

# SOUTH-SOUTH COOPERATION IN SURINAME: NEW PROSPECTS FOR INFRASTRUCTURE INTEGRATION?\*

**ADRIANA ERTHAL ABDENUR**

*Ph.D. from Princeton University and B.A. from Harvard University. Professor of International Relations at the Pontifical Catholic University in Rio de Janeiro (PUC-Rio) and General Coordinator of the BRICS Policy Center. Former Fulbright Research Scholar and fellow of the India China Institute. Her research focuses on South-South Cooperation in South America and Africa emerging powers, and the South Atlantic. Recent publications include a co-edited volume on the BRICS and South-South Cooperation, as well as articles on Brazil-Asia cooperation and China, in Latin America.*

*The current wave of South-South Cooperation (SSC), through its heavy emphasis on infrastructure as a necessary-yet-insufficient condition for development, creates new opportunities and new challenges for regional integration in Latin America and the Caribbean. This article examines the growing role of SSC in infrastructure and integration in Suriname, with a focus on transportation infrastructure. More specifically, it analyzes how the forging of new bilateral and multilateral partnerships is changing the country's prospects for integration, not only into the region, but also into global markets. I focus on three South-South partnerships particularly relevant to Suriname's infrastructure integration: its deepening bilateral relations with China, its growing closeness to Brazil, and its membership in the IIRSA process. On the one hand, there is an increasingly clear mismatch between China's mega-project approach to Suriname, which includes a new port and North-South road into the deeply forested interior, and Brazilian plans for infrastructure development in the Amazon region. Moreover, the IIRSA framework prioritizes different projects altogether. These gaps suggest the need for Surinamese government to play a more proactive role in coordinating the different SSC initiatives for infrastructure and integration being proposed in (and around) Suriname.*

## INTRODUCTION

**T**he current wave of South-South Cooperation (SSC), through its heavy emphasis on infrastructure as a necessary-yet-insufficient condition for development, creates new opportunities and new challenges for regional integration in Latin America and the Caribbean (LAC). Not only are there regional

arrangements in place to foster such integration cooperation providers -like China and Brazil- have been proposing or implementing new bilateral initiatives in the region, including mega-projects. What are the implications of the SSC proposals for infrastructure appearing in the region? This article examines the growing role of SSC in integration in the Guianas, with a focus on transportation infrastructure in (and around)

\* Research for this article was funded through the grant "Jovem Cientista do Nosso Estado" from the Fundação de Amparo à Pesquisa do Estado do Rio de Janeiro (FAPERJ).

Suriname. More specifically, it analyzes the new or intensifying bilateral and multilateral partnerships being endorsed by the Surinamese government to boost the country's prospects for integration within the region and into global markets. I focus on three SSC partnerships particularly relevant to Suriname's infrastructure integration: its deepening bilateral relations with China and Brazil, respectively, and its membership in the IIRSA process. Although transport infrastructure is a central concern to Suriname and its neighbors, those relations are driven by multiple factors -including political and security drivers- that reflect Suriname's strategic importance to aid and cooperation providers.

On the one hand, there is an increasingly clear mismatch between China's mega-project approach to Suriname, which includes a new port and North-South road into the deeply forested interior, and Brazilian plans for infrastructure development in the Amazon region. The two cooperation providers' projects do not seem to take one another into account. Moreover, the IIRSA framework prioritizes different projects altogether, possibly underestimating the growing (and potential) role of bilateral projects falling outside its scope. While the array of alternatives presents new opportunities for development in Suriname, these gaps suggest the need for the Surinamese national government and for regional multilateral institutions to play a more proactive role in coordinating the different SSC initiatives for infrastructure and integration currently being debated or implemented in Suriname and its vicinity.

### BACKGROUND

Over the past decade, emerging powers have become increasingly active in development assistance, emboldened by economic growth and more assertive foreign policies (Mawdsley, 2012). The global economic crisis has accelerated this trend, reducing aid and investment flows from Northern countries and enhancing the role of SSC (OECD, 2013). As a result, just as Northern donors restructure and cut back on assistance, Southern providers step up their international cooperation -often in the same countries. These shifting dynamics are sharply apparent in the case of Suriname- a country long considered as a "strategic afterthought" by Northern analysts, but of increasing political, economic, and security importance to Southern cooperation providers from within and outside the region (Figure 1 and Table 1).

Figure 1

### MAP OF SURINAME



Source: CIA Factbook.

