Between the eagle and the dragon

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A new front in global competition

The Caribbean is a cluster of small islands as well as coastal states in the Caribbean Sea, between the North and South America. It includes the 15 members of CARICOM such as Jamaica, Trinidad and Tobago, Barbados, along with non-CARICOM countries such as Cuba, Haiti, and the Dominican Republic. U.S. territories such as Puerto Rico also tie the region directly to North America, but also some of them with Europe.

This region sparks interest for the neighbours not only by its geographical location, but also by its strategic importance. The Caribbean sits on vital Atlantic-Pacific trade routes and borders the Panama Canal. For the U.S., it is the "third border," historically protected under the Monroe Doctrine. Additionally, the region matters because it holds 14 UN votes and remains one of the last bastions of Taiwan recognition.

For decades, the U.S. dominated through aid, trade, and security partnerships. That grip has weakened. Since the early 2000s, China has filled the gap. Its trade with the Caribbean rose from $1 billion in 2002 to $8 billion by 2019. Today, ten Caribbean states have joined Beijing's Belt and Road Initiative (BRI).

China's footprint is visible in major infrastructure projects: a $3 billion port in Grand Bahama (55 miles from the U.S. coast), a $600 million electricity grid upgrade in the Dominican Republic, and multi-billion-dollar projects in Jamaica and Suriname. Beijing also pursues political goals – eroding Taiwan's diplomatic allies and building support in multilateral bodies.

The concern of the fast Chinese expansion in the Caribbean is not only economic. Analysts point to the region's disproportionate exposure to Chinese military diplomacy – from gifts of vehicles to hospital ship visits. Washington's position is further undermined by its own USAID cuts and protectionist tariffs, which make Beijing appear the more reliable partner.

China's investment mechanisms in the Caribbean

China has become a central economic player in the Caribbean. Its trade with Latin America and the Caribbean reached $515 billion in 2024, up from just $12 billion in 2000. The region's share of that trade is still modest but growing, with Beijing now offering a 66-billion yuan (translated as $9 billion) credit line to Caribbean and Latin American partners. These figures highlight how fast China has moved to fill the gap left by uneven U.S. engagement.

Ten Caribbean states, including Cuba, Jamaica, Suriname, Trinidad and Tobago, Barbados, Dominica, and the Dominican Republic, have joined Beijing's Belt and Road Initiative (BRI) since 2022. Under this umbrella, Beijing finances ports, bridges, highways, airports, and energy grids. Examples include the $3 billion port on Grand Bahama and the $600 million Dominican electricity grid project. These projects secure long-term footholds for Chinese firms and embed Beijing in critical infrastructure.

Much of this financing comes from the China Development Bank and the Export-Import Bank of China, which together have lent over $120 billion to Latin America and the Caribbean since 2005. Unlike Western lenders, Chinese loans often come with fewer political conditions, making them attractive for governments with high debt or weak credit access.

China's priorities are clear: infrastructure, energy, and technology transfer. In Dominica, nearly 80% of Chinese investment – roughly $495 million out of $625 million – has gone to construction projects such as the international airport, post-hurricane schools, and the Dominica-China Friendship Hospital. Beijing complements this with agricultural cooperation, medical support, and disaster relief, giving its presence a broader development face.

China's economic engagement goes beyond bricks and mortar. It leverages multilateral frameworks such as the China-CELAC Forum, where new action plans cover trade, energy, and climate cooperation. It also uses climate diplomacy and COVID-19 assistance to position itself as a reliable partner for vulnerable island states. Beijing's narrative frames these initiatives as "South-South cooperation", portraying China as a fellow developing country rather than a great-power rival.

The model is effective but raises questions. Projects often rely on Chinese labor, which sparks local tensions, as seen in protests in Jamaica over wage issues. Critics warn that loans could increase long-term debt dependency and that infrastructure control – especially ports and telecom – creates dual-use security risks. Still, many Caribbean leaders welcome Beijing's speed and resources, especially as U.S. aid has declined.

The U.S. pushback and response

As a response to the Chinese expansion in investment plans in the Caribbean, and also in Latin America, the United States has maintained its coercive diplomacy methods in an attempt to preserve its influence over these regions. Going back in American history, after the adoption of the Monroe Doctrine in 1823 – presented by President James Monroe, and originally aimed at limiting Europe's interference in the Western Hemisphere – it has since evolved, expanding the U.S.'s stronger dominance in the region. But the effects of Chinese economic expansion are now visible in the Caribbean Sea. One foreign policy expert even told Newsweek that Beijing aims to "turn the Caribbean Sea into a Chinese lake."

