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# The Geopolitics of China's Rise in Latin America

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## ABOUT THE ORDER FROM CHAOS PROJECT

In the two decades following the end of the Cold War, the world experienced an era characterized by declining war and rising prosperity. The absence of serious geopolitical competition created opportunities for increased interdependence and global cooperation. In recent years, however, several and possibly fundamental challenges to that new order have arisen—the collapse of order and the descent into violence in the Middle East; the Russian challenge to the European security order; and increasing geopolitical tensions in Asia being among the foremost of these. At this pivotal juncture, U.S. leadership is critical, and the task ahead is urgent and complex. The next U.S. president will need to adapt and protect the liberal international order as a means of continuing to provide stability and prosperity; develop a strategy that encourages cooperation not competition among willing powers; and, if necessary, contain or constrain actors seeking to undermine those goals.

In response to these changing global dynamics, the Foreign Policy Program at Brookings has established the Order from Chaos Project. With incisive analysis, new strategies, and innovative policies, the Foreign Policy Program and its scholars have embarked on a two-year project with three core purposes:

- To analyze the dynamics in the international system that are creating stresses, challenges, and a breakdown of order.
- To define U.S. interests in this new era and develop specific strategies for promoting a revitalized rules-based, liberal international order.
- To provide policy recommendations on how to develop the necessary tools of statecraft (military, economic, diplomatic, and social) and how to redesign the architecture of the international order.

The Order from Chaos Project strives to engage and influence the policy debate as the United States moves toward the 2016 election and as the next president takes office.

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# The Geopolitics of China's Rise in Latin America

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China's fast growing economic and trade ties with a range of countries in Latin America and the Caribbean are increasingly intense and dynamic, as documented elsewhere.<sup>1</sup> The pace of that change, and the difficulty of monitoring it, have raised legitimate questions about what kind of influence China has had on the region's economic and political development. Based on available data, it seems reasonable to conclude that current macro levels of Chinese trade and investment in the region have had important effects on enabling both good and bad policy decisions by Latin American governments, but have not yet translated directly into inordinate leverage on the region's domestic policies.<sup>2</sup>

What about China's influence on the region's geopolitics? Beyond its direct and indirect impact on the region's economic and governance trajectories, China's economic statecraft also contains its own geopolitical ambitions. This should come as no surprise. The 32 states of Latin America and the Caribbean (LAC) offer a number of opportunities for improving the general climate for China's "harmonious rise" on the world scene. The Chinese leadership's overt courting of the region over the last several years explicitly recognizes the value Beijing puts on close ties of friendship and cooper-

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<sup>1</sup> David Dollar, "China as a Global Investor," Asia Working Group Paper No. 4, Brookings Institution, Washington, D.C., May 2016; Kevin Gallagher and Roberto Porzecanski, *The Dragon in the Room: China and the Future of Latin American Industrialization* (Stanford: Stanford University Press, 2010); Margaret Myers and Carol Wise, eds., *The Political Economy of China-Latin America Relations in the New Millennium* (New York: Routledge Press 2016).

<sup>2</sup> Harold Trinkunas, *Does a Growing Economic Relationship with China Influence Policy and Politics in Latin America?*, Brookings Institution, 2016.; see also Margaret Myers, "Shaping Chinese Engagement in Latin America," in *Routledge Handbook of Latin America in the World*, eds. Jorge I. Domínguez and Ana Covarrubias (New York: Routledge, 2015).

ation covering not just economic but cultural, political and security domains as well.<sup>3</sup> China's aim to reform the international order to reflect the growing economic and financial weight it and other rising powers carry in the world needs like-minded allies from the global South to succeed, all the better if joined up by countries antagonistic to U.S. global leadership.

In this respect, Latin America's decade-long swing to the left in the early 2000s provided fertile ground for advancing this shared goal and synergistically fed the region's long quest for greater strategic autonomy and cohesion on the world stage, apart from the United States. More recent political trends in the region toward centrist governments,<sup>4</sup> combined with the crisis faced by China's most important partner in the region, Venezuela, present an important test for what otherwise appears to be a durable geopolitical marriage of convenience built around traditional concepts of noninterference in internal affairs and balancing of the West.

The purpose of this paper is to assess whether China's growing economic and trade ties to Latin America and the Caribbean already represent or may translate into more assertive Chinese geopolitical influence in the region, particularly on issues relevant to the wider international liberal order championed by the United States. Given China's interest in protecting its system of authoritarian governance and state capitalism, which run counter to the dominant strain of liberal democracy in the region, it would not be surprising to find that its influence would have the effect of neutralizing, if not turning the LAC region against the international liberal order, to the detriment of U.S. leadership of the post-World War II system. On the other hand, China's traditionally soft approach to asserting its interests and values abroad, and its tendency to seek consensus or neutrality at the United Nations and other international fora, skew toward a more opportunistic set of relationships for both sides. Under this scenario, China would place a premium on building LAC support for more narrow interests like nonrecognition of Taiwan or Tibet, blocking international scrutiny of its human rights problems at home, and protection of economic assets and nationals. I conclude that, on balance, China and the United States implicitly may have reached a *modus vivendi* in which they will continue to compete for

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<sup>3</sup> Government of China, *China's Policy Paper on Latin America and the Caribbean*, policy paper, 2008, [http://www.gov.cn/english/official/2008-11/05/content\\_1140347.htm](http://www.gov.cn/english/official/2008-11/05/content_1140347.htm).

<sup>4</sup> For example, in Peru, Argentina and Brazil, alongside the declining influence of leftist stalwarts in Bolivia and Ecuador.

attention and influence but will avoid direct conflict with each other in the region.<sup>5</sup> In such a low-conflict environment, LAC states will continue to seek maximum advantage from both partners in accordance with their own interests.

To reach this conclusion, the paper will first examine China's increasingly sophisticated pursuit of "win-win" policies grounded on the basic premise that LAC states value traditional definitions of sovereignty and noninterference as much as it does. I also look at what makes China an attractive partner for many LAC states and the broad palette of relationships under development. Second, I look at China and LAC attitudes toward the international liberal order and how they have shifted over the last decade. In particular, I assess the varied approaches to human rights and international law as well as to such transnational issues as Internet governance, climate change, and counternarcotics. The paper then returns to two older issues that predate the surge in China-LAC relations, namely relations with Taiwan and Cuba. Finally, I consider what the new China-LAC relationship means for the United States by positing various potential scenarios for increased tension or even conflict.

### **China's win-win approach to Latin America and the Caribbean**

For decades, the relationship between China and the LAC region was relatively insignificant from a geostrategic point of view. The dominant role of the Cold War as a dividing line between the communist East and the capitalist West led to a string of military governments that strongly favored U.S. interests while China was largely preoccupied with its own challenges at home and in its neighborhood. As democracy took hold in the region in the 1980s and 1990s and the United States grew increasingly more pragmatic about its relations with China, a more competitive scenario unfolded in which a broader range of ideological affinities emerged, allowing space in Latin America for a more pragmatic approach to Beijing. This phase was marked by a strong upsurge in China's economic ties to the region

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<sup>5</sup> For a similar conclusion described as "mutual accommodation," see R. Evan Ellis, "Cooperation and Mistrust Between China and the U.S. in Latin America," in *The Political Economy of China-Latin American Relations in the New Millennium*, ed. Margaret Myers and Carol Wise, (New York: Routledge, 2016) 31-49.

from nearly anemic levels of trade and investment to more significant exchanges, as well-documented by Dollar and others. For example, in 2000, China's volume of trade with the region amounted to \$12 billion; by 2013, it had reached over \$260 billion.<sup>6</sup> More recently, the region's exports to China have declined to \$104 billion in 2015 due to China's economic deceleration.<sup>7</sup> Prior to 2008, Chinese loan commitments to the region never exceeded \$1 billion; in 2010, Chinese loans to the region accounted for \$37 billion, declining to \$29 billion by 2015.<sup>8</sup>

Some countries in the region, like Brazil, took advantage of China's demand for its commodities to spectacular economic and social effects. For example, during the decade or so of rapidly increasing trade with China, Brazil's economy grew 3.3 percent and poverty decreased from 13.6 percent in 2001 to 4.9 percent in 2013.<sup>9</sup> With the China boom, however, came certain costs like postponed industrialization or de-industrialization, a flood of cheaper Chinese goods, and undue reliance on China as a banker of last resort. As the boom subsides, these costs, along with rising doubts expressed by LAC leaders about the negative effects of trade with China and the lack of reciprocity of the benefits, have become more apparent. As a result, these trends have led to a more complex operating environment for China's assertion of soft power in the region.