Despite its history of heavy reliance on Dutch aid since achieving independence from the Netherlands, in 1975, over the past few years Suriname has increasingly turned to SSC, with a heavy focus on Brazil and China as bilateral partners, and on regional multilateral initiatives such as IIRSA and CARICOM. There are political as well as economic reasons behind this shift. On the political side, Suriname's ties to the global North, including its uneasy relations with the Netherlands, weakened after Dési Bouterse won the 2010 presidential elections. Bouterse, who had previously ruled Suriname as a dictator, in 2000 was convicted *in absentia* of drug trafficking by a Dutch court. The Netherlands promptly cut off aid to Suriname, and the United States distanced itself from the new government. The onset of the global economic crisis in 2008 also made other sources of European assistance and investment scarcer. Some Northern donors are still present in Suriname. Several Northern companies remain active in minerals extraction, and some donor agencies still carry out foreign aid projects. Relations with the Netherlands have since thawed somewhat,

and the US, perhaps in response to China's growing engagement in Suriname, has once again sought to deepen relations with Paramaribo, launching joint antinarcotics and open skies initiatives.

**Table 1**

**SURINAME SELECTED ECONOMIC AND SOCIAL INDICATORS FOR 2012**

Population	560,157
Total Area	163,820 sq km
GDP	US\$6.685 billion
Real GDP growth	4%
Per capita GDP (PPP)	US\$12,300 <sup>1</sup>
Total exports	US\$2.927 billion <sup>1</sup>
Main exports	alumina, gold, crude oil, lumber, shrimp and fish, rice, bananas
Total imports	US\$1.838 billion <sup>1</sup>
Main imports	capital equipment, petroleum, foodstuffs, cotton, consumer goods
Population below poverty line	70%
Unemployment rate	7.6% <sup>3</sup>
Rank in UNDP Human Development Index	104 <sup>2</sup>

Note: <sup>1</sup> 2012 estimate in US\$; <sup>2</sup> Out of 187 (2011); <sup>3</sup> 2010.

Sources: IMF Country Report 2012, CIA Factbook.

At the same time, SSC providers have significantly increased their cooperation programs in Suriname, particularly in transportation infrastructure. In contrast to the Northern partners, Brazil and China (both of which stress non-intervention in their foreign policies) have had no qualms about dealing with Bouterse. Surinamese government officials have proven receptive to this engagement, not only working to deepen these ties, but also painting the Netherlands aid suspension an opportunity to reduce dependency and increase integration with LAC (Martinez McGough & del Rio, 2012a). Bouterse frequently emphasizes the importance of South-South relations, including with neighbors like Guyana, Venezuela, and Brazil (Martinez McGough & del Rio, 2012c). For instance, Suriname

has been working to overcome border disputes with French Guiana and Guyana (along the Marowinje and Corantijn rivers, respectively); a maritime border dispute with Guyana was arbitrated by a tribunal convened under the United Nations Law of the Sea in 2007. Suriname has also opened a new consulate in Belém, in the Brazilian state of Pará, and it has established a direct maritime transport route with Brazil. But perhaps the most dramatic change has been an upsurge in Chinese trade and investment, accompanied by a significant influx of Chinese immigrants that not only vastly expanded Suriname's original Chinese diaspora but also brought new tensions to Suriname's already complex ethnopolitics (Fat, 2009; Ellis, 2012).

In addition to enhancing bilateral ties within and outside the region, Suriname is a member of several regional initiatives, including the Organization of American States (OAS), the Community of Latin American and Caribbean States (CELAC), and the Caribbean Community (CARICOM) (which President Bouterse chaired during the first half of 2012), and the country has deepened its ties with the Southern Common Market (MERCOSUR). In January 2011, Suriname joined the Union of South American Nations (UNASUR), whose temporary presidency Bouterse is due to assume in August 2013. Through these initiatives, the Surinamese government has explicitly stressed the importance of SSC and regional integration. At the Sixth Summit of the Americas, in Cartagena, Bouterse emphasized that regional unity could bring about "The Decade of the Americas" (Bouterse, 2012). Moreover, Suriname participates in the Initiative for the Integration of the Regional Infrastructure in South America (IIRSA) process, meant to enhance integration in South America by strengthening linkages between transport, telecommunications, and energy infrastructure.

