China and the U.S. in Latin America

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China y EE. UU. en Latinoamérica

La Chine et les États-Unis en Amérique latine

A China e os EUA na América Latina

Benjamin Creutzfeldt a

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a PhD in Political Studies; Associate Professor for Chinese Politics, Universidad de Los Andes, Bogota, Colombia. Email: benjamin@creutzfeldt.net.
Abstract. Latin America has for centuries been subject to the will and whim of external powers and thus it is not surprising that there are well-founded reservations among the peoples of the region in the face of China’s increasing presence in their midst. The United States, in turn, is similarly uneasy about the new stakeholder in the hemisphere it has traditionally perceived as its zone of influence. This paper argues that analysts have paid insufficient attention to the declared intentions that consistently accompany Beijing’s approach to Latin America, and that these offer strong evidence for a comparatively even-handed and fundamentally non-competitive approach. It draws out details of Chinese foreign policy rhetoric over an eight-year period and reviews it alongside US statements towards Latin America over the same time span, and concludes that there is much space for collaborative development, and little reason for contention, although risks of dependency and further deindustrialization remain: there is an urgent need for Latin American and North American scholars, pundits and government officials to pay attention to and understand China’s declarations of intent towards Latin America, and engage with this rising power on her terms.

Keywords: China Foreign Policy, United States Foreign Policy, Latin America, Global Governance, Competing Hegemons.

Resumen. Puesto que durante siglos América Latina ha estado sujeta a la voluntad y el capricho de poderes extranjeros, no es de extrañar que entre sus pueblos haya reservas frente a la creciente presencia de China en la región. Los Estados Unidos, por su parte, se sienten igualmente incómodos con el nuevo jugador en el hemisferio tradicionalmente percibido como su zona de influencia. Este trabajo sostiene que los analistas prestan insuficiente atención a las intenciones declaradas que acompañan de forma constante el acercamiento de Pekín hacia América Latina, intenciones que evidencian un enfoque relativamente ecuánime y esencialmente no competitivo. Al examinar elementos de la retórica china de política exterior durante un período de ocho años, en conjunto con documentos estadounidenses de la misma época, se llega a la conclusión de que hay mucho espacio para el desarrollo colaborativo y pocas razones para la prevención, aunque los riesgos de dependencia y de una mayor desindustrialización subsisten. Hay una necesidad urgente de que los estudiosos de las Américas Latina y del Norte, los expertos y los funcionarios del gobierno presten atención y entiendan las intenciones de las declaraciones chinas sobre América Latina y respondan a esta creciente potencia en sus propios términos.

Palabras claves: Política exterior china, Política exterior estadounidense, América Latina, Gobernanza global, Hegemonías en competencia.

Résumé. L’Amérique latine a été pendant des siècles l’objet de la volonté et caprice de puissances extérieures et il n’est donc pas surprenant qu’il y ait des réserves parmi les peuples de la région face à la présence croissante de la Chine dans leur milieu. Les États-Unis, à son tour, sont tout aussi mal à l’aise au sujet de ce nouveau protagoniste dans l’hémisphère traditionnellement perçu comme leur zone d’influence. Cet article soutient que les analystes ont accordé une attention insuffisante aux intentions déclarées qui accompagnent toujours l’approche de Pékin pour l’Amérique latine, et que ceux-ci offrent des preuves solides d’une approche relativement équilibrée et dans son essence non-compétitive. A travers d’une analyse du discours de la politique étrangère chinoise durant une période de huit ans, et contrastant ces éléments avec des exemples du discours des États-Unis vers l’Amérique latine dans la même période, il est possible conclure qu’il y a beaucoup d’espace pour le développement collaboratif, et peu de raisons pour la contention, bien que les risques de la dépendance et la désindustrialisation demeurent: il y a un besoin urgent pour les chercheurs d’Amérique latine et d’Amérique du Nord, autant que les experts et les représentants du gouvernement, à prêter attention et comprendre les déclarations d’intention de la Chine vers l’Amérique latine, et de savoir dialoguer avec ce pouvoir sur ses propres termes.

Mots-clés: Politique étrangère chinoise, Politique étrangère américaine, Amérique latine, gouvernance mondiale, hégémonies en concurrence.
Resumo. Há séculos, a América Latina tem sido objeto da vontade e do capricho de potências externas e, portanto, não surpreende que haja reservas bem fundamentadas entre os povos da região em face da crescente presença da China em seu meio. Os Estados Unidos, por sua vez, estão igualmente desconfortáveis com a nova parte interessada no hemisfério que eles compreendem como sua zona de influência. Este artigo defende que os analistas têm dado atenção insuficiente aos propósitos declarados que, reiteradamente, acompanham a abordagem de Pequim para a América Latina e que estes oferecem uma forte evidência de um comportamento relativamente imparcial e fundamentalmente não-competitivo. O texto abrange detalhes da retórica da política externa chinesa ao longo de um período de oito anos e a revisa juntamente com as declarações dos Estados Unidos para a América Latina, durante o mesmo período, concluindo que há muito espaço para o desenvolvimento colaborativo e pouco motivo para contenda, embora os riscos de dependência e de mais desindustrialização permaneçam: há uma necessidade urgente de estudiosos da América Latina e da América do Norte, especialistas e funcionários do governo que prestem atenção, que entendam as declarações de intenção da China para a América Latina e que se dediquem a compreender essa potência em ascensão, nos seus termos.


