



China's presence in El Salvador and its strategies for gaining influence

Introduction

On August 20, 2018 (just nine months before leaving office), the government of the Farabundo Martí Front for National Liberation (FMLN) announced the severance of relations with Taiwan, and a day later China and El Salvador established diplomatic relations, after the Salvadoran government recognized that “there is only one China in the world”¹ and that the government of the People's Republic of China “is the only legal government that represents all of China,” including Taiwan, which is “an inalienable part of Chinese territory.”

For the FMLN government – controlled by the most orthodox faction of the party – the establishment of diplomatic relations with China was the result of ideological considerations and political affinities with the Chinese Communist Party and represented a declaration of autonomy and self-determination of sorts before the United States. For China it was also important because, on the one hand, it represented another step in its strategy of isolating Taiwan in an area where until recently it had a lot of political support, but which in recent years has waned considerably.² On the other hand, it allowed China to increase its presence in a geographically important region as part of its global commercial strategy: for China, the Panama Canal is essential to access the east coast of the United States.

After Nayib Bukele assumed the Salvadoran presidency, diplomatic relations between China and El Salvador have been notably strengthened, which has less to do with ideological affinities than with the pragmatism and political opportunism of the Salvadoran president who, in the face of the progressive deterioration of diplomatic relations with the Biden Administration,³

¹ The “one China” principle is the political basis upon which China establishes and develops relations with other countries.

² On December 9, 2021, the Nicaraguan government broke off diplomatic relations with Taiwan and established relations with China. On the other hand, the President-Elect of Honduras, Xiomara Castro, has announced that one of her first measures will be to establish diplomatic relations with China. If this happens, soon Taiwan will only have the support of Guatemala.

³ The deterioration of relations between the governments of the United States and El Salvador is such that in her last interview before leaving the country, Jean Manes, the chargé d'affaires of the United States embassy in El Salvador, declared that the relations between the two countries are on “pause” and there is currently no

has decided to annoy Washington by strengthening relations with Beijing and, as an aside, make some political points and receive more economic aid. Of course, China has taken advantage of this situation to consolidate and increase its presence and influence in a country and a region where the United States has historically exercised undisputed hegemony. The strengthening of relations between China and El Salvador was expressly recognized by the Chinese ambassador during her virtual speech on October 1, 2021, in commemoration of the 72nd anniversary of the founding of the People's Republic of China when she stated that “The bilateral ties between China and El Salvador have risen to a new height and are now at a new starting point. High-level contacts are frequent and close, as they guide the course of the development of our bilateral relations, while China's non-reimbursable assistance mega-projects are moving ahead firmly. Bilateral trade is growing even in the face of the pandemic, and virtual cultural exchanges continue to flourish and bear lasting fruit.”

The following pages analyze the different strategies – and phases – that China has implemented to increase its presence and influence in El Salvador. To this end, the text is divided into three main parts. The first briefly analyzes the narrative that China has used in El Salvador to justify and legitimize its presence and cooperation in the country, as well as to set itself apart from the rest of international assistance – particularly that provided by the United States. The second part describes the specific cooperation programs and actions that China has signed and developed in El Salvador in the 2018-2021 period, with each of the two Salvadoran governments: that of Sánchez Cerén (August 2018-May 2019) and of Bukele (June 2019-November 2021). Finally, the third part presents the main findings and conclusions of this paper.

I. China’s narrative in El Salvador.

To a large extent, China's cooperation with El Salvador – as with the rest of Latin America – is part of the Cooperation Plan of Latin American and Caribbean States and China (2015-2019) signed at the first ministerial meeting of the CELAC-China Forum in January 2015 – and reaffirmed in the Work Program for 2019-2021 – that established a wide-ranging set of specific instruments in the political, cultural, educational, and economic spheres (Dussel, 2018). For example, this plan refers explicitly to the joint construction of special economic zones between China and the CELAC member states, as well as awarding 6,000 government scholarships and

counterpart with whom to talk “within the Salvadoran Government” (Interview with Jean Manes in TCS Noticias, November 22, 2021).

6,000 training opportunities in China, in addition to 400 scholarships for master's degrees (Dussel, 2018).