Integration through SSC could really be transformative to Suriname, whose small commodities-based economy has long struggled to attract investors, especially outside of the minerals sector. In 2012, Suriname ranked 164<sup>th</sup> in the World Bank Group's Ease of Doing Business index (World Bank, 2012). The country is a significant producer of bauxite, which makes up about 15% of its gross domestic product (GDP) and 80% of export earnings. However, a drop in prices has negatively affected the economy, for instance prompting BHP Billiton to close down its operation in Suriname. The country has abundant natural resources -not only minerals, including bauxite and gold, but also potentially significant deposits of

iron ore, manganese, and possibly rare earth metals in the interior. In addition, Suriname has hydroelectric potential in the Amazon, as well as agriculture and fisheries potential along its Caribbean coastline. Finally, there is also some offshore oil production, with the prospect of large untapped reserves. Thanks in part to surging trade, Suriname has recently experienced robust economic growth: GDP growth reached 4.5% GDP in 2011. Foreign direct investment in Suriname rose from US\$163 million in 2006 to US\$585 million in 2012 -a more than three-fold increase (Martinez McGough & del Rio, 2012c).

Despite this vast potential, especially in relation to its population size -the World Bank includes Suriname among the world's 10 richest countries in terms of natural resources- Suriname faces significant challenges. The country has high poverty levels, as reflected in its ranking of 105 out of 186 countries surveyed by the 2012 United Nations Human Development Index (UNDP, 2012). Transport infrastructure remains sorely inadequate. Because of the lack of roads, much of the country's interior is supplied by river traffic in the rainy season and by small aircraft (often landing on dirt strips) during the dry season. There are also minimal international linkages, including no direct links to Brazil. Most of Suriname's roughly 4,570 kilometers of roads remain unpaved, and traffic volume is low. There are two main arterial roads, both running East-West in the country's northern part, where most of the country's population (approximately 560,000) is concentrated near the Caribbean coast. The northern road runs between Albina, on the border with French Guiana, to Nieuw Nickerie, on the border with Guyana, via Paramaribo. The southern artery links Paramaribo with Apoera via Bitagron. Both roads date from the 1960s, and their condition -already precarious- deteriorated significantly during the Suriname Guerrilla War (1986-1992).

Rehabilitating transport has become a priority for donors in Suriname, not only for the improvements to the local population, but also as a way to enhance accessibility of remote areas and unleash some of the country's untapped potential. Over the past decade, several stretches of these roads have been paved or upgraded, often by a combination of bilateral and multilateral agencies. For instance, one section of the East-West road (from Albina to Meerzorg) is being repaved with funds from the European Union, the *Agence Française de Développement*, and the Inter-American Development Bank (IDB) (IIRSA, 2010). Yet expansion of the roads has been limited. Not only

are Suriname's connections across the international borders limited, so are the interconnections between the country's coastal areas and the densely forested areas of its interior (van Dijck, 2013). Moreover, its port facilities -also a key component of the country's competitiveness- are limited, hampering the country's foreign trade, both with its neighbors and with other regions. Neighboring Guyana competes with Suriname for the status of Caribbean gateway to South America, and -unlike Suriname- it already has a road reaching into northern Brazil. Improving transportation and integration is thus an essential part of Suriname's search for higher competitiveness.

Although Northern donors, including the European Union, stress the transport sector in their assistance programs, there is a growing perception within the Surinamese government -manifested through its foreign policy discourse on SSC- that other cooperation partners may help the country achieve a degree of self-reliance that Northern aid has failed to foster. The next section of this paper examines the main SSC initiatives related to transport integration: Suriname's role within IIRSA and its growing bilateral cooperation with China and with Brazil.

## MULTILATERAL AND BILATERAL SSC INITIATIVES

### SURINAME AND IIRSA

As part of IIRSA's "Guyanas Shield Hub", which encompasses all of Suriname and Guyana as well as the eastern part of Venezuela and northern Brazil, Suriname has committed to making infrastructure expansion and upgrading a priority. Accordingly, its 2012 national budget prioritized roads, bridges, public schools, and housing. The Port of Paramaribo has been rehabilitated, and the government has been stressing the need to seek financing for other infrastructural projects via public-private partnerships (PPPs) as well as through tax adjustments. In addition, there is an ongoing effort by the Surinamese government and its partners to strengthen related institutions; for instance, the Ministry of Finance has set up a new investment unit with assistance from the IDB (Sandel, 2009).