Introduction

Ever since the Spanish conquest in the sixteenth century, the peoples of Latin America have found themselves in a position of reacting to outside influence, rather than being protagonists in the global agenda affecting them. That experience, together with the heterogeneous mix of cultures accumulated over time, has led to repeating cycles of a search for identity and modernity and manifested itself in what the Mexican Nobel laureate Octavio Paz described as a deep fear of being eternally defeated or conquered. While independence gave the United States a genuine sense of liberation and the power to self-govern and self-determine, and the successful struggles for decolonization in Twentieth Century East and South Asia allowed those nations to reconnect to their traditions and cultural identities, the countries of Latin America have struggled to achieve a position of leadership in global affairs, let alone regional cohesion.

This paper picks up on these themes provided by history: the ambiguous relationship with foreign powers present in the region, and the lack of national and regional cohesion, resulting in an inadequate comprehension of, and response to, the new and growing presence of China, after a century of United States dominance. Following some brief historical background to embed these themes and draw out their relevance and possible parallels today, this chapter offers a contextualized characterization of China’s foreign policy towards Latin America between 2008 and 2015, and subsequently delineates key traits of US foreign policy over the same period. These two outlines provide points of departure for the ensuing segment, which focuses on Latin American views of China and the US from two perspectives: a vertical panorama seeks to present the differences within the populations of Latin America, considering the divergence of economic conditions and values, and a horizontal panorama broadly presents the views across countries.

1 See in particular Paz’ cultural historical analysis in The Labyrinth of Solitude (1981), first published in 1950. These themes have been picked up repeatedly, most notably by Eduardo Galeano (1973) and Jorge Larrain (2000), and resurface continually in both media and scholarly discussions of Latin America’s international affairs.
The discussion is informed by a broad reading of media and current academic literature and, in the interest of achieving an overview, loosely groups the countries into some of their regional organizations: the Pacific Alliance countries of Mexico, Colombia, Peru and Chile, the Bolivarian Alliance for the Peoples of Our America (ALBA) countries of Venezuela, Ecuador and Bolivia, and the full members of Mercosur, including again Venezuela alongside Uruguay, Paraguay, Brazil and Argentina.2

**Historical precursors**

In the first half of the nineteenth century, the United States was well positioned thanks to precedent, to provide orientation and protection for the newly independent nations of the South, which it expressed in the Monroe Doctrine of 1823. Conceived as an expression of solidarity with those countries, and with the endorsement of the leading naval power of the period, the United Kingdom, it had the effect of generating a sense of security and political affinity with the United States and led many of them to base their new constitutions on the North American model. But although the historian John Crow argues that it was “never intended to be a charter for concerted hemispheric action” (1992, p. 676), its shadow loomed large over the north-south relationship: it cannot be dissociated from US expansionism during the nineteenth century in Mexico, Panama and Puerto Rico, armed interventions in Nicaragua, Haiti and Cuba, and the primacy the United States assumed in economic and critical political affairs of the hemisphere in the course of the twentieth century, often in the form of very real interventions in domestic matters. The most notorious of these left a permanent stain on many bilateral relationships, being associated frequently with the support of right-leaning regimes or movements in Cuba, Chile, Nicaragua, Panama, Colombia and Venezuela, as well as the suppression of labor unrests and the protection of corporate interests.

More positively, however, the brotherhood of nations and hemispheric cohesiveness pursued by successive US governments materialized in the Organization of American States (OAS), the world’s oldest regional organization with its inception dating back to the First International Conference of American States, held between October 1889 and April 1890 in Washington, DC. This led to the establishment of the International Union of American Republics, setting the stage for the design and articulation of the institutions that were to govern the OAS. Nonetheless, many Latin Americans maintained an edgy wariness of US presence in their region, and hostility towards the United States was evident in many countries. President Franklin Roosevelt’s ‘Good Neighbor Policy’ of the 1930s was an important catalyst for improved relations by expressly proclaiming a policy of mutual non-aggression and non-intervention. The OAS came into being with the signing of the Charter of the Organization in Bogota in 1948. These are some of the elements

2 The Caribbean countries are not discussed in detail, due in part to their fragmented political relationship with China and bearing in mind the attention they are given in Richard Bernal’s chapter in the present volume. At the other end of the spectrum in terms of size, Brazil is treated only tangentially, although it presents a significant exception to the Latin American mean due to its magnitude and the distinctive relationship it has built with the People’s Republic framed by the BRICS group of countries, explored in the chapters by Tony Spanakos and José-Agusto Guilhon Albuquerque.
US leaders and analysts have in mind when they describe the regional ties as conditioned by geography, economy, and family (e.g. R. Evan Ellis, 2015).