On the other hand, the official discourse used by China in the case of El Salvador regarding the nature of Chinese cooperation and international relations has been similar to that used with the rest of underdeveloped countries by emphasizing that the assistance granted to El Salvador is part of a South-South cooperation scheme between two developing countries. In fact, the joint declaration signed during President Bukele's visit to China in December 2019 affirmed the commitment of both parties “to make bilateral relations an exemplary case of friendly cooperation between countries of different sizes and national conditions.”

However, as a result of the pandemic and the progressive deterioration of relations between the United States and El Salvador, the Chinese embassy in El Salvador has developed a narrative that further emphasizes the special nature of the relationship between China and El Salvador, as evidenced by the following quotes:

In this period, the two countries have come to know each other, we have strengthened mutual trust, deepened cooperation and united to fight the pandemic... China and El Salvador are good partners on the path of development and true friends worthy of trust. China is willing to continue working with El Salvador on a new beginning under a new vision to deepen bilateral relations, expand pragmatic cooperation, promote projects to improve wellbeing, and join forces to fight the pandemic ... forging the relationship between the two countries as a good model of relations between countries of different social systems and of different sizes, to bring more improvements for the people of both China and El Salvador.⁴

In the three years since the establishment of diplomatic relations, Sino-Salvadoran relations have developed steadily and successfully [and] they are becoming an exemplary case of friendly cooperation between countries of different sizes, national conditions, and stages of development.⁵

⁴ Speech by the Chinese ambassador to El Salvador, on the third anniversary of the establishment of diplomatic relations between China and El Salvador.

⁵ Interview with the Chinese ambassador to El Salvador, published in *Diario El Salvador* (newspaper) on August 24, 2021.

In addition, the Chinese narrative emphasizes that aid is granted without any political strings attached and does not represent intervention in El Salvador's internal affairs, a discourse that was underscored by the deterioration of relations between San Salvador and Washington, insofar that China subscribes to the principle of non-interference and recognizes the ability of Salvadorans to resolve their own affairs.⁶ "China always respects the principle of non-interference in the internal affairs of other countries and is convinced that the Salvadoran people have the ability and wisdom to handle their own internal affairs well," the Chinese ambassador to El Salvador has repeatedly declared, insisting that Chinese assistance projects do not imply any political conditions or geopolitical considerations, but rather their objective is "to improve infrastructure, stimulate economic growth, and promote social development, with the aim of creating greater well-being for the Salvadoran people."

It should also be noted that although China's cooperation is part of that country's global strategy, in the Salvadoran case, cooperation has been tailored to the requirements and interests of the two governments as well as responding to the specific circumstances each country faces.

In order to further understand Chinese cooperation for El Salvador, the aid programs implemented during the governments of Salvador Sánchez Cerén (2018-2019) and Nayib Bukele (2019-2021) are analyzed below.

II. Chinese cooperation in El Salvador: Continuities and ruptures.

2.1. Cooperation programs during the Sánchez Cerén administration (August 2018-May 2019).

On August 21, 2018, the governments of China and El Salvador established diplomatic relations and at the end of October President Sánchez Cerén made an official visit to China, during which between 13 and 16 bilateral cooperation agreements were signed; according to the then Salvadoran foreign minister, the agreements sought to "strengthen and invigorate social and productive sectors at the national level, in accordance with the objectives of the National Development Plan." The agreements signed included one between the Central Reserve Bank of

⁶ On May 3, 2021, two days after the Legislative Assembly dismissed the magistrates of the Constitutional Chamber of the Supreme Court of Justice (CSJ) and the Attorney General, actions that were condemned and denounced by the United States, the Chinese embassy published the following tweet: "This Embassy has taken note of the current political situation in El Salvador. Safeguarding of sovereign equality and non-interference in the internal affairs of other countries are the most important principle of the UN Charter."

El Salvador and the Development Bank of China to provide El Salvador with access to a government credit line, the establishment of a scholarship program for university studies, cooperation in the areas of medicines and hospital digitization, and identifying El Salvador as a potential tourist destination for the more than 300 million Chinese citizens with the economic capacity to travel.