Within the IIRSA framework, which tries to identify investment and upgrading projects that would be strategic to enhancing South America wide integration, Suriname's integration potential is viewed within the



broader context of the economic and geographic diversity of the Guyanas and, more broadly, the Amazon region. Within IIRSA, the top priority for the area is to interconnect the countries along the Caribbean coast (as well as French Guiana, which is an overseas department of France). To help ensure the quality and integration potential of upgrading initiatives, road revitalization initiatives are also expected to conform to standards established by IIRSA.

Within Suriname, IIRSA prioritizes rehabilitation of the country's northernmost East-West road, which would eventually become part of a long corridor interconnecting Ciudad Guayana, in Venezuela, to Paramaribo. Because of the poor shape of many stretches of the Suriname road, IIRSA calls for paving and upgrading this artery, which is also significant because of the high demographic and economic concentration along the route. A second, mid-term goal is the upgrading of the southern East-West road by 2015. The Suriname Planning Bureau has also looked into incorporating the East-West Link into the Pan-American Highway, which links the Americas in a South-North highway system that runs from Prudhoe Bay, in Alaska, to Ushuaia, Argentina with only one significant interruption (the Darién Gap, in Colombia).

As for a North-South road within Suriname, IIRSA planning documents refer to it vaguely as a "long-term" or "future" project, with no set timeline for feasibility studies. In contrast, the IIRSA Guyanas Shield Hub has concrete plans to improve the existing Caracas-Manaus road and to pave the rougher stretches of the Georgetown-Boa Vista route. Another IIRSA component does foresee a Brazil-Suriname link, but through a trajectory that would not come close to the Suriname-Brazil border: instead, it would be an extension of an East-West corridor whose Western part runs from Georgetown through Paramaribo to Albina, on the border with French Guyana, and whose Easternmost stretch would go from Oiapoque to Ferreira Gomes. Linking up the two separate stretches will depend in great part on whether French Guiana, which is not a part of IIRSA, becomes an observing or participating member.

#### CHINA'S MEGA-PROJECT APPROACH

Although China's role in LAC is still dominated by trade, over the past five years Chinese investments in the region have increased dramatically. In 2010,

China's loan commitments to the region (approximately US\$37 billion) surpassed the combined commitments of the World Bank, the Inter-American Development Bank, and the US Ex-Im Bank (Gallagher *et al.*, 2012). Moreover, the trend is likely to accelerate. During its June 2012 visit to LAC, former Premier Wen Jiabao proposed the expansion of cooperation through the creation of a Forum for Latin America-China Cooperation, along with an offer of US\$15 billion in initial loans. This growing role includes a growing interest in LAC transport infrastructure, where most Chinese investments aim to facilitate trade with the region (i.e., transportation of LAC commodities to China, and of Chinese manufactured goods to LAC markets).

China (both the government and the private sector) has developed a keen interest in the region's sorely underdeveloped railways, roads, and ports. In some countries, Chinese companies have proposed a number of "mega-projects", including new ports, import distribution centers in Mexico and Chile, and "dry canal" railways in Colombia and Nicaragua, meant to serve as alternatives to the Panama Canal. Although other SSC providers are also engaging in mega-projects in the region (Brazil's Odebrecht is building Puerto Mariel in Cuba, and Russia has an estimated US\$20 billion in investments in Venezuela), China's abundant financing and prior experience developing large-scale infrastructure at home and in Africa -including in countries long overlooked by Northern aid- have emboldened its proposals in LAC.

Most notably, Chinese companies (with the support of government agencies) have offered Suriname a large infrastructure deal. The package includes a new port and a 500 km road stretching from Paramaribo, near the Caribbean coast, to the Amazonian port of Manaus, in the center of the Brazilian Amazon, alongside a railway. The proposal has been eagerly received by the government of Suriname, eager to develop its heavily forested (and sparsely inhabited) interior. However, China's growing role in Suriname has not occurred without tensions, particularly as the influx of immigrants has swelled the Chinese-descent population to some 40,000 (around 10% of the population). Civil society and political opposition groups, fearful that Suriname is merely transferring its former dependence on the Netherlands to China, also question the wisdom of the Surinamese government accepting such large loans from China. The government defends growing ties with China as an opportunity to boost and diversify trade and foreign direct investment.