As for Chinese contact with Latin America, historically traceable contact began with the trade during the early Spanish colonial empire in the sixteenth century, and continued for more than three centuries by means of the Manila Galleons. Documented contact between China and the countries of Latin America dates to the Qing Empire in the century of its gradual decline. The nineteenth century saw a first occasion for the China of the Qing dynasty and a number of Latin American countries to look each other in the eye: a confluence of trends led to the emergence of the ‘cooler trade’ –a novel but little evolved form of the slave trade– from China to the plantations and early infrastructure projects of Latin America. The chaos and poverty in rural China and the phasing out of black slavery in the Americas led to the importation of several hundred thousand ‘coolies’ from South China to work in the sugarcane plantations of Cuba and Jamaica, as well as the silver mines, coastal plantations and guano collecting industry of Peru (McKeown, 2001). The miserable treatment many suffered during transport and at their destination forced a reluctant and inward-looking Qing government to negotiate its first formal relations with several Latin American countries: the first of these was Peru in August of 1875, followed by Brazil in 1881, and Mexico in 1899.

After the establishment of the People’s Republic in 1949, the new leadership principally sought cultural, people-to-people and limited trade relations with the countries of Latin America (Zheng, Sun, & Yue, 2012). Bill Ratliff hints at a more ambitious agenda at the heart of the approach in the 1950s and 1960s, when he argues that “a disorderly but important foundation was laid for the explosive expansion of PRC-Latin American ties” in the twenty-first century (Ratliff, 2012, p. 33). Beijing’s cultural diplomacy consisted of promoting cultural and political links to Latin American individuals and organizations of all political orientations, but not, generally, to governments. Building such links was inexpensive and did little to offend hostile governments, but nonetheless tended to make a deep and lasting impression on their beneficiaries. While it can be said that the policy driving this informal diplomatic exchange was largely ‘value-free,’ it was of course ideologically inspired, and most visitors met with Chairman Mao, Premier Zhou, or another top leader.

There were only limited ties between China and Latin America in the 1970s and 1980s and trade was minimal, but following Deng’s Reform and Opening-Up, China soon began to nurture its relations with Latin America, and welcomed the gradual realignment of most remaining South American countries from official relations with Taipei to Beijing. Initially, this meant abandoning any political agenda or ideological preferences, even establishing relationships with several neoliberal military dictatorships. At the end of 1985, Premier Zhao Ziyang embarked on what was the first-ever high-level leadership visit to Latin America. China reached out to “third world” nations of Latin America and made known its intention to become the representative of the developing world. Zhao also offered, peace and friendship, mutual support, equality and mutual benefit,
and joint development” (“Zhao in L. America: Seeing is Believing,” 1985), thus offering at least a rhetorical path towards collaboration.

Since the turn of the 21st century, economic and trade relations between the People’s Republic of China and Latin America have grown exponentially and, as a result, so has the incidence of China in the region at the political level. While China is actively involved in multilateral organizations, and indeed promotes new institutions in the spirit of “greater democracy in international relations” (Xinhua, 2014), Beijing also increasingly stimulates direct bilateral relationships: with Brazil as a member of the BRICS group and its position as a regional power, with Venezuela and Ecuador as major suppliers of hydrocarbons, with Chile, Peru and Costa Rica for the multifaceted exchange of goods facilitated by their free trade agreements, with Mexico for its particular position within NAFTA, and so on. But the intention of one is not necessarily the motivation of the other, and the consistency that appears to characterize China’s policy towards Latin America does not necessarily reflect the identity of the region. Conversely, the importance that some countries give their relationship with China does not always find an echo on the other side of the Pacific, and behind this scenario looms the presence of the ‘Northern hegemon’ with a long history of close involvement in the affairs of its traditional ‘backyard’. And yet, a 2008 report to the United States Congress stated that “for all of the attention being paid to China’s rise and its attendant economic, environmental, security, and political consequences, we still have a very imperfect understanding of China’s power and motivations or how the rest of the world is responding to China’s integration” (Congress, 2008).

In the search for an understanding, North American analysts often succumb to the temptation of viewing China’s engagement with Latin America in the light of a potential threat to US interests, or as part of an “emerging division of labour [in which] the US will continue to promote democracy, market reforms, and rule of law in the region, while China will do the heavy lifting with trade expansion, [and] infrastructure investment” (Wise, 2012, p. 134). Evan Ellis, one of the most prolific commentators on China’s relations with Latin America, tends to take the sentiment to a more blatantly competitive level when he states for instance that “China has recklessly provided billions of dollars in financial support” to ALBA states, and that “Chinese actions in Latin America help expand political and economic turmoil and criminality [weakening] democratic institutions […] and the refugees and criminals will continue to come” to the US (R. Evan Ellis, 2014). Even the Economist magazine feeds rhetorically into a threatening image of China, as a linguistic or discourse analysis of recent columns suggests, though the editors redeem themselves intermittently with nuanced notes, stating for instance that it “would be wrong to blame China [alone. …] it is up to Latin America to become as effective as its new partner in defending its interests in the relationship (Economist, 2015). The evolving story we are witnessing as the twenty-first century wears on is more complex, more multi-dimensional, and potentially more significant. The purpose of this chapter is to offer some insights into how governments, publics, and business communities view their country’s relationship with China and the United States, and how they are attempting to position themselves between those two powers.
Chinese Foreign Policy towards Latin America, 2008-2015