In its concerted outreach to the region, China naturally emphasized the positives under the broad banner of peaceful coexistence. After a series of high-level visits by Presidents Jiang Zemin and Hu Jintao starting in 2000,<sup>10</sup> the Chinese government issued a forthright statement of its strategic approach to the LAC region in 2008. Its first-ever white paper on the

<sup>6</sup> Michael D. Swaine, "Xi Jinping's Trip to Latin America," *China Leadership Monitor* 45, (October 21, 2014), 2, [http://www.hoover.org/sites/default/files/research/docs/clm45ms-xi\\_jinpings\\_trip\\_to\\_latin\\_america.pdf](http://www.hoover.org/sites/default/files/research/docs/clm45ms-xi_jinpings_trip_to_latin_america.pdf).

<sup>7</sup> *The evolving role of China in Africa and Latin America*, Economist Intelligence Unit, 2016, 7.

<sup>8</sup> Kevin P. Gallagher, Amos Irwin, and Katherine Koleski, *The New Banks in Town: Chinese Finance in Latin America*, report, Inter-American Dialogue (February 2012); Kevin P. Gallagher and Margaret Myers, "China-Latin America Finance Database," 2015, [www.thedialogue.org/map\\_list](http://www.thedialogue.org/map_list).

<sup>9</sup> Author's calculations based on World Bank data on GDP from 2001 to 2014 and poverty headcount ratio at \$1.90/day (2011 PPP) from 2001 to 2013.

<sup>10</sup> Since 2000, Chinese presidents have visited Latin America eight times. These include: Jiang Zemin's 2001 visit to Argentina, Brazil, Chile, Cuba, Uruguay, and Venezuela and his 2002 visit to Mexico; Hu Jintao's state visit in 2004 to Argentina, Brazil, Chile, and Cuba, to Mexico in 2005, Costa Rica, Cuba, and Peru in 2008, and Brazil in 2010; and Xi Jinping's visits in 2014 to Brazil, Argentina, Venezuela and Cuba and in 2013 to Mexico, Costa Rica and Trinidad and Tobago (to meet with eight Caribbean leaders). He also visited the region twice as vice president, in 2009 (to Brazil, Colombia, Jamaica, Mexico, and Venezuela), and in 2011 (to Chile, Cuba, and Uruguay). Swaine, p.2.

LAC region emphasized themes of mutual respect, South-South solidarity, and protection of national sovereignty, all of which played well in the sovereignty-conscious capitals of South America.<sup>11</sup> Xi Jinping elaborated further on these themes on his visit to Brazil in 2014:

“We should jointly push forward the international order towards a fairer and more rational direction, safeguard the rights of peoples in choosing the social system and the development path by themselves, strengthen the global economic governance, push forward the international community to pay greater attention to the development issue, and help South American countries with poverty alleviation and the sustainable development cause.”<sup>12</sup>

The white paper also emphasized support for the growing role of newer regional groupings like the Union of South American Nations (UNASUR), the Bolivarian Alliance for the Peoples of Our America (ALBA), and the Community of Latin American and Caribbean States (CELAC)—led by Brazil and Venezuela—as a way to balance its contributions to the U.S.-led Organization of American States (OAS) and the Inter-American Development Bank (IDB).<sup>13</sup>

According to the white paper, China's core policy aims in the region were to “promote mutual respect and trust, deepen cooperation and achieve win-win results.” It laid out a comprehensive strategy of cooperation across multiple sectors and themes, including high-level exchanges in the political, legislative, diplomatic, subnational, media, business, and military arenas in such fields as agriculture, infrastructure, energy, customs, finance and money laundering, tourism, technology, and the environment. Notably, it promised to impose no political conditions on its economic and

<sup>11</sup> *China's Policy Paper on Latin America and the Caribbean*.

<sup>12</sup> “Xi Jinping Attends Dialogue,” *Ministry of Foreign Affairs of the People's Republic of China*, July 17, 2014.

<sup>13</sup> China became a Permanent Observer at the OAS in 2004; in 2014 China gave \$333,000 in cash contributions and \$940,000 in in-kind contributions to the organization. Organization of American States, *2014 Contributions from Permanent Observers*, accessed August 2, 2016, [https://www.oas.org/en/ser/dia/perm\\_observers/Documents/CAAP%20Reports/2014%20Contributuions%20from%20Permanent%20Observers.pdf](https://www.oas.org/en/ser/dia/perm_observers/Documents/CAAP%20Reports/2014%20Contributuions%20from%20Permanent%20Observers.pdf). China joined the IDB in 2008 with a contribution of \$350 million; in 2013 it contributed \$2 billion for the China co-financing fund. Inter-American Development Bank, “China to Join the Inter-American Development Bank,” news release, October 23, 2008, <http://www.iadb.org/en/news/news-releases/2008-10-23/china-to-join-the-inter-american-development-bank,4828.html>; Inter-American Development Bank, “China to Provide \$2 Billion for Latin America and the Caribbean Co-financing Fund,” news release, March 16, 2013, <http://www.iadb.org/en/news/news-releases/2013-03-16/china-co-financing-fund,10375.html>.



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technical assistance, in contrast to the usual strings-attached approach from Washington, Europe, and the international financial institutions, and committed to debt cancellation “as China’s ability permits.” In parallel it also penned a number of high-level strategic partnership agreements with countries from Mexico and Brazil to Argentina and Venezuela.<sup>14</sup>

From a pragmatic Latin American perspective, all this sweet-sounding attention—and resources—from the world’s fastest rising power was music to the ears. Democratically-elected governments were keen to revive their economies and reduce unemployment after years of painful macroeconomic adjustments adopted after much pressure from Washington. Leaders like Hugo Chávez of Venezuela, Evo Morales of Bolivia, and Rafael Correa of Ecuador were particularly aggressive in using China’s interest in the region as a way to reinforce their embrace of an anti-U.S. alternative under the banner of ALBA. As one South American diplomat put it, given the choice between the onerous conditions of the neoliberal Washington consensus and the no-strings-attached largesse of the Chinese, elevating relations with Beijing was a no-brainer.<sup>15</sup> The rise of the BRICS (Brazil, Russia, India, China, South Africa) as a group of like-minded economic partners gave Brazil an added impetus to solidify bilateral relations with China and bring the rest of South America closer to the Asia-Pacific juggernaut.