The mega-project offer comes within the context of a rapid approximation between Suriname and China. Diplomatic relations between the two countries were formally established in May 1979, although the following decades brought little concrete cooperation. Ellis (2012) notes that, as China's involvement in Suriname grew in the 1990s, it did not follow the trade-centered pattern as in the rest of the region, concentrating instead on transportation infrastructure. In 2011, only 2.4% of Suriname's exports went to China (*versus* 32.6% to the United States and 22% to Belgium); Chinese imports to Suriname made up about 12.7% of the total, *versus* 33.6% from the United States and US\$20.7 from the Netherlands (MRE, 2013). In 1998, the Surinamese government signed a Memorandum of Understanding with China's Dalian to pave 270 km of roads. Despite some resistance from the political opposition, the project was completed in 2003, and Dalian was subsequently contracted for a number of other infrastructure projects, most having to do with road rehabilitation. Dalian now has gravel mines and works on 8000 public housing units, financed with a loan from China Exim Bank (Taiwan offered to implement the same project in an unsuccessful bid for diplomatic recognition, but it was rebuffed by the Surinamese government). These projects have been accompanied by cooperation initiatives in other areas, including education, agriculture, and tourism, as well as some military assistance (Embassy of the People's Republic of China in the Republic of Suriname, 2009). In their efforts to boost cooperation ties with Suriname, Chinese diplomats frequently note the historical links between the two countries, noting for instance that many Surinamese politicians are of Chinese descent, including Bouterse (Yuan, 2010).

Geographically, China's infrastructure projects and proposals for Suriname have focused on the coastal plains, where the population, existing infrastructure, and most economic activity are concentrated. But China's interest in Suriname's interior, which is almost entirely covered by pristine rainforest, has been growing, especially given the country's timber and potentially large reserves of minerals. Since 2007, when Vice-President Ram Sardjoe visited China, Suriname and China have signed several loan agreements to undertake more ambitious projects related to port and road infrastructure, including plans to enhance access to the interior. Chinese companies are also interested in expanding Surinamese timber exports to China. In September 2011, the two countries signed additional cooperation agreements covering loans and

grants, which mentioned that the China Development Bank was studying funding for infrastructure projects (Ministry of Foreign Affairs, 2011). During President Xi Jinping's June 2013 visit to Central America and the Caribbean, which included a stop in Trinidad and Tobago, he was expected to hold bilateral talks with Bouterse (among other heads of state from CARICOM countries) on topics that include infrastructure.

Projects proposed so far are ambitious in scope. As part of a cooperation deal signed in 2010 with Cheng Dong International and China Harbour, Chinese companies have proposed to build a new deep sea port in the Caribbean and to link Paramaribo with Manaus via a road and railway. The agreement also includes an enormous sea dam that would stretch from Albina to Nickerie, with bridges crossing the Corentyne and Marowijne into neighboring French Guiana and Guyana, respectively (Martinez McGough & del Rio, 2012b). The project is touted as potentially transforming Suriname into a significant hub for marine transport (at the moment, most large shipping companies, including those taking commodities from Brazil to China, bypass Suriname altogether). As for the North-South road and railway link running into the interior, it would serve as a major national integration route, particularly as it would transverse the two East-West roads being upgraded. However, falling commodity prices may change the importance accorded to Suriname, including the cost benefit of such large-scale projects. Moreover, as the next section of this article explores, the North-South road's potential for international integration would depend not only on the feasibility of the project on the Suriname side, but also on the level of interest on the part of the Brazilian government and private sector partners, especially construction companies- a key question, considering the economic and environmental challenges that such a project poses.

#### BRAZIL'S GROWING INTEREST IN SURINAME

Suriname and Brazil share a border in a region that is of national strategic importance to both, due largely to the difficulty of patrolling such a densely forested area. During the late Cold War, Suriname became a security concern to Brazil's military regime. In 1983, the government of General João Figueiredo (1979-1985) sent a high-level mission to Suriname, led by General Venturini, to offer political, military, and economic assistance. The package offer was an attempt to prevent Bouterse's regime from deepening

ties with Cuba (Domínguez Avila, 1983). Thereafter, Brazil's engagement with Suriname waned; during the following two decades, trade between the two countries remained insignificant. Recently, however, commercial exchanges have been expanding rapidly, surging from US\$10.7 million in 2002 to US\$62.1 million in 2012. Nevertheless, this trade is still small. In 2012, Brazil accounted for no more than 0.1% of Suriname's exports and 4.1% of its imports (MRE, 2012). Commercial flows the two countries are hampered in part by the difficult terrain and the lack of direct transport routes. Around 95% of the total bilateral trade volume is transported by sea (FUNCEX, 2010).