Three cornerstone documents may be identified that encapsulate China’s Latin America policy in the early twenty-first century: the Chinese government’s November 2008 Policy Paper on Latin America and the Caribbean (China, 2008); Premier Wen Jiabao’s speech in Santiago de Chile in June 2012 (Wen, 2012); and President Xi Jinping’s address to the First Ministerial China-CELAC Summit in Beijing in January 2015 (Xi, 2015). These three documents are both useful and relevant because they set out broad targets and were widely circulated within China’s government and diplomatic circles, received broad coverage in national and overseas press, and have been quoted repeatedly by representatives of the Chinese government in subsequent summits and bilateral encounters.4

The first two frame a period from 2008-2012 that witnessed a transformed China in a transformed world. Within China, the build-up to 2008 was monumental, but while the Beijing Olympics were an unmitigated success that created a new imagery for novice observers of the PRC, other events were unplanned and unwelcome. The first was a popular uprising by Tibetan monks and supporters of Tibetan independence, which descended into violence in mid-March and was quelled by China’s armed forces. The second was the devastation caused by the Wenchuan Earthquake in Sichuan Province in May of that year, which led to the deaths of an estimated 80,000 people, a considerable portion of which were children buried beneath collapsed school buildings. At the end of that year, a campaign by intellectuals criticizing CCP rule made headlines internationally and led to reprisals by the government against some of the signatories, including most famously the professor, writer, and human rights activist Liu Xiaobo, who was later awarded the Nobel Peace Prize in absentiam. All these events, led by the Olympic Games, generated a significant rise in global media coverage of China, both positive and critical. The financial world and most Western economies, in the meantime, were coming to terms with the fallout of the sub-prime crisis in the United States, leading to a slowdown that affected financial markets and GDP growth figures in many parts of the world. Beijing published its Policy Paper on Latin America on November 5th of that year, carefully timed for the day after the election of Barack Obama as the 44th President of the United States.

Around the same time of year, Xi Jinping was named as China’s Vice President, paving his path for succession to the presidency five years later. China’s Going Out campaign, launched in the 1990s, was by this time in full swing, fomenting the interest of Chinese companies, both state-owned and private, to invest abroad and otherwise seek involvement in all regions of the world – some of China’s largest overseas acquisitions fall into this period (Lopez & Sam, 2015). Trade in commodities was similarly buoyant throughout this period, with iron, soybeans, copper and crude oil accounting for the bulk of Latin American exports to China: when the 2008 financial crisis impacted global trade and led to recession in the US and the European Union, the immediate effects on Latin America were muted, as China picked up much of the slack.

4 For a separate discourse analysis research project, I selected a total of 31 Chinese foreign policy speeches relating to Latin America between 2004 and 2015, and found that the three papers mentioned are indeed representative of the dynamic approach Beijing has designed for Latin America.
The 2008 Policy Paper for Latin America and the Caribbean was a canvas of intentions and set out broad terms for bilateral cooperation. The explicitly stated core objective was to “clarify the goals of China’s policy in this region, outline the guiding principles for future cooperation […] and sustain the sound, steady and all-around growth of China’s relations with Latin America and the Caribbean.” Reiterating its commitment to the Five Principles of Peaceful Coexistence, the Paper describes Latin America and the Caribbean as “an important part of the developing world and a major force in the international arena […] the Chinese Government aims to further clarify the goals of China’s policy in this region, outline the guiding principles for future cooperation between the two sides in various fields and sustain the sound, steady and all-round growth of China’s relations with Latin America and the Caribbean.” It states four broad goals which are to be promoted by means of policies and ties in the following fields: political, economic, cultural-social, and what it calls “peace, security and judicial affairs.” The broad goals are the promotion of mutual respect, trust and “understanding and support on issues involving each other’s core interests and major concerns;” the deepening of economic cooperation for the benefit of both sides, with China and Latin American nations each leveraging “their respective strengths;” the expansion of cultural and people-to-people links with the aim of promoting “development and progress of human civilization, and the insistence on the One-China principle as the political basis for cooperative relations.”

In 2010, the Chinese People’s Institute of Foreign Affairs (CPIFA) hosted the First China-Latin America and the Caribbean Think Tank Forum in Beijing. As part of its multilateral approach to Latin America (Noesselt & Soliz-Landivar, 2013), China joined the Inter-American Development Bank (IDB) in January 2009, and the increasing frequency of Chinese leadership visits to the region saw Hu Jintao attend the APEC summit in Lima in 2008 and was crowned by Premier Wen Jiabao’s address to the UN’s Economic Commission for Latin America and the Caribbean (ECLAC) in June 2012. Wen’s address under the heading “Trusted Friends Forever” raised the character of the connection to something akin to poetic destiny. He highlighted the common cultural roots of the nations of Latin America, mentioning some of their most famous literary figures, and drew parallels of historical longevity between the Chinese and the Inca and Aztec cultures. He went on to outline four specific proposals for furthering cooperation, focusing on political links, economic development, food security, and human and scientific exchange, backing these up with loans, funds, and financial targets. Press coverage of these pronouncements were a far cry from the attention paid to Chinese leadership visits to the US, Germany or the UK, but they were nonetheless encouragement for Chinese companies seeking diversification and new markets.