### **China's soft power projection in the region**

The sources of China’s soft power in the region went beyond the power of its deep pockets, its attraction as a market for Latin American goods, and its ability to help certain governments like Venezuela counterbalance the region’s traditional reliance on the West.<sup>16</sup> China also offered the power of its example as a country that had emerged relatively quickly from inter-

<sup>14</sup> Strategic partnerships are viewed by China as “a useful diplomatic tactic through which to expand its international influence and generate bargaining leverage in its bilateral interactions,” as well as to coordinate and adopt common foreign policy positions. Evan S. Madeiros, *China's International Behavior: Activism, Opportunism, and Diversification*, Santa Monica: RAND Corporation, (2009), 187-8, quoted in Georg Struver, “Bereft of Friends? China’s Rise and Search for Political Partners in South America,” *The Chinese Journal of International Politics* 7, no. 1 (2014), 131-32.

<sup>15</sup> Private roundtable, Inter-American Dialogue, January 26-27, 2016.

<sup>16</sup> For a comprehensive discussion of China’s soft power in the region, see R. Evan Ellis, “A Hard Look at China’s Soft Power in Latin America,” in *China's Great Leap Outward: Hard and Soft Dimensions of a Rising Power*, eds. Andrew Scobell and Marylena Mantas, (New York: Academy of Political Science, 2014), 175-194.

nal conflict and widespread poverty to reach middle-income status with gleaming new skyscrapers, gains in science and technology, impressive transportation infrastructure, and relative domestic peace. The fact that it did so without tackling the more difficult challenges of democratization, political and civil rights, and respect for minorities did not seem to bother LAC governments, which said little to nothing about Beijing's repression of journalists, lawyers, intellectuals, and artists. China's willingness to bankroll the creation of new international institutions like the BRICS New Development Bank, the Contingency Reserve Arrangement, and the Asian Infrastructure Investment Bank only added to the allure of hitching LAC's wagon to Asia's rising star. In a nutshell, money talks, and Beijing had more than enough to spare.

In addition to the compelling economic arguments in favor of closer ties between the LAC region and China, other instruments of soft power were deployed, though to mixed effect. For example, exchanges in the cultural, educational and scientific fields picked up, though gross numbers remain small. Confucius Institutes, for example, number only 36 in a region encompassing 626 million people.<sup>17</sup> According to Chinese sources, only 100 of 20,000 foreign recipients of government scholarships to study in China in 2010 came from Latin America, though this number is growing.<sup>18</sup> While Chinese tourism to Latin America is increasing, it still represented only 1 percent of China's outbound tourist traffic as of 2013.<sup>19</sup>

Meanwhile, recent public opinion polls of Latin Americans reveal wavering attitudes toward China's influence in the region; while still in positive territory, opinions of China as a model and as a rising power declined be-

<sup>17</sup> Confucius Institute/Classroom, "About Confucius Institute/Classroom," accessed July 25, 2016, [http://english.hanban.org/node\\_10971.htm](http://english.hanban.org/node_10971.htm).

<sup>18</sup> During the China-CELAC Forum, President Xi presented plans to offer 6,000 scholarships and 6,000 internships for Latin Americans by 2020. He also proposed an exchange of 1,000 Chinese and Latin American youth leaders, and extended an invitation from the Communist Party of China to 1,000 political cadres for party-to-party exchanges. Ariel C. Armony and Nicolás Velásquez, "Anti-Chinese Sentiment in Latin America: An Analysis of Online Discourse," *Journal of Chinese Political Science* 20 (2015), 319–346; Zuo, "China's growing ties with Latin America," *FAO Observer*, October 31, 2014, <http://www.faoobserver.com/NewsInfo.aspx?id=10664>; Mao Pengfei and Chu Yi, "China-Latin America Cultural Exchanges Flourish in 2015," *Xinhua*, December 26, 2015, [http://news.xinhuanet.com/english/2015-12/27/c\\_134955219.htm](http://news.xinhuanet.com/english/2015-12/27/c_134955219.htm).

<sup>19</sup> Brazil, Mexico, Cuba, and Chile receive the highest number of Chinese visitors. Direct flights from China to Havana were launched in December 2015. United Nations World Tourism Organization, *Yearbook of Tourism Statistics, 2009-2013* (2015).

tween 2012 and 2014.<sup>20</sup> Views of China expressed through the growing number of social media outlets are also trending negative, according to a study of postings in five large countries (Argentina, Colombia, Chile, Mexico, and Peru). Even with all the important caveats associated with any analysis of netizens and social media, the authors concluded that negative views of China were widespread, mainly regarding the poor quality of Chinese goods, unfair business practices, incompatible language and culture, unsustainable development policies harmful to the environment, and fears of Chinese economic and demographic domination in international relations.<sup>21</sup> Many of these views reflect a longstanding cultural bias toward Chinese immigrants dating back to the 19th century which are reinforced through more current experiences with Chinese actors.<sup>22</sup> Overall, the environment in 2015 and 2016 for closer ties between China and the LAC region was not as favorable as just five years ago, with a number of infrastructure projects hitting financial, labor, environmental, and political obstacles, leading one close observer to declare that the honeymoon was over.<sup>23</sup>

### Emerging elements of hard power projection

In the realm of hard power, China's comprehensive policy toward the LAC region has included important elements of military and security cooperation, and raised a few eyebrows about whether its intentions extended beyond just commercial sales of arms. As Jordan Wilson from the hawkish U.S.-China Economic and Security Commission explained in a recent review of China's expanding defense policy toward the LAC region, China's military engagement in Latin America has passed through at least two phases: first, low-level military sales and exchanges of items like transport aircraft and anti-tank missiles (1990-2000), and second, sales worth approximately \$100 million a year of more sophisticated equipment such as aircraft, radar, and air-to-air missiles, mainly to Venezuela but also to Ec-

<sup>20</sup> Data based on studies by the Pew Research Center and the Latin American Public Opinion Project (Pew Research Center, *Global attitudes survey*, Washington, DC, 2013, and LAPOP, *Americas barometer 2014*, Nashville, TN) as cited in Armony and Velásquez, 325-326.

<sup>21</sup> Armony and Velásquez, 332-337.

<sup>22</sup> For a detailed and thoughtful discussion of the impact of China's rise on diaspora populations in Cuba and Mexico, see Adrian H. Hearn, *Diaspora and Trust: Cuba, Mexico and the Rise of China*, (Durham: Duke University Press, 2016).

<sup>23</sup> R. Evan Ellis, "New Research and Trends in China's Engagement with Latin America," *Dialogo Chino*, April 27, 2016, <http://dialogochino.net/new-research-and-trends-in-chinas-engagement-with-latin-america/>.

cuador, Peru, Bolivia, and Argentina (2000-2015).<sup>24</sup> This phase has also included greater bilateral and multilateral military-to-military engagement and exercises, trainings, forums, and humanitarian missions, including Chinese naval participation in the 2014 and 2016 Rim of the Pacific exercises organized by the U.S. Pacific Command alongside navies from Brazil, Chile, Mexico, and Peru.<sup>25</sup>

A potentially more meaningful phase was inaugurated in February 2015 when Argentina and China announced a series of military agreements that would include the coproduction of advanced end products (e.g., “Malvinas class” corvettes for the navy and amphibious armored personnel carriers for the army), strategic space cooperation to facilitate China’s communication with its satellites and spacecraft in the southern hemisphere, and integration of Chinese-made fighter aircraft into the Argentine air force. If these deals were to be consummated (early signals after the election of President Macri in November 2015 suggest at least some will), they could be valued at between \$500 million and \$1 billion (excluding the space facilities component), far exceeding the total volume of China’s arms sales to the region of \$130 million in 2014.<sup>26</sup>

While these developments, if fully implemented, raise some hazards for Washington, “they present no direct security threat to the United States,” according to the Wilson study.<sup>27</sup> More recently, the Macri administration has been also exploring expanded defense ties with the Pentagon, including a military presence in southern Argentina.<sup>28</sup> Nonetheless, China’s growing economic and trade ties to the region carry with them a natural concern for protection of Chinese property, investments and citizens abroad; if conflicts

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<sup>24</sup> Jordan Wilson, “China’s Military Engagement with Argentina: A Potential New Phase in China-Latin America Defense Relations,” *U.S.-China Economic and Security Review Commission Staff Research Report*, November 5, 2015, [http://origin.www.uscc.gov/sites/default/files/Research/China's Military Agreements with Argentina.pdf](http://origin.www.uscc.gov/sites/default/files/Research/China's%20Military%20Agreements%20with%20Argentina.pdf).