These agreements produced the following results:

- a) A donation of 15,000 laptop computers in support of the President's program "One boy, one girl, one computer" that benefitted 316,000 students from 558 public schools.
- b) The establishment of undergraduate and master's scholarship programs in China for Salvadoran students.
- c) A donation of 10 tanker trucks to improve drinking water distribution in the greater San Salvador metropolitan area.
- d) A donation of three thousand tons of rice, which was used to support farmers who lost their crops as a result of weather events (drought and tropical storms).

Due to its possible political, economic, and geostrategic implications, the most important component of China's cooperation program during the Sánchez Cerén administration was the commitment of both parties to establish a Special Economic Zone (SEZ), a component of the strategic economic objectives of China in the world that is included in the China-CELAC Cooperation Plan for 2015. Forty-two days after the opening of diplomatic relations with China (in July 2018), the legislative group of the FMLN presented a bill to establish a Special Economic Zone, the so-called ZEE law, in the southeastern region of El Salvador, which includes the city of La Unión and a score of neighboring municipalities and the Central American Union Port.⁷

The initiative was accompanied by news that a Chinese businessman planned to buy an island located in the Gulf of Fonseca, very close to the port, and that Chinese investors were interested in building an airport in La Unión.⁸ According to international news outlets, another

⁷ According to a 46-page presentation seen by NBC News, the economic zone would be a US\$3 billion project spanning 1,700 square miles.

⁸ According to the U.S. State Department, a Chinese-Salvadoran investor named Bo Yang bought land for the expansion of the port, including half of Perico Island. The State Department also published a list of officials from the countries of the so-called Northern Triangle of Central America presumably involved in acts of corruption, which included Ezequiel Milla Guerra, former mayor of La Unión, who "incurred in significant acts of corruption by

project called “Shared Opportunities, Shared Future” would develop a special economic zone along the country’s coastal strip and build a deep-water port and a manufacturing zone, which would involve the Chinese state company Asia Pacific Xuanhao, a high-tech concern supposedly linked to the Chinese Army.

This initiative caused much discomfort and concern in Washington since, if undertaken, it would allow China to move ahead with its plans to establish an alternative trade route to the Panama Canal, improve its interests in the region, and provide Beijing with a valuable outpost from which to expand its military and intelligence capabilities in Latin America (*The New York Times*).

At any rate, the Sánchez Cerén government failed to get the ZEE law passed by the Legislative Assembly, which left the initiative in the air at the end of the administration's term. As we will see, this initiative apparently has not been included – at least not explicitly – as part of China's cooperation program with the Bukele administration, which has been interpreted by some as “an attempt by El Salvador and Bukele to calm the United States.”

Finally, it is important to mention that as part of the establishment of diplomatic relations, both countries began to exchange missions of varied nature and different purposes. For example, in April 2019 a Chinese delegation visited El Salvador and, among other activities, gave a lecture at the College of High Strategic Studies (CAEE), the top institute of the Salvadoran system of military education. The conference was entitled: “China's Diplomacy, Chinese Foreign Policy towards Latin America, and Relations between China and El Salvador.” Among the Chinese officials who participated were: Jiang Shixue, researcher and director of the Center for Latin American Studies at Shanghai University, and Su Ge, chairman of the China National Committee for Pacific Economic Cooperation (CNCPEC). Members of the audience included the Minister of Defense of El Salvador, the Chinese ambassador in El Salvador, and legislators and officers who study at CAEE.

In addition, twenty-five Salvadoran businessmen from the coffee, industrial, and sugar sectors participated in November 2018 in the inauguration of the World Fair of Imports from China. Since then, Salvadoran businessmen participate each year in various Chinese trade fairs with the purpose of promoting El Salvador's main export products, especially coffee and sugar.

abusing his authority as mayor in the sale of Perico Island to agents of the People's Republic of China, in exchange for personal gain.”

2.2. China's cooperation program during the Bukele administration (June 2019- November 2021)

2.2.1. Cooperation programs and projects.

China's cooperation program with El Salvador under the Bukele administration was defined during the official visit of the Salvadoran president to China in December 2019, during which he received an honorary doctorate from the Peking University of Foreign Studies “for being an important person on the world stage, with a historical level of acceptance, and for being a transformative leader of world politics.” During that visit, Bukele announced that he had received “a gigantic non-reimbursable cooperation package” from the Chinese government.