The period from 2013-2015 corresponds to the initial period of the fifth generation of Chinese leadership, under President and Party Chairman Xi Jinping and Premier Li Keqiang. This was a widely expected handover and thought of both inside China and among external observers to represent a sign of stability and continuity. In many ways, this new period has been just that, and continuity has meant continued economic growth, a continued rise in overseas investment and a foreign policy described as ‘assertive’ since 2009, and a continued rise in military spending. On the other hand, the new leadership has been more centralized in a strong president than was previously the case, China’s (re)stating of borders in the South China Sea has caused
friction with neighbouring countries as well as the United States, and the government has orchestrated a more thorough crackdown on corruption than previously known, one result of which was the removal of Zhang Kunsheng, the foreign ministry official in charge of Latin American and Caribbean affairs, in early 2015 (“China despidió por corrupción al encargado de vínculos con América Latina,” 2015). On a darker note, Xi in mid-2015 presided over “one of the most severe crackdowns on opponents of the Communist party in decades” (Phillips, 2015).

In a bold predictive study published in 2013 whose results have been largely corroborated by events since, the authors use a political psychology approach to compare and evaluate Hu Jintao’s and his successor Xi’s “operational code beliefs,” in effect “bringing leaders back in” to the analysis of national policy and foreign policy decision making and attempt and emphasize the role of leaders’ belief systems in connecting leaders’ policy decisions with the external material and ideational worlds. Their results allow them to suggest “that even though Chinese leaders hold a cooperative and optimistic worldview about the political universe and intend to maintain the status quo, they will behave assertively when facing serious external challenges” (He & Feng, 2013, p. 231). The doubts or tensions in the US-China relationship have not had noticeable repercussions on transpacific trade issues or other vested interests that either power has in Latin America.

In the course of the year 2014, the most emblematic institution of the ever-closer relations between China and Latin America came into being, in the form of the China-CELAC Forum. This was modelled on the Forum of China-African Cooperation (FOCAC) that had been created formally in the year 2000 during a summit in Beijing. While CELAC meets independently of China and has also held talks with the EU, China’s interest in and support of the China-CELAC Forum has been emphatic ever since President Xi sent a congratulatory message to the CELAC summit Caracas in January 2014, presided over a ministerial meeting for the official inauguration of the Forum in Brazil in July of that year, and hosted the inaugural ministerial summit in Beijing in January of 2015.

President Xi Jinping’s opening speech at that summit is the most recent example of China’s official state rhetoric towards that region, and the “Beijing Declaration” issued at the Forum reaffirmed China’s win-win and South-South strategy, which dates back to the earliest days of the PRC and echoed the earlier papers referenced. While there has been much speculation how the recent historic drop in commodity prices might affect the burgeoning relationship, such concerns have been challenged by a doubling on trade and investment pledges, with goals announced of US$500 billion and US$250 billion respectively. This emphasis on continued Chinese support serves as an ostensible road map for the rapidly growing political and economic ties between China and Latin America, and was reinforced by government representatives at the 9th China-Latin America Business Summit in Guadalajara, Mexico in October 2015.

Premier Li Keqiang’s May 2015 tour of the region, visiting Brazil, Colombia, Peru and Chile, was a further iteration of this focus. The situation report prepared by ECLAC to coincide with the state visit emphasises that “China recognises the strategic character of its relationship with Latin America and the Caribbean” (CEPAL, 2015a, p. 80). This is particularly true when it comes to Beijing’s energy security strategy which is central to its domestic needs and global interests (Zhang & Zhang, 2012). The ECLAC document echoes and celebrates the priorities declared by Beijing, including the growth of bilateral trade, the reduction of poverty, the building
of infrastructure, and the internationalization of the emerging economies. Further goals include the “reversal of the worrying reprimarisation of exports” (CEPAL, 2015a, p. 6), advances in productivity and capacity-building in terms of human resources.

The principal driving factor in China’s engagement with the countries of Latin America is trade, followed by investment. The trade has been driven in the first place by China’s need for primary products to feed the rapid and sustained growth of its economy and the industry-heavy character of that growth, and to feed the evolving consumer habits of its population. The impact of China’s trade with the region was an early concern of the group of analysts who found in 2007 that “China’s trade impact on Latin America is mostly positive, both directly, through an export boom, and indirectly, through better terms of trade” (Santiso, 2007). They went so far as to claim that “China looks like a ‘trade angel’ and a ‘helping hand’ as well as being an outlet for commodities from the region” (ibid.). The fact that China’s foreign policy is essentially guided by its domestic focus (Fenby, 2012) and the domestic priorities have been rapidly adapting to the post-crisis slowdown in China’s top export markets, the US and the EU, means that significant changes have occurred in the trade patterns since 2008, with further modifications generated by the 12th Five-Year Plan (2011-2015) and the change of leadership in early 2013: the Plan “frames the social and economic challenges facing China within the context of an unstable global economic environment [and] contends that the world is now characterised by ‘continuous and complex changes’ (Myers & Yang, 2012).

The second driver of transpacific trade is Latin America’s potential as a market for goods manufactured in China, ranging from cars and cell phones to clothes and short-lived, high-turnover consumer goods. While this is true globally, Jiang Shixue has underscored that “expanding its market share in Latin America has been part of China’s objective to reduce its dependence upon the United States, Japan, and Europe” (in: Arson, Mohr, & Roett, 2007, pp. 43-52). Chinese manufacturing is also particularly consequential for Latin America in the sense that China “is simultaneously out-competing Latin American manufacturers in world markets – so much so that it may threaten the ability of the region to generate long-term economic growth” (Gallagher, 2010a).