During his second term in the American presidency, contrary to Biden, who saw China as a "strategic competitor", President Donald Trump adopted a firm position by leaning on coercive and high-pressure diplomacy, either by imposing tariffs, sanctions, or even suggesting military actions in order to discourage Caribbean states from depending too much on China. As an example, after Panama joined China's BRI in 2017, under U.S. political pressure (especially after Rubio's visit to the country) Panama paused its BRI engagement by withdrawing, consented to audit a 25-year port concession held by a Hong Kong company, CK Hutchison, and agreed to allow the U.S. to rotate troops into Panama. Additionally, as part of his "Liberation Day" tariff decisions, President Trump also imposed a baseline 10% tariff on many Latin American and Caribbean countries, with higher levies for Nicaragua with 18%, and Venezuela with 15%.

Additionally, the U.S. maintains its creativity in the response to China through other means, such as USAID programs, military cooperation programmes, and trade deals. However, many analysts view these efforts as reactive. Regarding the latest China-CELAC Forum that took place in May 2025, China proposed multi-billion funding credit to the countries in the region, the U.S. stays in the back.As a result, American influence appears increasingly strained in a region once considered its strategic backyard. Thus, the U.S. finds itself at a crossroads: it must decide whether to expand its economic engagement or continue to rely on pressure-based tactics.

Case studies

Dominica

Dominica illustrates how a small island can maximize Chinese engagement. Since switching recognition from Taiwan in 2004, it has attracted roughly $625 million in Chinese investment a number nearly equal to its GDP. Most funds flow into infrastructure: a new international airport, post-hurricane schools, a Friendship Hospital, and major road rehabilitation. Beijing also supports agriculture and health projects, while promoting cultural diplomacy through scholarships and a Confucius Classroom. For Dominica, China is a development partner of choice. But heavy reliance on loans and Chinese labor raises questions of long-term dependence and local job creation.

PanamaPanama highlights the geostrategic stakes. Chinese-linked firms acquired port facilities near the Panama Canal, sparking U.S. fears of a dual-use foothold. Although one Hong Kong firm recently sold its ports to a U.S.-led consortium, the episode underscored how Beijing's infrastructure footprint around the Canal could translate into leverage during crises. For Washington, ensuring control over this chokepoint remains a red line.

JamaicaChina's $2.1 billion investment in Jamaica has brought visible infrastructure gains, from highways to energy projects. Yet public discontent has grown. Reports of wage disputes and unsafe conditions at Chinese-run sites triggered protests. While Kingston welcomes financing, the backlash shows that Chinese projects can spark social frictions if benefits are perceived as uneven.

HaitiHaiti demonstrates a different dimension: security. In 2025, Erik Prince's private firm Vectus Global struck a ten-year deal with Haiti's government to fight gangs, using hundreds of foreign contractors, drones, and helicopters. Critics call this an outsourcing of security, undermining both Haitian police and the UN-backed mission. While not directly tied to China, it reflects the wider environment of fragile governance in which external actors, either state or private, gain influence.

Security and geopolitical risks

China's growing influence and investment effects across the Caribbean raises a couple of security and geopolitical concerns, when it comes from the perspective of the U.S. national and regional interests. According to a research made by the Center for Strategic and International Studies (CSIS), Chinese-operated ports could serve dual-use purposes, having a very high potential from many perspectives. For example, these ports, as they can be used for civilians, they can also be used for surveillance, strategic, and information gathering. One of the examples could be a port in Kingston (Jamaica) one of the riskiest ports in the region, that is operated by a Chinese state-owned enterprise (SOE) and has a score of 70.7/ 100 in the risk index database. It has been flagged as a high-risk site due to its proximity to the U.S. naval base at Guantánamo Bay. Other locations, such as Manzanillo and Veracruz in Mexico, are similarly identified as having strategic vulnerabilities towards the U.S. While the port in Manzanillo could pose a risk in collecting intelligence from the Mexico's Pacific Naval Force (including joint exercises with the U.S.), Veracruz port is more oriented toward trade with the United States. Though smaller in trade volume, any disruption at Veracruz could cost the U.S. economy an estimated $63 million per day. The concern is not solely about the infrastructure itself, but about the broader implications of Chinese control over logistics, shipping routes , and trade networks. Similarly, in a hypothetical crisis scenario, Chinese access to Caribbean ports could enable it to delay or restrict U.S. maritime operations.

Even if there is not at the moment a clear evidence of militarization or military activities, the potential of such developments could still constitute a concern for the U.S. The shifting strategic landscape in the Caribbean, fuelled by China's infrastructure projects, partnerships and diplomacy relations, could lead to a broader transformation that could have long-term implications for U.S. access, security, and geopolitical authority in its neighbouring region.

Conclusion

Today, we can see that the Caribbean is no longer just a holiday destination or a peripheral zone between the two Americas, but a central stage in the global rivalry between China and the United States. While China builds its influence through the rapid investment and strategic infrastructure, the U.S. faces growing pressure to adapt its presence in a region once considered "its own backyard". But for everyone, the question of "What will happen in the future?" is still here – will the U.S. redefine its engagement with deeper economic cooperation and consistent support for the states in the region, or will it risk losing ground in front of the very fast and ambitious projects from China?