The joint declaration between the People's Republic of China and the Republic of El Salvador, dated December 3, 2019, in Beijing, announced that nine documents of bilateral cooperation were signed in the areas of agriculture, trade, investment, tourism, economics, technology, and sports. The declaration mentioned the following projects:

- a) The construction of a new and modern national library in the old downtown of San Salvador.
- b) A drinking water treatment plant at Lake Ilopango.
- c) A drinking water and wastewater treatment project for the Surf City area.
- d) The construction of a modern and large-capacity national stadium.
- e) The renewal and construction of new tourist infrastructure for the Surf City development area.
- f) The expansion, renewal, and construction of the tourist recreational area of the pier at the port of La Libertad.

In the same declaration, China commits to “build the said projects within the framework of non-reimbursable assistance and complete them and put them into operation before the end of this five-year period.” For its part, El Salvador made the commitment to “actively participate in the joint construction of the Belt and Road.”

A few days after President Bukele's visit to Beijing, a delegation of Chinese experts visited El Salvador to plan investments in the water and sewage system for the seaside recreation areas, the so-called “Surf City Project.”

The cooperation agreement between China and El Salvador was ratified by the Salvadoran Legislative Assembly on May 19, 2021, a day after the Democratic congresswoman from California, Norma Torres, revealed a list of officials and former officials of the Northern Triangle countries of Central America linked to alleged cases of corruption and drug trafficking, which included five Salvadoran officials and former officials of the Bukele government.⁹ According to President Bukele, the agreement involves US\$500 million in non-reimbursable public investment without conditions, mockingly pointing out that said amount represented “two Fomilenios in one.” However, the agreement as ratified does not indicate the total amount involved, although a document released by the Ministry of Foreign Affairs of El Salvador mentions a non-refundable donation of 400 million yuan (about US\$62 million).

The agreement indicates that the projects will be linked to “social welfare sectors,” such as public infrastructure, water and sanitation, energy, health, education, social welfare, culture, tourism, sports, and transportation. Under the agreement, El Salvador agrees to “lift the limits on immigration for Chinese project personnel, as well as their spouses and direct relatives,” and to exempt from taxes the wages of Chinese workers and materials imported from China. El Salvador will also handle the reception, internal transit, and storage of imported materials.

The main Chinese cooperation programs and projects and their level of progress, grouped by strategic areas, are as follows.

a) Infrastructure projects.

With the exception of the National Stadium, work on which has not yet started, the rest of the infrastructure projects have already been initiated, such as the National Library, the pier at La Libertad, and the Ilopango drinking water plant. These projects have been widely publicized by the government, which also have allowed the Chinese embassy in El Salvador to position itself publicly.

b) Health sector.

In the wake of the Covid-19 pandemic, China's assistance in the health area has been very important. On the one hand, thanks to the support of the Chinese government, the Salvadoran government and the pharmaceutical company Sinovac Biotech

⁹ Among the officials on the list are Bukele's chief of staff, Carolina Recinos, former Security Minister Rogelio Rivas, and legislator Guillermo Gallegos, leader of the Gran Alianza por la Unidad Nacional (GANU) party, under whose banner Bukele participated in the elections that brought him to power in 2019.

reached an agreement in November 2020 for the purchase of 2 million doses of the CoronaVac vaccine, which were delivered relatively soon afterwards. In addition, the Chinese government donated 150,000 additional doses of the same vaccine.¹⁰

In addition to vaccines, in April 2020 China donated a batch of medical supplies to support health personnel providing care for Covid-infected patients, which included N95 masks, protective suits, gloves, goggles, shoe covers, and thermometers. And a month earlier (March) China made a donation of US\$250,000 in cash to the Salvadoran government as urgent humanitarian aid for the prevention and control of the pandemic.

On the other hand, Chinese experts have used videoconferences to share information on the pandemic with Salvadoran officials, doctors, and epidemiologists, which has been used by the Salvadoran authorities to devise health care plans.

c) Education and culture.