<sup>25</sup> For example, Chinese military units participated in combat exercises with Chile, Argentina and Brazil in November 2013. R. Evan Ellis, “Cooperation and Mistrust,” p. 37; Ankit Panda, “With 5 Ships and 1,200 Personnel, China Expands RIMPAC 2016 Naval Delegation,” *The Diplomat*, June 18, 2016, <http://thediplomat.com/2016/06/with-5-ships-and-1200-personnel-china-expands-rimpac-2016-naval-delegation/>.

<sup>26</sup> “Argentina reassures China bilateral cooperation remains a priority for the Macri administration,” *MercoPress*, May 20, 2016, <http://en.mercopress.com/2016/05/20/argentina-reassures-china-bilateral-cooperation-remains-a-priority-for-the-macri-administration>.

<sup>27</sup> Wilson, 13.

<sup>28</sup> “Argentina and US reestablish defense links after a nine-year freeze,” *MeroPress*, May 19, 2016, <http://en.mercopress.com/2016/05/19/argentina-and-us-reestablish-defense-links-after-a-nine-year-freeze>.

“On a host of nontraditional issues requiring international cooperation, from counternarcotics to climate change, China’s position has more often than not diverged from Latin America’s.”

on these core interests ensue, an uptick in China’s assertion of power in the region might be observed, but evidence of such behavior to date is scant.

### China-LAC approaches to the international order

As a general matter, China and LAC states share a strong affinity for traditional notions of independence and sovereign equality of states, which often makes effective cooperation on matters of international peace and security more difficult. On core security matters like wars of aggression and proliferation of weapons of mass destruction, for example, both sides strongly defend the U.N. Charter’s demands for Security Council approval of use of armed force to resolve international conflicts. In the field of human rights, which in essence is a fight over the boundaries of national sovereignty and noninterference, state behavior tends to fragment more along regime-type lines: LAC states with stronger traditions or practices of democracy and human rights (e.g., Argentina, Chile, Peru, Costa Rica, and Mexico) lean more favorably toward international action on human rights while more illiberal states (Venezuela, Ecuador, Bolivia, and Cuba) comfortably align themselves with China. On a host of nontraditional issues requiring international cooperation, from counternarcotics to climate change, China’s position has more often than not diverged from Latin America’s, though one must avoid generalizing too much given the heterogeneity of foreign policies in the region.

### China-LAC divergences on matters of global security and governance

As my colleagues Vanda Felbab-Brown and Harold Trinkunas have detailed, China has joined Russia on a hardline approach at the U.N. special session on the world drug problem in 2016 (UNGASS) in opposition to the position taken by many Latin American states, which advocated a more public health/harm reduction and decriminalization approach to controlling drugs.<sup>29</sup> As a nuclear-free zone, Latin America also stands apart

<sup>29</sup> Vanda Felbab-Brown and Harold Trinkunas, “UNGASS 2016 in Comparative Perspective: Improving the Prospects for Success,” Foreign Policy at Brookings Latin America Initiative Policy Brief No. 5, April 2015, <http://www.brookings.edu/research/papers/2015/04/ungass-2016-felbabbrown-trinkunas>.

from China in its strong advocacy of nuclear disarmament and greater fidelity to international nonproliferation and arms control agreements, including through coercive action like sanctions. After an extended period of divergence on North Korea, China and LAC countries' positions are converging in response to the increasingly belligerent actions of the Kim Jong Un regime. Latin American states have generally become more supportive of sanctions against North Korea, with Venezuela, Argentina, Uruguay, Guatemala, and Costa Rica, as non-permanent members of the UN Security Council, joining China in voting in favor of sanctions against North Korea in March 2016.<sup>30</sup>

The region's response to sanctions against Iran is more mixed. Countries that are part of the so-called "pink tide" in Latin America, most notably Venezuela, have tended to defy international sanctions and partner with Iran.<sup>31</sup> Venezuela's economic ties to Iran reportedly have helped Tehran to skirt international sanctions through the establishment of joint companies and financial entities.<sup>32</sup> Other ALBA countries such as Ecuador and Bolivia have also been important strategic partners to Iran, allowing the regime to extract uranium needed for its nuclear program.<sup>33</sup>

On climate change, divisions were seen between China's insistence that developed countries carry the heaviest burden of climate mitigation and adaptation, which ALBA countries strongly supported, and more flexible positions from some LAC states that sought a more balanced approach to combating global warming. These tendencies were largely resolved at the Paris Climate Summit in 2015, when all countries agreed to meet national targets to reduce carbon emissions and develop alternative fuels; as of September 2016, 16 LAC states joined China (and the United States) in

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<sup>30</sup> United Nations Security Council, "Security Council Condemns Use of Ballistic Missile Technology in Launch by Democratic People's Republic of Korea, in Resolution 2087 (2013)," news release, January 22, 2013, <http://www.un.org/press/en/2013/sc10891.doc.htm>; United Nations Security Council, "Security Council Imposes Fresh Sanctions on Democratic People's Republic of Korea, Unanimously Adopting Resolution 2270 (2016)," news release, March 2, 2016, <http://www.un.org/press/en/2016/sc12267.doc.htm>; United Nations, Security Council, "Security Council, Acting Unanimously, Condemns in Strongest Terms Democratic People's Republic of Korea Nuclear Test, Toughens Sanctions," news release, June 12, 2009, <http://www.un.org/press/en/2009/sc9679.doc.htm>.

<sup>31</sup> Jose De Arimateia Da Cruz, "Iran, Latin American, and U.S. National Security," *E-International Relations*, October 21, 2014.

<sup>32</sup> Ilan Berman, "Iran Courts Latin America," *The Middle East Quarterly* 19, no. 3 (Summer 2012): 63-69.

<sup>33</sup> *Ibid.*

becoming parties to the agreement.<sup>34</sup> Commitments in the region to implement such targets in the form of specific national action plans, however, remain pending.

On the increasingly contentious issue of internet governance, which Chinese leaders have raised explicitly with LAC states as a priority for defending traditional sovereignty, positions are divided but trending slightly away from China. Beijing's strong preference for state-controlled "multilateral" governance may be losing out gradually to multi-stakeholder schemes, which would include civil society and private sector experts in setting policies. In a case study of four Latin American countries, Aguerre and Galperin found critical differences in the region among national internet governance bodies.<sup>35</sup> They conclude that the forces shaping the multistakeholder model at the global level are weaker at the national level, with different organizational models taking shape in each country. Evidence also suggests, however, that over time informal coordination mechanisms are formalized in organizations that are capable of housing the various stakeholders that comprise the internet ecosystem. Overall, trends suggest that LAC states are demanding a larger role in shaping internet policies.