For the Brazilian government, this surge in trade is part of a broader attempt to enhance economic, political, and security integration in South America, including the Guyanas shield countries, which Brazil views as South American rather than Caribbean (Farias, 2000). The Brazilian government has begun calling Suriname a "strategic partner" (Agostine, 2009), and recent talks have encompassed energy cooperation, particularly given Suriname's hydroelectric potential and oil prospects. Since 2011, Brazil has been cooperating with Suriname's Ministry of Natural Resources and the Anton de Kom University of Suriname to map the geology of the Brazil-Suriname border, a sign of interest in exploring the minerals potential of the area. In addition, there are political considerations. During his Senate confirmation, Brazil's ambassador to Paramaribo suggested that Brazil should take advantage of the opportunities opening up as Suriname expressed its intention of becoming closer to other South American countries and just as the Netherlands distanced itself from its former colony (Comissão de Relações Exteriores do Senado, 2011).

A February 2013 meeting in Brasília between Brazil's Foreign Relations Minister, Antonio Patriota, and his Suriname counterpart, Winston Lackin, covered topics in education, health, and agriculture, and electricity, as well as political issues such as the Brazil-CARICOM Summit (Ministério da Defesa, 2012). Brazil has also been stepping up defense cooperation with Suriname for Amazon surveillance and drug trade prevention (there is some concern that Suriname may serve as a transshipment hub for cocaine and other drugs from South America, and that the jungle areas are vulnerable to infiltration by the Colombian Revolutionary Armed Forces of Colombia, or FARC). Trafficking in persons to and from Suriname is yet another shared concern, though the government has established an anti-

trafficking commission to tackle the issue. Brazil's broad strategic interests are also reflected in the growing bilateral cooperation in defense, with Brazil refurbishing combat vehicles in Suriname's Armed Forces and stressing the need to involve Suriname in the integration of South American defense (Carvalho, 2011).

Finally, the Brazilian government has an interest in helping to ensure the safety of the roughly 18,000 Brazilians in Suriname, many of which entered the country illegally to dig for gold. In 2009, violent riots broke out in Albina (a base for gold diggers prospecting in the area) between the local Maroon population and gold diggers that included Brazilian, Chinese, Colombian, and Peruvian citizens after a man was allegedly stabbed to death by a Brazilian. The Brazilian government sent a diplomatic mission to aid the Brazilians, and the event resulted in the evacuation of Brazilians and Chinese from the area.

As for China's plans for the Paramaribo-Manaus road and railway, there is so far no expression of interest on the Brazilian side. Despite talks on infrastructure integration through the Amazon after Bouterse's election, no headway has been made. Brazil's National Development Bank (BNDES), which finances SSC in many other countries in the region (including projects being carried out by construction companies) has no bilateral projects in Suriname, nor known plans to finance such a direct transport link. Brazil's "Arco Norte" project aims to link northern Brazil with the three Guianas, but in a roundabout way, with the road re-entering Brazil and ending at the mouth of the Amazon river in the state of Amapá. In July 2009, the Brazilian Army Engineer Corps completed a 230-meter bridge over the Takutu river, but this integrates Brazil with Guyana rather than Suriname. In 2012, a second bridge was completed, linking Brazil and French Guyana across the Oiapoque River.

Moreover, the large infrastructure incentive package launched by President Dilma Rousseff seems to focus more on national infrastructure development than on regional integration. Although it includes plans to modernize and expand the terminals at the port of Manaus, there are no plans for a road or railway from Manaus to Suriname. Brazil's limited (if any) interest in a direct connection to Suriname is a result of multiple factors. *First*, such a road would cut across a significant swatch of virgin rainforest, raising environmental concerns. The proposed route would run in or near areas that have been set aside as national parks or reserves,

including the Central Suriname Nature Reserve, a World Heritage Site, and Brazil's Tumucumaque Park, the world's largest protected continuous area of pristine rainforest. Despite growing interest by private sector actors (including Brazilian companies) in exploiting Amazon resources, civil society entities on both sides of the border have been vocal opponents of major infrastructure projects, including roads that would create incentives for illegal logging, deforestation, and minerals extraction. Near the border with Suriname, the only Brazilian road is a small, unpaved service route for the Kayapó indigenous villages (DNIT 2012). Environmental activists are strongly opposed to paving the Amazon stretch of BR-163, a 1780-km road stretching from Mato Grosso, in Cuiabá, to Santarém, west of Manaus, that was built (with lasting environmental consequences) by the military regime in the 1970s.