In sum, China’s foreign policy towards Latin America is driven by domestic priorities and framed outwardly by the ideas of international cooperation for mutual benefit, non-intervention in internal affairs, growth of trade exchanges, and investment that combine Chinese financial and technological capacity with the developmental needs of most Latin American countries. These expressions of goodwill are reminiscent of Washington’s ‘Good Neighbor Policy’ of the 1930’s, but the cultural affinities are thin, and only time will tell whether China’s extant and growing commitment to increasing economic involvement will be able to change this.

**US Foreign Policy towards Latin America, 2008-2015**

During the presidency of George W. Bush, attention and resources were given primarily to the Middle East – though the so-called War on Terror concomitantly broadened the War on Drugs by pouring further funds into Plan Colombia for the eradication of drugs and enemies of the
state—and observers soon decried Washington’s “Bad Neighbor Policy” (Carpenter, 2003) in sarcastic reference to Roosevelt’s 1930s approach. Barack Obama, however, turned a page in his April 2009 speech at the Summit of the Americas Opening Ceremony in Trinidad and Tobago (Obama, 2009). In the jovial manner that is the insignia of US leaders of our age, he appears to speak among friends of an equal partnership, “common interests and shared values.” He underscores the goals of reducing inequality and of sustainable economic growth, and pledges funds for emergency aid and microfinance. A key policy announcement was for the Energy and Climate Partnership of the Americas (ECPA), which indeed materialised in November of that year. Similarly, he hinted at a warming towards Cuba, a policy shift which was subtly put into practice under the direction of Foreign Secretary John Kerry and led the reestablishment of diplomatic relations in 2015, simultaneously weakening the influence of Venezuela in the region.

In addition to the 2009 remarks by the US president, two further documents, essentially parallel in time and scope to those cited for Chinese foreign policy, above, are: the remarks by President Obama at CEO Summit of the Americas in Cartagena, Colombia in April 2012 (Obama, 2012); and the remarks by President Obama at the First Plenary Session of the Summit of the Americas in Panama City in April 2015 (Obama, 2015). It is a remarkable trait that in every one of the three speeches, Obama underscores that he is younger than many other leaders and the issues that have soured hemispheric relations. He implicitly distances himself and his government from past policies, and his emphasis on change and potential contrasts with the ideas of continuity and longevity of culture that Chinese leaders like to bring to bear on their rhetoric.

In terms of the US policy towards Latin America, the time between 2009 and 2015 has been aptly described by some analysts as a hiatus, despite the young president’s well-worded intentions expressed in his 2009 address (Horsley, 2015), a period during which Washington continued to keep Latin America only on a slow burner. This is only true, however, in terms of headlines. As the Cuban diplomatic initiative, the ratification by Congress of the Colombia-US FTA, and the encouragement given to the formation of the Pacific Alliance show, Obama’s government has been able to follow through on many of the pledges made early in his first term. Given the United States’ high level of dependency for domestic oil security, with Mexico and Venezuela among the top four suppliers, energy cooperation has long been central to US strategy towards Latin America. Following Venezuelan president Chavez’ offer to cash-strapped Caribbean nations of preferential rates for oil purchases, Washington aimed to win over Central American and Caribbean countries through the ECPA initiative, in a bid to overcome their dependence on oil. The Caribbean Energy Security Initiative announced in late 2014 was a further move in the same direction.

Feinberg et al. describe core US interests in Latin America as “progressive, resilient political democracies with respect for human rights; reasonably well-managed, market-oriented economies open to global trade and investment; inter-state peace among nations; and the absence of credible threats to the United States from international terrorism or weapons of mass destruction” (Feinberg, Miller, & Trinkunas, 2015). These are valid priorities but insufficient to fully understand US approaches to the region, which have powerful economic motives also. There is evidence that support is given to some democracies more than others: in the case of Colombia, politically motivated crimes of the state have been understood by US authorities but not sanctioned (Evans,
2009), while in the case of Cuba, relations have warmed despite the absence of democratic principles in that country. Another shift that does not seem to coincide with Washington’s declared policy of bringing the region closer, is the sanctions announced against Venezuela in December 2014 which was unanimously rejected by the CELAC member countries: alongside the rapprochement with Cuba, it has been described as “one step forward, one step back” (Main, 2014). The likely calculation was that by isolating Venezuela on multiple fronts, and strengthening the relationships with its allies (Cuba, the Caribbean countries, and to some extent Brazil) as well as its antagonists (Colombia and other countries of the Pacific Alliance), the United States will succeed in exerting once again a significant influence in the region, while changing the global energy landscape in an important way. It became evident in the run-up to the 2015 Americas Summit, however, that this was a decision at odds with the preferences of the community of Latin American states and their leaders.