With respect to global internet governance, however, countries in the region, including Argentina and Brazil, tend to favor the multistakeholder model of internet governance.<sup>36</sup> That said, a number of LAC countries are considered "swing states," moving between this approach and the more state-centered schemes advocated by China.<sup>37</sup> These competing tendencies were on full display at the World Conference on International Telecommunications (WCIT) debates in December 2012. The purpose of WCIT was to renegotiate International Telecommunications Regulations (ITRs). A major dividing issue was whether the scope of the ITRs should include the internet, with 89 states signing the new ITRs and 55 states opposing them.

<sup>34</sup> LAC states represent 26 percent of the 61 states that have become parties to the agreement. Depository, United Nations Treaty Collection, Chapter XXVII Environment, 7.d Paris Agreement, [https://treaties.un.org/Pages/ViewDetails.aspx?src=TREATY&mtdsg\\_no=XXVII-7-d&chapter=27&clang=en](https://treaties.un.org/Pages/ViewDetails.aspx?src=TREATY&mtdsg_no=XXVII-7-d&chapter=27&clang=en).

<sup>35</sup> Carolina Aguerre and Hernan Galperin, "The (ongoing) Quest for Latin America's Role in Internet Governance," CGCS, June 17, 2015.

<sup>36</sup> Harold Trinkunas and Ian Wallace, *Converging on the Future of Global Internet Governance: The United States and Brazil*, report, Foreign Policy, Brookings Institution (Brookings Institution, 2015); Argentina, Ministry of Foreign Affairs, *Roadmap for the Future Development of the Internet Governance Ecosystem*, accessed August 2, 2016.

<sup>37</sup> Tim Maurer and Robert Morgus, *Tipping the scale: An analysis of global swing states in the internet governance debate*, CICIG Internet Governance Paper no. 7 (May 2014).

Many of the states that opposed the ITRs argued that including the internet in ITRs would disrupt the multistakeholder model and allow governments greater control over the internet. LAC countries were split over their position on the ITRs, with swing states such as Colombia and Peru voting against the ITRs, while Mexico, Brazil, and Argentina voted in favor.<sup>38</sup> However, this division between the multistakeholder model and greater government control is not as simple as it looks. For example, Argentina voted in favor of the ITRs, yet has publicly affirmed their commitment to the multistakeholder model. Many of the swing states cast their votes for other political, economic, or security reasons. Since that time, some of the states that supported the ITRs, such as Argentina and Brazil, have shifted their attitudes about internet governance to support the multistakeholder model, i.e. away from China's position.

### China-LAC divergences on human rights

While the vagaries of diplomatic negotiations in the hallways of New York and Paris are often opaque and hard to quantify, greater clarity about China-Latin American cooperation is found on issues of human rights, a particularly contentious area of international relations and central to China's narrow conception of state sovereignty and non-intervention in domestic affairs. Because states cast recorded votes on human rights resolutions at the U.N., researchers can mine data that indicate degrees of alignment between the positions of China, Latin American states, and the United States.

China in particular has taken a strong stand against singling out individual countries at the U.N. for criticism of their human rights record, a position shared with a minority of Latin American states like Cuba and Venezuela, which share with China a number of governance practices that run counter to international norms of democracy and human rights. The United States, on the other hand, along with several Latin American states like Mexico, Chile, and Argentina, have been strong advocates of condemning human rights violations in specific countries; many of these countries benefited from international scrutiny during their own transitions from military to democratic rule. Hence, these votes lend themselves nicely to a study of state behavior as it relates to China's rise in the region and its impact on both U.S. and international norms and values.

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<sup>38</sup> Tim Maurer et al., *Visualizing Swing States in the Global Internet Governance Debate*, policy paper, Cyber Security Initiative, New America (2014).



Initial analyses of the data on the correlation between China's economic and trade ties to the region and voting behavior on human rights issues at the U.N. are mixed. For example, in a cross-national study of U.N. General Assembly votes on country-specific human rights resolutions between 1992 and 2006, Gustavo A. Flores Macías and Sarah E. Kreps found a positive correlation between China's increased trade volume and salience and votes by Latin American and African states.<sup>39</sup> Toward the end of the time period studied, however, convergence tended to decline. Similarly, increases in China-South America voting similarities at the U.N. General Assembly (UNGA) on a broader range of issues coincided with a decline in similarity with the United States between 1995 and 2011 but with "a greater dispersion of voting similarity during the most recent decade in comparison with that at the beginning of the sample period."<sup>40</sup> Trends also vary within the region, with Mexico and Central American and Caribbean states trending toward U.S. positions and South American positions showing lower convergence patterns with U.S. positions overall. Within the latter group, further divergence is evident, with Bolivia, Brazil, Ecuador, and Venezuela showing growing consistency with Chinese views of international politics, and Argentina, Colombia, and Peru diverging.

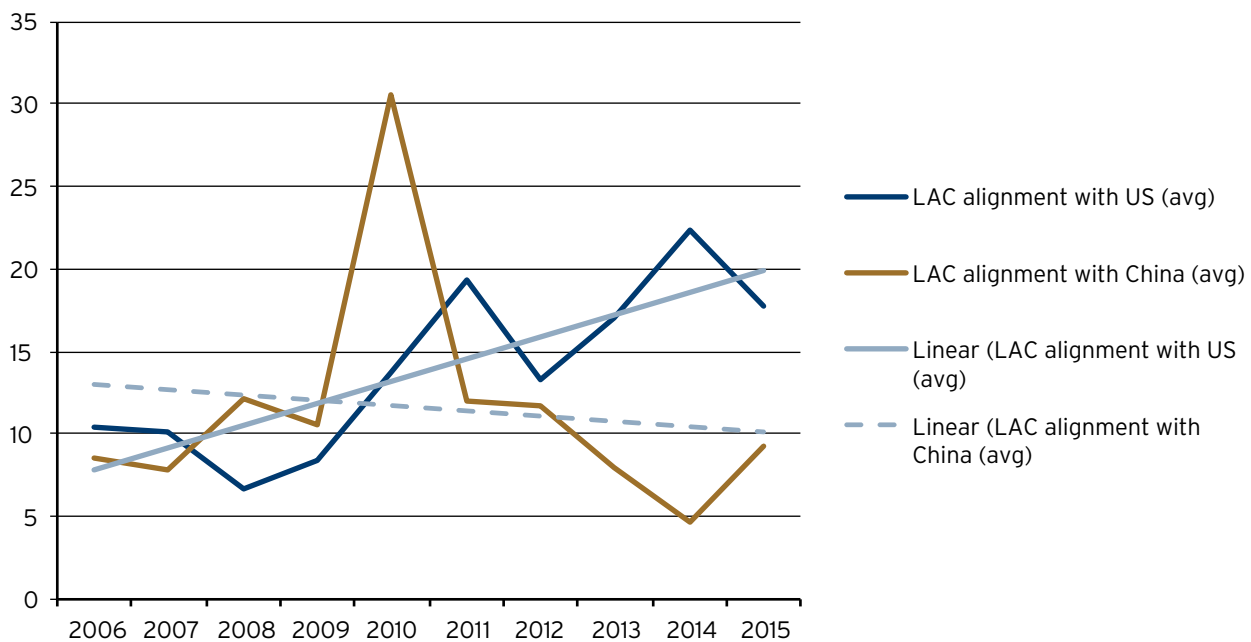
My own analysis of more recent voting patterns on country-specific human rights resolutions at UNGA shows an increasing alignment with the United States rather than with China ([figure 1](#)). Between 2005 and 2015, on some 37 votes where the United States and China took opposite positions, the average alignment with the United States increased moderately, while alignment with China similarly declined.<sup>41</sup> When LAC states did align with China, however, they did so at higher percentages than when their votes aligned with the United States.