In the educational area there are two extremely important projects, which have been developed rapidly. The first is the creation of The Confucius Institute at the University of El Salvador, which was officially launched on October 28, 2019, with the purpose of promoting Chinese language and culture, in addition to becoming a center for the dissemination of Oriental thought and life. Initially, the institute will be a point of cultural exchange, especially in language, which is why Mandarin Chinese courses are currently offered for enrolled students and university workers, as well as open courses for the rest of society. In the future, a Center for Latin American and Chinese Studies is planned as well as an academic exchange program that will provide assistance by China in science and technology. Currently the Institute is housed in the School of Arts but a building of its own is planned.

The second project involves scholarships for Salvadoran students to pursue undergraduate, master's and doctoral studies in China. Originally the project included 30 scholarships a year, but as a result of President Bukele's visit to China the number increased to 45. To date, around 150 young students have been favored. In 2021, the

¹⁰ However, in a speech in July 2021, upon the arrival of a batch of vaccines, the Chinese ambassador stated that "China has provided 5 million 818 thousand doses of vaccines to El Salvador, overcoming its own difficulties, using the speed and strength of China to guard the life and safety of the Salvadoran people."

scholarships awarded include 36 for undergraduate studies, 8 for master's degrees, and one doctorate. The scholarships are awarded for a maximum period of 3 years for master's and doctorates and include airfare, tuition, housing, living expenses, and medical insurance. It is estimated that the monthly cost of each undergraduate scholarship is around US\$350, masters at US\$425 and doctorates at US\$500. In addition to government officials, private universities such as the Central American University (UCA) participate in the calls for applications. This scholarship program has been in great demand. For example, in the 2020 call for applications, the government reported that in less than 24 hours, 18,473 people had accessed the website to apply for the scholarships.

In the cultural sphere, in recent years there have been exchanges of various kinds, including the periodic visit of the Tianjin Folk Orchestra and the Shenzhen Artistic Delegation, the China Film Exhibition, and the China Art Month, as well as support for the recovery and restoration of the Joya de Cerén archaeological site.

d) Specific assistance for disasters, emergencies and others.

A very flexible program that has provided China with important political benefits is specific assistance in the case of disasters and calamities that have occurred in the country in a variety of contexts as well as support for various institutions. As already noted, in 2018 China granted aid in kind (rice) to help the population affected by the floods and droughts and in 2020 made a donation of US\$250,000 in cash to the government of El Salvador for the prevention and control of the pandemic, as well as an additional US\$100,000 for the purchase of supplies and medical equipment for the hospital installed at the International Center for Fairs and Conventions (CIFCO) and to meet the needs of the population affected by tropical storms Amanda and Cristóbal. Likewise, in September 2021 the Chinese ambassador announced that China would join the efforts to rebuild the San Miguelito market, engulfed by a fire that affected hundreds of vendors and which prompted a public thank you by President Bukele. These short-term grants also include the support given to the food security program that is being developed in the area covered by the Trifinio Plan – which involves territories of El Salvador, Guatemala, and Honduras – consisting of funding for 500 home gardens and support for the Foundation for the Development of Central America (FUDECEN) – an institution created by researchers close to the FMLN party – to finance academic activities related to the celebration of the bicentennial of Central American independence.

2.2.2. Official mission exchanges and the political outreach of the Chinese embassy in El Salvador.

In addition to non-reimbursable cooperation programs and projects, China's strategy for gaining influence in El Salvador includes the exchange of official missions and an intense political presence of the Chinese embassy in El Salvador through permanent meetings with government officials at different levels.

2.2.2.1. The exchange of official missions.

Since the establishment of diplomatic relations, missions by Chinese and Salvadoran officials have become frequent. On the Chinese side, the missions have consisted of technical visits for the preparation of physical infrastructure projects and for the implementation of the various cooperation programs; visits to promote China and explain its different policies and the economic and commercial opportunities that the country offers; and missions to promote Chinese art and culture. As the Chinese ambassador in El Salvador has pointed out: “We are pleased to see that since the establishment of diplomatic relations between China and El Salvador, visits have been exchanged very frequently between diverse areas and different levels of government, municipalities, the Legislative Assembly, political parties, the private sector, the media, etc.” Some of the Chinese missions that have visited the country include:

- a) A delegation from the Chinese Chamber of Commerce to learn about the conditions offered by El Salvador to foreign investors (June 2019). The delegation consisted of company representatives of: China Huadian Corporation Ltd.; SINOTRANS & CSC Holding Co. Ltd; Shining CTAs International; Hytera Communications Corporation Limited; and China Harbor Engineering Company Ltd. These companies from the infrastructure, telecommunications, energy, logistics, and various manufacturing sectors are interested in exploring new trade and investment opportunities in El Salvador¹¹ and establishing contacts with companies and organizations promoting trade.

