as recent efforts have attempted to tie China’s global economic development programme to improved environmental performance (Li & Zhu, 2019), such efforts do little to meaningfully safeguard against current levels of degradation in sectors like intensive primary commodity extraction (Ray, 2017). Despite rhetorical calls by governments for post-pandemic recovery

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23 Meeting of recently independent Eurasian littoral states. The Conference served as a precursor for the Non-Aligned Movement.
efforts to prioritize transformation and resiliency, extractive and growth-led models of development offer little recourse for arresting the multiple, ongoing social-ecological crises and the instability they exacerbate.
Bibliographie