<sup>39</sup> More generally, the authors found that the more states trade with China, the more likely they are to converge with it on issues of foreign policy. Gustavo A. Flores-Macías and Sarah E. Kreps, "The Foreign Policy Consequences of Trade: China's Commercial relations with Africa and Latin America, 1992-2006," *The Journal of Politics* 75, no. 2 (April 2013), 357-371.

<sup>40</sup> Struver, 133.

<sup>41</sup> Calculations were based on voting patterns observed of 45 human rights resolutions taken up at the U.N. General Assembly as identified in the annual *Voting Practices in the United Nations* report prepared by the State Department for the U.S. Congress. (Because the selection of the resolutions was based on this U.S. government document, the themes tend to skew in favor of U.S. priorities.) Resolutions included country-specific resolutions on Myanmar, North Korea, Iran, and others, and thematic resolutions such as the total elimination of racism, combating defamation of religions, and extrajudicial executions, among others. Resolutions on Israel/Palestine and the U.S. embargo on Cuba were excluded, with the exception of A/RES/67/19, a critical resolution which called a vote on the Status of Palestine at the United Nations. Alignment was calculated as a state voting with either China or the United States. Abstentions were not counted. 45 resolutions were examined in total. Of that 45, there were 37 resolutions in which China cast a yes or no vote and 39 resolutions in which the United States cast a yes or no vote. U.S. Department of State, *Voting Practices in the United Nations*, 2005-2015, <http://www.state.gov/p/io/rls/rpt/index.htm>.

**Figure 1. LAC votes at the UN align increasingly with the United States, decreasingly with China**



Source: "Voting Records," General Assembly of the United Nations, <http://www.un.org/en/ga/documents/voting.asp>, showing average Latin America and Caribbean vote alignment with the United States and China per year, 2006-2015.

The trend toward alignment with the United States could be due to the fact that the resolutions examined were deemed to be of special importance to U.S. interests and thus received greater lobbying by the United States behind the scenes prior to the vote. However, it could also indicate increasing buy-in by LAC countries of the international human rights system, despite the traditional reticence against "name and shame" tactics. The research presented here shows a clear trend line in favor of LAC states supporting human rights resolutions, including civil and political rights, through UNGA votes; a similar pattern holds true at the U.N. Human Rights Council. Conversely, they tend to vote alongside China on resolutions which address group rights and economic and social rights, areas in which LAC interests and Chinese interests have aligned for quite some time. Ironically, the only resolution that drew a common position between the United States and China was an affirmative vote in 2005 to endorse the role of the United Nations in supporting democracy; 91 percent of LAC countries also voted yes.<sup>42</sup>

<sup>42</sup> A/RES/60/162, *Strengthening the Role of the UN in Enhancing the Effectiveness of the Principle of Periodic and Genuine Elections and the Promotion of Democratization*.

“Some LAC states are more influenced than others by their growing economic and trade ties with China.”

The takeaway of this varied sample suggests that some LAC states are more influenced than others by their growing economic and trade ties with China: Ideologically aligned states in the ALBA bloc with close economic ties to China reliably vote with Beijing, while states geographically closer and more integrated with the United States tend to align with Washington. Some states, like Brazil, tend to swing in between, or generally abstain to avoid taking sides.<sup>43</sup> Argentina and Chile, on the other hand, have continued to be strong voices for U.N. action on human rights, despite their close economic ties with Beijing. More recent trends suggest that LAC states are calibrating their ties with the two powers by leaning toward alignment on some issues, but not others. One must also consider the diplomatic pressure China and the United States separately exert on these states depending on the degree of importance they place on particular votes.

### The China-Taiwan factor

Another longstanding factor to consider in evaluating the influence of China in Latin America's foreign policies is Taiwan. Despite the decades-long U.N. recognition of the People's Republic of China (PRC) as the successor to the pre-1949 Republic of China (ROC), a pitched contest between Beijing and Taipei for international legitimacy has continued to find particular resonance in the LAC region. Currently, of the 22 states that still recognize Taiwan as the legitimate government of China, 12—Belize, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, Panama, Paraguay, St. Kitts, St. Lucia and St. Vincent—are found in Latin America and the Caribbean.<sup>44</sup> For years, these states played the two Chinas off one another to negotiate preferential trade, financial, and other assistance, with Costa Rica being the latest example of winning new investments in exchange for its recognition of Beijing in 2007.<sup>45</sup> The subsequent Chinese

<sup>43</sup> For an in-depth study of Brazil's behavior as a swing state in the international liberal order, see Ted Piccone, *Five Rising Democracies and the Fate of the International Liberal Order*, (Washington, DC: Brookings Institution Press, 2016), chapter 3.

<sup>44</sup> Ministry of Foreign Affairs, Republic of China (Taiwan), “Diplomatic Allies,” <http://www.mofa.gov.tw/en/AlliesIndex.aspx?n=DF6F8F246049F8D6&sms=A76B7230ADF29736>.

<sup>45</sup> Evan Ellis, *China on the Ground in Latin America: Challenges for the Chinese and Impacts on the Region* (New York: Palgrave Macmillan, 2014).

investments in Costa Rica, however, have had mixed success.<sup>46</sup> During the more recent period of calmer cross-strait relations, both sides appeared to call a truce in its competition for support of LAC states, but with the election of Tsai Ing-wen to the presidency in Taiwan in 2016, some speculate that it could heat up again.

A quick analysis of the PRC's economic and trade outreach to the LAC region shows a clear preference to engage with those states that recognize Beijing over Taipei. Of the top 13 destinations of PRC loan commitments to the region between 2005 and 2015, none of the 12 states that recognize Taiwan made the list.<sup>47</sup> Honduras has on several occasions announced successful negotiation of a \$298 million loan from the Industrial and Commercial Bank of China to finance a hydroelectric project, but that commitment has stalled repeatedly.<sup>48</sup> The value of foreign direct investment stock held by China or its firms similarly favors LAC countries with close ties to Beijing, notably Venezuela, Ecuador, Suriname, Guyana, and some of the smaller tax havens.<sup>49</sup> On the other hand, trade volume with China does not appear to be affected by whether a state recognizes Taiwan; trade between China and these 12 states between 2000 and 2014 increased between two and 18 times versus between one and 19 times for the rest of LAC.<sup>50</sup>

<sup>46</sup> The first significant investment was a 35,000 person national sports stadium in San Jose, completed by a Chinese company with Chinese labor in 2011 at an estimated cost of \$89 million. Ibid, 50. As a subsequent "gift," the Chinese granted the Costa Rican government a \$400 million credit for the construction of a highway from the capital of San Jose to the town of Rio Frio, with the condition that the work be done by Chinese companies. Vanessa Loaiza N., "Gobierno logra crédito chino de \$400 millones para vía a Limón," *Nación*, September 26, 2012, [http://www.nacion.com/archivo/Gobierno-credito-chino-millones-Limon\\_0\\_1295470535.html](http://www.nacion.com/archivo/Gobierno-credito-chino-millones-Limon_0_1295470535.html). In the largest proposed Chinese investment to date, the China Development Bank agreed to pay between \$800 and \$900 million for the modernization of the Costa Rican National Oil Refinery (RECOPE) processing plant. The additional \$300 million for the project was to be financed by Soresco, a joint company created by RECOPE and China's state-owned oil company (CNPCI), which would operate the refinery. However, the project stalled in 2013 when the Controller General of Costa Rica found that the feasibility study for the project was completed by a company that had ties to CNPCI, and after years of delays and stalled negotiations, the project finally broke down in April 2016, when RECOPE decided to separate from Soresco. "Costa Rica Se Retira De Empresa Conjunta Con China Para Construir Refinería," *El País*, April 14, 2016, <http://www.elpais.cr/2016/04/14/costa-rica-se-retira-de-empresa-conjunta-con-china-para-construir-refineria/>.