¹¹ In recent years, Chinese companies Xiaomi and Huawei have opened stores in El Salvador. In the case of Huawei, it has developed a program called “Seeds for the Future” that supports the studies of young talented Salvadorans.

- b) A mission of experts on agriculture from China (April 2021) to discuss issues with the Ministry of Agriculture and Livestock (MAG) related to agricultural cooperation and the export of agricultural products to China, among others.

On the Salvadoran side, the most frequent missions have been made up of government officials and businesspeople, whose main purpose has been to promote the country's export products, especially coffee, sugar, and cocoa. In 2019, the Director of the Export Promotion Agency of El Salvador (PROESA) visited China and since then El Salvador has been present every year at the International Importers Fair of China.

2.2.2.2. Permanent contacts with government officials.

Through its embassy in El Salvador, China carries out intense political and diplomatic work with government officials. In the words of the Chinese ambassador in El Salvador, “High-level contacts are frequent and close” and include meetings with senior officials of the different branches of government, such as periodic meetings with the Vice President of the Republic and ministers in charge of the implementation of the various cooperation programs, as well as officials of the other branches of government, particularly with the President of the Legislative Assembly, with whom the Chinese ambassador recently met to “exchange points of view on the bilateral relations between China and El Salvador, and friendly cooperation.”

III. Conclusions: The impact of Chinese influence in El Salvador.

The foregoing analysis suggests that since the establishment of diplomatic relations between China and El Salvador, the Asian nation has considerably increased its presence and influence in El Salvador. One of the most important political outcomes has undoubtedly been the greater legitimacy that China has achieved in Salvadoran society and among the political class in general – with the exception of a part of the political and economic right identified with ARENA and ANEP (the main business association) – as a country with which it is necessary to work and cooperate given its worldwide importance as an economic and political powerhouse. In addition, the conjuncture created by the pandemic – and the rapid and effective response of China through the shipment of vaccines – and the deterioration of relations of the Bukele government with the Biden administration, has given China a great opportunity to position itself as a partner that responds quickly to the requests and needs of the country without asking for anything in return nor compromising national sovereignty. Of course, these achievements would not have been

possible without the political behavior of President Bukele, who has deliberately projected the image of China as a reliable and strategic partner for the development of El Salvador.

On the other hand, China's cooperation strategy of building physical infrastructure has been extremely convenient for President Bukele whose government program privileges physical infrastructure to the detriment of conventional public policies. In this sense, the construction of the new National Library – whose design and construction start has been widely publicized – and the new National Stadium will undoubtedly contribute to strengthening the positive image of China in El Salvador. If we add to this the welcome reception that the scholarship program has had among high school and university students, it is to be expected that the positive perception among the population towards China will strengthen during the remainder of the Bukele administration.

In summary, China's strategy to gain influence in El Salvador has been very effective and is based on five fundamental pillars:

- a) A rapid response to urgent needs of the government and the population (donation of vaccines, aid in kind, etc.).
- b) The implementation of programs with a high-impact in the media (construction of a library, a stadium, etc.) and in society (scholarships for students, cultural programs, etc.).
- c) The promotion of the Chinese market as an important destination for Salvadoran exports – particularly coffee and sugar – which have increased considerably in the last three years.¹²
- d) The intense political and diplomatic activities of the Chinese embassy aimed at strengthening China's political ties with El Salvador's main social and political actors, including government officials, academia, and civil society in general.
- e) The promotion of the relationship between China and El Salvador supported actively by President Bukele and important members of his government.

Bibliography

¹² More than 95% of Salvadoran exports to China is sugar, followed by coffee, sweaters, T-shirts, bedding, and electrical cables. Salvadoran sugar exports to China in 2020 totaled 182.5 thousand tons, valued at US\$75.3 million, which represents an increase of 105.7% compared to 2019. Coffee exports have also increased due in part to the fact that during the last three years Salvadoran coffee has been on show at the China International Import Expo (CIIE).

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