

The Belt and Road Initiative and its Impact on Latin America's Connectivity: A Case Study of Chile and Peru

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Since its launch in 2013, the Belt and Road Initiative (BRI) - in Chinese *Yi Dai Yi Lou* (一帶一路) - has attracted the attention of observers from around the world for its goals and the magnitude of its investments. In academic circles, several debates emerged regarding the economic, political, and geostrategic aspects of the initiative. Some studies highlight the BRI's ability to promote a new global financial architecture, others its geopolitical impacts. Although these works are extremely timely, the contributions that investigate how the BRI concretely produces greater regional and global connectivity, especially in Latin America and the Caribbean (LAC), are incipient. The concept of *connectivity* is central to the initiative, appearing in several speeches and official documents (CHINA, 2015a; JINPING, 2017; CGTN, 2020). In the words of the National Development and Reform Commission (NDRC), the BRI is an initiative that mainly seeks to strengthen the “physical, institutional, and cultural connectivity between all the countries that are part of it” (CHINA, 2015b). As the BRI consolidates in LAC, connectivity expands through investments in large infrastructure projects that drive new and greater trade flows. In addition to heavy engineering and increased commercial transactions, the BRI also fosters the construction of a complementary legal infrastructure that regulates economic interactions, safeguarding the interests of investors and host countries (LIAO, 2019). Legal connectivity encompasses, e.g., Free Trade Agreements (FTAs), cross-border regulations, customs and financial cooperation mechanisms. Thus, connectivity here is understood as a three-fold phenomenon that entails physical, commercial, and cross-border legal infrastructure (MBOYA, 2020). This research seeks to examine how LAC's connectivity has been expanded by the BRI through an empirical study on two countries that acceded to the policy, Chile and Peru, in order to understand how Chinese capital and BRI agreements have promoted greater economic and legal integration. It examines the impact of the BRI on inter- and intra-regional economic flows from Chile and Peru, testing whether BRI projects and its legal instruments enhanced these countries' connectivity. The experiences of Chile and Peru are compared with the experience of Brazil, a country that has not formally acceded to the BRI, but is the main destination for China's Foreign Direct Investment (FDI) in the region. Therefore, this research seeks to explore the challenges and opportunities that Brazil has in acceding to the BRI. The case study shows how the BRI has the power to promote greater physical and economic connectivity in member countries. Nonetheless, it has yet to provide greater legal connectivity as the BRI's agreements framework lack enforcement effects and plurilateral coordination.

Key words: Belt and Road Initiative; Latin America; Connectivity; Chile; Peru.

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