<sup>47</sup> Kevin P. Gallagher and Margaret Myers, "China-Latin America Finance Database," (Washington: Inter-American Dialogue, 2014).

<sup>48</sup> "Loan signing for Patuca III," *Central America Data*, September 13, 2013, [http://en.centralamericadata.com/en/article/home/Loan\\_Signing\\_for\\_Patuca\\_III](http://en.centralamericadata.com/en/article/home/Loan_Signing_for_Patuca_III); "No money for hydroelectric station Patuca III," *Central America Data*, April 8, 2015, [http://en.centralamericadata.com/en/article/home/No\\_Money\\_for\\_Hydroelectric\\_Station\\_Patuca\\_III](http://en.centralamericadata.com/en/article/home/No_Money_for_Hydroelectric_Station_Patuca_III).

<sup>49</sup> Harold Trinkunas, *Does a Growing Economic Relationship with China Influence Policy and Politics in Latin America?*, policy paper, Foreign Policy Program, Brookings Institution (Washington, DC: Brookings Institution Press, 2016).

<sup>50</sup> Author's calculations based on data from United Nations Comtrade database (<http://comtrade.un.org>).

**Figure 2. Chinese loans favor LAC governments that recognize Beijing and not Taipei; trade volume appears unaffected .**

States that recognize Taiwan	Total Loans from China in \$USD millions (2007-2015)	Percentage of Total FDI Stock sourced from China (2014)	Percentage of country's trade with China (2014, unless otherwise noted)
Belize	0	0.04%	9.0%
Dominican Republic	0	0.00%	8.3%
El Salvador	0	0.00%	5.7%
Guatemala	0	0.01%	7.2%
Haiti	0	N/A	N/A
Honduras	0	0.00%	8.0%
Nicaragua	0	0.04%	8.4%
Panama	0	0.57%	9.8%
Paraguay	0	0.89%	15.2%
St. Kitts	0	N/A	1.2% *
St. Lucia	0	N/A	N/A
St. Vincent	0	2.15%	3.1% **

\*2010 data

\*\*2012 data

Source: Gallagher and Myers, the United Nations Conference on Trade and Development (UNCTAD), the Chinese Ministry of Commerce (MOFCOM), and the United Nations Comtrade database.

Despite a lack of formal diplomatic ties with Panama, Chinese ships are major customers for the Panama Canal, representing the second largest origin and second largest destination of cargo passing through it,<sup>51</sup> generating hundreds of millions of dollars in revenue for the Panama Canal Authority and projected to increase significantly with the opening of the expanded canal in 2016.<sup>52</sup> Similarly, Chinese investors from Hong Kong have led the controversial effort to build a new \$50 billion canal through Nicaragua, which still recognizes Taiwan rather than China. On the security front, China has stepped up its contribution of troops to U.N. peace-keeping units in Haiti, despite its non-recognition of Beijing. These steps could be explained as down payments on an eventual transfer of recognition from Taipei to Beijing, or that other interests, like proving its capacity as a credible contributor to global security, take priority, or a combination of both.

<sup>51</sup> Panama Canal Authority, *Top 15 Countries by Origin and Destination of Cargo Fiscal Year 2015*, accessed August 3, 2016, <https://www.pancanal.com/eng/op/transit-stats/2015/Table11-Rev02.pdf>.

<sup>52</sup> Total revenue from the Canal in FY2015 was \$2.61 billion. "Panama Canal's 2015 Revenues 8 Pct. above Budget Forecast," *EFE*, October 24, 2015, <http://www.efc.com/efe/english/business/panama-canal-s-2015-revenues-8-pct-above-budget-forecast/50000265-2746362>.

## China-Cuba relations

Apart from the China-Taiwan contest, one state in the LAC region stands out for having particularly close and longstanding relations with China: Cuba. But despite their natural affinities as communist states, China has not demonstrated a willingness to fill the shoes left in the wake of the collapse of the Soviet Union and the decision by a declining Russia in 1991 to cut off the years-long program of preferential treatment of its closest anti-U.S. ally in the region. Nor has China sought to fill the vacuum created by the 50-plus year U.S. economic embargo against Cuba, an opportunity for geopolitical influence almost tailor-made for China if it wanted to challenge the United States in its own neighborhood. While China has in fact made substantial loans to Cuba and provided other forms of assistance, terms of these arrangements (to the extent reliable data are available) are not particularly favorable and certainly not on the order of magnitude of Chinese economic support to Venezuela.<sup>53</sup>

China has shown a special interest in sectors relating to tourism, energy and trade, e.g., ports, resorts, renewable energy, and rice production. During Premier Li Keqiang's September 2016 visit to the island, additional commitments were made, including support to the high priority renewable energy and electricity sectors.<sup>54</sup> To stimulate greater activity in the tourism sector, China recently greenlighted direct flights from China to Cuba via Montreal and is facilitating the expansion of Chinese restaurants and other services to cater to tourists from the mainland.<sup>55</sup> Notably, Cuba chose Chinese firm Huawei over Google when it decided to expand wireless and broadband access to the internet, despite the reportedly advantageous terms of the Google offer. In this case, Cuba's old-guard leaders were more interested in communist China's experience in controlling access to the World Wide Web than in Google's reputation for expanding it.

<sup>53</sup> For example, FDI flows from China to Cuba between 2005 and 2015 totaled approximately \$500 million, above Jamaica, Nicaragua, and Bahamas but well below Trinidad and Tobago, Antigua and Barbuda, and Colombia. *The evolving role of China in Africa and Latin America*, 8.

<sup>54</sup> According to Chinese news sources, Cuba is now manufacturing around 60,000 solar panels a year with technology and components provided on credit from China. Construction of a new \$165 million biomass plant in central Cuba will rely on financing from Chinese multinational Shanghai Electric, which has become a majority shareholder in Havana Energy Ltd. "China-Cuba look to further renewable energy cooperation," *CCTV America*, September 23, 2016.

<sup>55</sup> Author interview with senior Chinese official, December 2015.

But as various interlocutors from Cuba and China have acknowledged privately, Beijing has no intention of writing a blank check to Cuba, and Cuba (unlike Venezuela or Ecuador) has little to offer in terms of natural resources in return. China does, on the other hand, have much experience to offer Cuba in terms of its own evolution from a heavily state-controlled economy to a more hybrid market-driven economy; indeed, many Cuban economists and other senior government officials have trekked to China to study firsthand Chinese economic policies. They have returned to Cuba, however, with little indication that Cuba is interested in adopting China's state-led capitalist model, at least as evidenced by the anemic adoption of Chinese (or Vietnamese) innovations in Cuba's sclerotic economic model.

### **U.S. predominance and conflict scenarios with China**

The overarching question when considering the geopolitical implications of China's growing economic ties to Latin America and the Caribbean is to what extent U.S. traditional leadership of the region is threatened, directly or indirectly, by China's comprehensive strategy to win new friends in the hemisphere. Is China's approach leading to zero-sum choices? Or can the old and new superpowers learn to work together toward mutual aims that satisfy their own interests while also meeting Latin America's needs?