Overall, US foreign policy towards Latin America is made to sound as principled as China’s is benign and value-free, the public emphasis is on human and political values while China’s is on development and economic prosperity. In practice, both are interested in promoting and protecting environments in which their corporations and citizens can operate freely and with adequate assurances of protection. The US have reduced their presence either voluntarily or under pressure in Ecuador and Venezuela, but remains among the top three trading partners and sources of FDI for almost every country in the region (cf. CEPAL, 2015b).

**Latin views: A vertical panorama**

Most of the countries of Latin America are still defined today by substantial inequality in terms of income and opportunity, limited government control over outlying areas, and weak regional integration. These social and political tensions have been sharpened by the recent income boom from China that has benefited the extractive industry and, to some extent, agricultural sectors, reduced the attention by governments to their manufacturing industries, and enriched national elites. Environmental challenges are increasingly acute and civil society, whose interests are underrepresented or inadequately addressed by central governments, has divergent priorities and values expressed in forms that regularly lead to conflict with authorities or outside investors, or both. Given these conditions, the countries continue to be, by and large, preoccupied with internal processes, but the shifting balance of power in the global order is enabling them to engage more broadly and in a more balanced and selective way with the rest of the world, and with each other. A vertical panorama refers to Latin American views towards US and Chinese foreign policy from the political and business elite, and the broader public, respectively.

It is safe to assume that Latin American elites will benefit from China’s economic involvement in their countries, in the same way that they have tended to benefit in the past from trade and investments by Spain, Great Britain and the United States. The Latin American people as a whole can benefit too, but only if their own governments, pressed and supported by the people, invest heavily in physical and intellectual infrastructures for the future, as the Chinese have done at home for thirty years, and some other Asian reformers have done for 50 years, while Latin
Americans generally have not. However, as an ECLAC report of October 2015 points out, the entrenching of the region’s natural resource specialization over the previous ten years, and its persistently low-tech production structure are likely to adversely affect the possibilities for development and equitable growth. The region must, therefore, deepen its economic integration. Policies aimed at improving regional integration by promoting common rules, creating production linkages and implementing industrial and technology policies in order to diversify and increase productivity are “the only mechanism capable of galvanizing long-term growth, which is essential for creating jobs and reducing inequality” (CEPAL, 2015b, p. 7).

As Chinese firms and their representatives are new to the region and relatively unknown, there is overall considerable reluctance on the part of the political and business elites to engage with them. The interests of political elites determine the level of bilateral dialogue, while the owners of small and medium enterprises travel in droves to the supply centers in Guangzhou, Yiwu and elsewhere for low-priced goods with high turnover in their home countries. Whereas leaders in Peru, Brazil, Ecuador and Venezuela have been proactive in responding to China’s advances and policy offers, and have used the relationship to reduce or balance their reliance on the US, those in Colombia have not significantly altered their traditionally held position. The dominant responses to the new possibilities offered by China are evident in the institutions representing business interests: in Colombia, the National Industry Association (ANDI) resists close engagement with China, which is perceived as risky and threatening to corporate interests, whereas the National Commercial Federation (Fenalco) has a more delicate task of defending small manufacturing business against dumping of low-cost goods from China, and supporting traders of consumer goods who have found new opportunities in Chinese manufacturing.5

The broader public in Latin America is more broadly and consistently favourable towards the US, and still sceptical towards China. A Pew opinion poll in September 2014 showed that overall ratings for the US remain considerably more popular in Latin America than China, with favourable views of US foreign policy at 64%, versus 48% for China (PewResearchCenter, 2014).

**Latin views: A horizontal panorama**

The relationship with the People’s Republic of China has gained in importance for all countries in Latin America and the Caribbean. A horizontal view allows us to distinguish between the countries and groupings of the region, in the hope of discerning patterns of engagement with the northern hegemon or the rising power in the Far East. While the governments of some countries, such as Venezuela, have had strong ideological and geopolitical motivations to engage in a dialogue with China, others, such as Peru, have seen China’s rise primarily as a strategic opportunity for a support of their trade agenda and an opportunity to diversify the sources of income and investment. What is more, both the countries mentioned have regional leadership agendas, with Venezuela having co-founded the ALBA marked by a strong anti-hegemonic and socialist

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5 Information based on interviews with representatives of each of these institutions, conducted by the author in September 2014.
rhetoric, and Peru having initiated the Pacific Alliance of neoliberal economies. Colombia, on the other hand, though part of the Pacific Alliance and strongly aligned with that organization’s free-market principles, as well as being one of the largest economies in the region, has not constructively engaged with China at any level.

Mineral-rich Peru has become a major recipient of Chinese FDI in Latin America and its government has been proactively seeking to attract this through trade missions to East Asia, and by adapting its commercial, legal and diplomatic strategies. President Humala, in office since July 2011, introduced a stimulus package in 2014 designed to stabilize the national economy and bolster investor confidence. It included long-term tax restructuring intended to improve Peru’s investment climate, but simultaneously attempts were made to improve the processes of prior consultation with local communities, through the International Labour Organization Convention 169 (ILO 169). This law is widely regarded as the most advanced in Latin America (Viscidi & Fargo, 2015, p. 4), though it also presents significant challenges in terms of oversight and implementation, stretching authorities to the limit of their capacity (“Consulta previa: un balance a cuatro años de su creación,” 2015). For the time being, Humala has achieved some success in balancing investment priorities and corporate social responsibility, as well as obligations to the varied and fragile ecosystems of Peru. Huang Minhui, China’s ambassador to Peru until July 2015, has been quoted saying that Peru is “well ahead of other countries in the region when it comes to capacity to draw Chinese investments [thanks to its] legal framework, attractive policies [and] historic cultural ties” (Ojeda, 2015).