Second, along with environmental risks are the prospects of exacerbating social tensions. Enhanced accessibility of these remote regions would allow for prospecting and extraction of minerals. While, on the one hand, such activity might contribute to both countries' economic dynamism, the extraction would be conducted in remote areas where, as history has shown, curbing illegal logging and prospecting is extremely challenging. The influx of more illegal migrants may also add more tension to an ethnopolitical scene that is already among the most complex in LAC. In 2009, a network of Amazon indigenous groups issued a declaration denouncing IIRSA's Guiana Shield Resolution as "responsible for the genocide of indigenous peoples and the depredation of forests" (Forest Peoples Programme, 2009). The Brazilian NGO Institute for Indigenous Research and Capacitation (*Instituto de Pesquisa e Formação em Educação Indígena* - IEPÉ) has been working to build a network of indigenous groups across the Guianas Plateau, including groups in Brazil, French Guyana, and Suriname. A cross-Amazonian corridor would thus encounter resistance from civil society groups on both sides of the border.

In addition to provoking new tensions, by enabling movement across the border, such a land link could also enable trafficking of drugs and people. Finally, it is unclear that a road and railroad linking Manaus and Paramaribo would in fact reduce the cost of cabotage sufficiently to justify the costs of building such a link. Another Amazonian road project being implemented -the "Road to the Pacific", intended to link the Brazilian

Amazon to coastal Peru- has been criticized for being too long and sinuous to become a major corridor for transporting soy, iron ore, and other Brazilian commodities to the Pacific for export to Asia (Carvalho, 2011). The cost-benefit analysis for such a project would have to take into account not only political and social risks, but also weigh the economic pros and cons given the distances and terrain involved.

## CONCLUSION

SSC has the potential to transform Suriname's transportation infrastructure and, more broadly, the country's economy, but it would require both significant funding, careful examination of the risks involved, and considerable stakeholder coordination. The completion of a Suriname-Brazil corridor proposed by Chinese companies, with backing from the Chinese state, seems improbable, as it would depend not only on overcoming hurdles on the Surinamese side, but also on securing Brazilian commitment to the plans. It is possible, then, that present Chinese interest in this area is more about enhancing access to the interior of Suriname -and developing the extraction of its natural resources and their transportation via the Caribbean- than about facilitating long-distance trade via the Amazon. Even if only the Surinamese stretch of the corridor is completed, the Chinese mega-project may have a dramatic impact on the country's economy, demographics, and environment, with probable spillovers into the political domain.

As for the mismatched plans for Suriname seen in IIRSA and in bilateral cooperation agreements, new questions arise about how to coordinate their divergent plans. While some of the projects being proposed for Suriname might not be incompatible or mutually exclusive, they are clearly based on a different calculus of the country's strategic importance, regional role, and domestic politics. While lack of coordination is not specific to SSC, this phenomenon needs not be accompanied by the same level of "donor fragmentation" that has characterized so much development assistance.

More specifically, the mismatch between multilateral and bilateral integration frameworks observed in the Suriname case highlights the need for national governments and associated stakeholders in Suriname (and, more broadly, in LAC) to better coordinate



regional and national infrastructure frameworks with the bold bilateral cooperation initiatives being put forth. Without such coordination, Suriname runs the risk of either not maximizing the potential of strategic infrastructure investments (for instance, by failing to plan for intermodal integration), or of endorsing projects based on short-term economic interests rather than long-term sustainability.

More broadly, the need to rethink integration coordination in light of surging SSC is all the more important because, although China and Brazil

have become especially active in their international cooperation, they are far from being the only SSC providers playing larger roles in LAC, including in the the Guyanas Shield. Russia, India and Iran have all started new cooperation projects in the area, some of which could also be characterized as mega-projects. Finally, the stress on heavy infrastructure promoted by emerging SSC alliances, including the BRICS grouping (whose planned BRICS Development Bank is being designed primarily to fund major infrastructure), may demand a new degree of preparedness, negotiation, and risk analysis by SSC recipients in LAC. ♦