Fortunately, the overall threat environment extant in the LAC region is remarkably low compared to other regions of the world. Latin America is a nuclear-free zone with no hot or cold wars, minor frozen conflicts, minimal advanced arms competition, limited terrorism, and a policy of constructive engagement from Washington. In September 2016, Colombia's long-running war with the FARC, the last remaining conflict in the region, was declared over. The areas in which the region falls short—weak rule of law, high levels of crime and trafficking, high inequality, and stilted economic growth—are of serious concern to both Washington and Beijing. The problem is not one of competing diagnoses of what ails the region but rather of competing prognoses for solving them. The United States has emphasized its national interests in more open, democratic, secure, and prosperous countries that are able to stand on their own two feet and contribute more actively to building and deepening the U.S.-led international liberal order. It also faces more acute concerns regarding illegal migration and

trafficking given its geographic proximity. Its political, economic, development, and security strategies are all geared in the direction of supporting the establishment of healthy, stable, democratic, and market-friendly societies that are constructive partners for U.S. public and private entities.

China, on the other hand, wants states that will defend its deep attachment to traditional sovereignty and non-interference in internal affairs. It has used its deep-pocket diplomacy to tilt the scales toward regimes that are sliding away from democracy and liberal norms and doubling down on statist models of economic development that have led to a range of bad and even disastrous outcomes, as in Venezuela. These same cases happen to run sharply along an anti-U.S. axis led by ALBA, and these are the same governments that lobby hard, with China, against international norms and actions that promote universal rights and good governance principles of transparency and accountability. As my colleagues' analysis of China's economic engagement in the region suggests, China's largesse has enabled these same states to carry on their failing models longer than they should have and in that sense is anything but value neutral.<sup>56</sup> Even in more complex cases like Brazil and Argentina, China's expansion in the region has reinforced these states' quest for greater strategic autonomy, often at Washington's expense. In this sense, the competition between Washington and Beijing for influence in the LAC region occurs mainly on the battlefield of clashing visions of the international liberal order and competing models of economic and political governance.

Fortunately, this competition has not involved, and is unlikely to involve, core strategic interests that would lead to outright direct conflict. For now, China's driving interest in Latin America's energy and mineral resources and other primary commodities is not in direct competition with the increasingly energy-rich and agriculturally-wealthy United States. Similarly, China has no territorial claims or disputes in the region that would risk direct conflict with the United States and has evinced no interest in establishing a military presence in the hemisphere (though the satellite monitoring station in Argentina may lead in that direction). The United States has already shed its own military beachheads in the region but for one, the highly contentious naval base in Guantanamo Bay, Cuba. The base serves both China's and the United States' interest in combating transnational ter-

<sup>56</sup> Dollar; Trinkunas.

**“The competition between Washington and Beijing for influence in the LAC region occurs mainly on the battlefield of clashing visions of the international liberal order and competing models of economic and political governance.”**



rorism as well as Washington's more parochial concerns for managing migration crises, and is unlikely to be returned anytime soon, despite Cuba's compelling demands. In any event, the risk posed by migration is only of concern to Washington as it tries to cope with a steady influx of refugees and other migrants escaping gang-fueled violence in Central America and the potential collapse of the Cuban system. The room for geopolitical convergence between Washington and Beijing, therefore, is episodic and of a lower priority than in other parts of the world.

While U.S. officials have gone so far as to say publicly that they do not object to China's role as an economic player in the region, concerns are growing that long-term consequences of its expanded role could skew against core U.S. interests. To manage the potential for misunderstandings and miscalculations regarding China's rise in the LAC region, the United States and China began a series of strategic talks in 2006 to discuss mutual concerns and explore avenues for cooperation. Now under the umbrella of the high-level U.S.-China Strategic and Economic Dialogue, these episodic talks give officials a chance to share information and build political trust. It is also worth noting that, over time, as the downside risks of China's largesse in the region are becoming more evident and the political pendulum swings back toward Washington's advantage, sources of tension will subside.

Nonetheless, as a matter of longer-term conjecture, it should be asked how China might exert its growing influence in the region to gain advantage in case of a more direct conflict with the United States or other important powers.

- If **the maritime disputes** in the South China seas were to erupt into direct conflict, Latin America would likely hew to its traditional endorsement of judicial and arbitral remedies under international law and avoidance of conflict. In this regard, the recent decision against China by the tribunal overseeing disputes under the U.N. Convention on the Law of the Seas (UNCLOS) is an important test of whether Latin American states will urge Beijing to respect the court's decision.<sup>57</sup>
- **A direct conflict between China and Taiwan**, on the other hand, would lead to fragmented support from the region with states lining

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<sup>57</sup> Peru, Venezuela and the United States have neither signed nor acceded to UNCLOS; Colombia and El Salvador have signed but not ratified the convention.

up behind one or the other based on their respective positions on recognition; alternatively, it could stimulate more direct competition between Beijing and Taipei for LAC loyalties, in which case Beijing would have greater leverage with states it is closest to economically.

- **On human rights**, an outbreak of heavy-handed state repression against human rights activists or citizens engaged in mass protests in China would similarly lead to disparate results, with countries like Argentina, Chile, Mexico, and Peru more disposed to speak out against such tactics and ALBA states like Venezuela, Ecuador, Nicaragua, and Cuba coming out to defend Beijing.
- Finally, **trade disputes** between China and the United States would play out in ways that each LAC country would seek to exploit according to their own national interests at the time. An outright failure of the Trans Pacific Partnership (TPP) agreement, which excludes China and is currently mired in domestic politics in the United States, could lead to more complicated results. Brazil, which is not a party to the TPP agreement, might want to cast its fortunes with an expanded version of the Regional Comprehensive Economic Partnership (RCEP) free trade agreement between China, the member states of the Association of Southeast Asian Nations, and Australia, India, Japan, South Korea and New Zealand, but not the United States. Other states already in TPP, like Chile and Peru, might also want to jump ship and pivot from Washington to Beijing, which could cause real damage to U.S. interests in a more open regional and world trading system and more directly hurt bilateral ties.

## Conclusion

In conclusion, it is fair to say that China's rise on the world stage and its concerted outreach to Latin America and the Caribbean have helped the region diversify its relations and thereby reduced the political and economic influence of the United States in the region. It also has had direct effects on some Latin American states' willingness to join China in challenging the U.S.-led liberal order. And it certainly positions Beijing to exert greater leverage on LAC states in the future if its national interests were more directly affected by internal disorder or interstate conflict in the Asia-Pacific region.

For now, however, China's rise has generally not unduly harmed core U.S. national security interests in the LAC region. The trends, however, require careful monitoring and ongoing dialogue to avoid a more hostile environ-

ment. Brazen action by Beijing, for example, to interfere with U.S.-LAC cooperation on matters of international security, would deserve a serious response. It also demands ongoing efforts by Washington to work closely with like-minded partners in the region to reinforce their support for the international liberal order and continue the process of deepening democracy and economic ties in the region. Opportunities for trilateral cooperation on any number of issues of concern—illegal trafficking, money laundering, and arms smuggling, for example—should be taken up and implemented.

To date, the Obama administration's improved standing in the region, driven partly by its decision to normalize relations with Cuba, combined with China's comparatively limited geopolitical ambitions in the region and the two countries' ongoing strategic dialogue to manage potential conflicts, suggests that China's rising engagement in Latin America and the Caribbean should not lead to overt geopolitical conflict.

## ABOUT THE AUTHOR

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