Brazil has seen an important new dynamism in agricultural and technological sectors since China’s increased presence and investment. It has adjusted its westward focus to a bi-oceanic projection, embodied by the plan to build a rail link through Peru to the Pacific Ocean. There has more broadly been a significant attention to expanding infrastructure development in the country.

Chile has benefited from its proactive policy towards China, beginning in 2005 with the signing of a Free Trade Agreement. It has strongly projected its commercial and political futures towards Asia, has significantly accelerated its exporting capacities and product range, and has moved to strengthen its position as a regional financial hub by becoming a platform for trading and transactions in Renminbi.

Economic analysts at ECLAC report the growing Asian trade numbers with enthusiasm (CEPAL, 2012, 2015a), and it is only in separate reports (CEPAL, 2015b, quoted above) that there is evident concern over the renewed exploitation of raw materials in Latin America by the developed countries. Many analysts both in China and in Latin America emphasize the complementarity of China’s needs and Latin America’s mineral wealth (Chai & Kong, 2014), while others questions the degree of China’s long-term commitment, and the abilities of Latin governments to take proper advantage of the opportunity (Ferchen, 2011) and still others warn that “governments there have not paid proper attention to their own domestic business environments, key components to their economic health in an increasingly interconnected world economy” (Gallagher, 2010b). The analyses of more alarmist commentators, especially in the press, hint at “a growing racism towards Chinese is evident in Latin America and Mexico, especially in entrepreneurial circles, [combined with] highlighting the positive sides of an authoritarian regime” (Dussel Peters, 2006). This is something still latent in many parts of the continent.
After weathering the global financial crisis without much difficulty and indeed reasonable GDP growth across the region, the panorama in Latin America has changed during the period 2013-2015. The death of Venezuela’s charismatic leader Hugo Chávez has taken some of the wind out of the sails of the Latin American socialist movement and weakened the unanimity of the ALBA countries, while the peace dialogues in Colombia have similarly reduced the appeal of extreme political tendencies. The gradual normalization of US relations with Cuba can also be seen as a sign of less dogmatic times in the region, while the historic first of a Latin American pope has given the region a much-needed moral boost. China has made top leadership visits to the region an annual event, while continuing to promote and finance visits by party leaders, policymakers and academics, alongside other lower level activities. Brazil further enhanced its special relationship status with China through the incremental institutionalization of the BRICS, and also became the only Latin American country to join the Asian Infrastructure Investment Bank (AIIB) launched by China in an initiative interpreted diversely as an alternative, complementary or competing lending institution to the US-led World Bank.

Concluding Reflections

It seems evident that the United States, despite its relatively low level of public attention to the countries of Latin America throughout the first decade of the twenty-first century, and its problematic reputation of flouting its own guidelines on non-intervention, has a considerable advantage over China thanks to a historically grounded affinity, enhanced by cultural and geographical proximity. It can further be stated that China, despite its important overtures to individual nations and groupings, has not, so far, succeeded in translating its strategic interests and desire to be a catalyst for change into a consistent agency in the region.

In terms of the views from Latin America, these are as diverse as they are discombobulated. Not even the members of regional blocs designed to facilitate flow of goods and people or coordinated dialogue, have a consistent approach or response to the two major powers vying for their attention. The fear of re-primarization of the economies of Latin America is a very real concern, as is the resulting dependency on the vicissitudes of global markets and trends, but this is not a phenomenon consistent across the region, as some governments are steering more consciously towards education, research and development alongside diversified agricultural and technological segments (Chile, Brazil, Costa Rica, Ecuador) and others are focused on maintaining numerical growth at the cost of improved development and genuine structural changes for the benefit of the broader population (Colombia, Peru, Venezuela). The issues of unsustainable extractivism and feeble physical infrastructure, alongside social stratification and exclusion coupled with poor education and lack of public investment in research and technology that have marked most countries of Latin America, are more likely to be addressed through Chinese agency than that of the US, but depend upon the political will and vision of the governing elites in the region, most of whom do not appear to have the grasp or interest to convert this possibility into lasting transformation.

What is needed on the part of Latin American countries is wise and informed domestic development. Without such policies on a national level, most Latin American countries will re-
main the exploited reserves of natural resources they have been since the Spanish and Portuguese conquest five centuries ago. If Latin Americans consciously or unconsciously choose this route, that is their own responsibility – or possibly that of the United States, that seems determined to undermine the Chinese rhetoric of good intentions. Then again, even China’s biggest investors in the mines and oilfields of the region are working on time scales of up to twenty-five years to recoup their investments, so the window of opportunity to pull together and learn to strategize and generate change, is a limited one. US foreign policy ideals –democracies, market-oriented economies, peace and prosperity– are more likely to be achieved in tandem with Chinese propositions of technological advancement, the building of solid, forward-looking infrastructure, and mutually beneficial cooperation all-round.

References