## REFERENCES

- AGOSTINE, CRISTIANE. 2009. "O vizinho esquecido: as relações Brasil-Suriname", in: *Valor Econômico*. December 29.
- BOUTERSE, DESIRÉ DELANO. 2012. "Remarks at the VI Summit of the Americas". Cartagena de Indias. April 14.
- CARVALHO, PEDRO. 2011. "Na nova estrada Brasil-Pacífico, o progresso é via de mão dupla", in: *iG*. July 12.
- CASTRO, EDNA. 2012. "Expansão da fronteira, megaprojetos de infraestrutura e integração sul-americana", in: *Cadernos CRH*, 25(64). January-April.
- COMISSÃO DE RELAÇÕES EXTERIORES DO SENADO. 2011. "Energia será prioridade na relação com Suriname, diz indicado a embaixador". Brasília DF. October 20.
- DEPARTAMENTO NACIONAL DE INFRAESTRUTURA DE TRANSPORTES (DNIT). 2012. "Ata da reunião extraordinária da diretoria colegiada do DNIT". Brasília, DF.
- DOMÍNGUEZ AVILA, CARLOS FEDERICO. 1983. "Guerra Fria na Região Amazônica: um estudo da Missão Venturini ao Suriname", in: *Revista Brasileira de Política Internacional*, 54(1): 7-28.
- ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN (ECLAC). 2012. *La República Popular China y América Latina y el Caribe: Diálogo y cooperación ante los nuevos desafíos de la economía global*. LC/L.3506. Santiago de Chile. June.
- ELLIS, R. EVAN. 2012. "Suriname and the Chinese: Timber, Migration, and Less-Told Stories of Globalization", in: *SAIS Review*, 32(2): 85-97.
- EMBASSY OF THE PEOPLE'S REPUBLIC OF CHINA IN THE REPUBLIC OF SURINAME. 2009. "China Grants Suriname Military Materials". Press Release. October 6.
- FARIAS, DÉBORAH B. L. 2000. "O Brasil e o CARICOM", in: *Revista Brasileira de Política Internacional*, 43(1): 43-68.
- FAT, PAUL TJON SIE. 2009. *Chinese New Migrants in Suriname: The Inevitability of Ethnic Performing*. Uva Proefschriften.
- FOREST PEOPLES PROGRAMME. 2009. "Guiana Shield Resolution on IIRSA". April 17.

FUNDAÇÃO CENTRO DE ESTUDOS DO COMÉRCIO EXTERIOR (FUNCEX). 2010. "O potencial de comércio e investimentos entre o Brasil e o Suriname". Rio de Janeiro.

GALLAGHER, KEVIN P.; IRWIN, AMOS & KOLESKI, KATHERINE. 2012. *The New Banks in Town: Chinese Finance in Latin America*. Washington, DC: The Inter-American Dialogue.

INITIATIVE FOR THE INTEGRATION OF THE REGIONAL INFRASTRUCTURE IN SOUTH AMERICA (IIRSA). 2010. "Sixth Report on the Implementation Agenda on Consensus 2005-2010".

MARTINEZ MCGOUGH, MICHAEL & DEL RIO, GONZALO. 2012a. "Our regional integration policy is based on economic diplomacy", in: *Worldfolio*. August 31.

-----, 2012b. "Paving the way to a prosperous future", in: *Worldfolio*. August 31.

-----, 2012c. "Suriname Report", an independent supplement to The Miami Herald by Business & Investment, in: *WorldFolio*. August 31.

MAWDSLEY, EMMA. 2012. *From Recipients to Donors: Emerging Powers and the Changing Development Landscape*. London: Zed Books.

MINISTÉRIO DA DEFESA. 2012. "Brasil quer Guiana e Suriname envolvidos na integração em defesa sul-americana", in: *Defesanet*. September 14.

MINISTÉRIO DAS RELAÇÕES EXTERIORES. 2013. "Dados básicos e principais indicadores econômico-comerciais: Suriname". MRE/BRP/DIC. Brasília. May.

MINISTRY OF FOREIGN AFFAIRS. 2011. "Ontwikkelingsdiplomatie werpt vruchten af Zuid-Zuid-samenwerking ten bate van ontwikkelingsdoelstellingen". Paramaribo, September 29.

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD). 2013. *Aid to poor countries slips further as governments tighten budgets*. April.

SANDEL, SUSAN IRIS. 2009. "Suriname: The economic crisis", PPT presentation at the XX Meeting of International Cooperation Directors for Latin American and the Caribbean. Antigua, Guatemala. September 24-25.

UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP). 2012. *2012 Human Development Report*. New York.

VAN DIJCK, PITOU. 2013. *The Impact of the IIRSA Road Infrastructure Programme on Amazonia*. Oxon: Routledge.

WORLD BANK. 2012. *Doing Business: Economy Rankings*. Washington, DC.

YUAN NANSHENG. 2010. "Chinese Ambassador in Suriname Yuan Nansheng extends New Year wishes to the nation". Renmin Wang. (in Chinese).