

## **China's Relations with Latin America: Issues, Policy, Strategies, and Implications\***

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*China's presence in Latin America has been visible and active to the extent that it has raised growing concerns in the policy-making community in the United States. American concerns can be attributed to the lack of clarity about Chinese motivations. Although China proclaims its motives to be apolitical and all economics, however, it has been expanding the relations into such areas of concerns as in military and security areas in the name of "Third World" or "developing countries." In addition, Chinese motives behind its desire to improve political ties with the regional states are justified with their shared outlook of the world from anti-imperialism, anti-colonialism to the needs for new international order. Until recently, China's relations with Latin America had remained somewhat distant not only for geographical reasons, but also for political reasons. China's isolation in the 1960's and 1970's kept the relationship literally idle, and the opening of the country emphasized development of relations with the West, thereby naturally neglecting the relations with developing countries including the Latin American states. To overcome this, China has employed a number of strategies (e.g. summit diplomacy, bilateral approaches, multilateral cooperation, and "going-out (zouchuqu).") These strategies prove that China's relationship with Latin America are at a rebuilding stage, and that its influence in the region is still marginal. China's growing presence will neither entail political or security ramifications to the region nor be a challenge to the US predominance yet.*

**Keywords:** *China, Latin America, summit diplomacy, bilateral approaches, multilateral cooperation, 'going-out (zouchuqu)' strategy, US predominance*

### 1. INTRODUCTION

China's presence in Latin America is growing at an unprecedented pace. Notwithstanding long tradition of the relationship, it seems to have become much more visible in recent years. Whilst China's increasingly visible presence in the region is claimed to be national interest-driven with a heavy emphasis on economic aspect of it,<sup>1</sup> it is not viewed in the same way by others, especially the West led by the US. Rather, they are concerned with the intentions behind China's growing engagement in these states and the regions. They deem Chinese move to be political and strategic, and not necessarily all economic (Lam 2004, Landau, 2005). They base these claims on the grounds that it entails significant implications to the extant structure and order in the region. Moreover, their view has been endorsed by some

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<sup>1</sup> Economic aspect of the bilateral relationship was emphasized, for instance, at the National Developing Countries Economic Diplomacy Working Conference headed by Prime Minister Wen Jiabao, *Remin Ribao* (People's Daily), September 3, 2004. Cited from Zhang Qing-min, "Zhongguo dui fanzhanzhong guojia zhengce de puju(The Distribution of Developing Countries in the Pattern of China's Foreign Relations)," *Waijiao Pinglun*(Foreign Affairs Review), No. 94, February 2006, p. 25.

Chinese observers who seemingly understand the roots of such misunderstanding naturally taking place due to the unclearness of Chinese motives in increasingly active role in Latin America.<sup>2</sup> A salient argument in this regard is related to the prospect of China's displacement of regional hegemon, i.e. US. Coincidentally enough, the West has been vocal about such prospect at the very outset of Chinese diplomatic embarkation to the developing countries world beginning in the late 1990s. It has become deeply preoccupied with Chinese expeditions because of the velocity of Chinese penetration as well as the magnitude of its engagement displaying in this discourse. China's fast growing presence and ensuing expansion of influence in Latin America is perceived to be a serious and direct challenge to the US predominance (Ellis 2005).

US obsession with China in Latin America stems from its continuous diplomatic practice based on so-called "Beijing consensus." Washington is getting weary with China's deepening engagement in its 'backyard' because the norms practiced in such diplomacy are more appealing to the regional states than those by the US. In pursuit of relations and interests in the region, Beijing has thus far not shown respect to, for instance, the economic sanctions imposed by the US on some of the regional states for human rights violation and other political reasons. China's persistent efforts to engage with sanctioned states offer them leeway to sustain regimes that practice politics in contradiction of American values. In addition, by playing the China card, they can effectively hedge against the US, equipping them with a greater leverage over Washington. Furthermore, they have been able to turn around their debt-ridden economies into an economy faring a high growth rate for the first time in two decades, which is attributable to deepening economic relationship with China. While the Latin American states enjoy ensuing economic benefits from engaging with China, however, this does not automatically translate into deepening affection towards it. Their major industries (i.e. labor intensive ones) are seriously challenged, facing rising demand for structural change, and are confronted with rising unemployment rate as a result of it. Hence, whether deepening economic interdependence embodies the kind of security implications that the US would like to claim requires further scrutiny.

From the Chinese perspectives, China's recent emphasis on developing relations with developing states is not resultant of its political desire to displace any of the existing hegemon. Although China opposes hegemony and aspires for a world of equal in a multipolar structure, it has been quite successful restraining itself from being assertive or explicit about it in its diplomatic conduct. As emphasized over the years, China wants to uphold the status quo of the extant world order, and it has been working hard to preserve the peaceful environment it deems currently in place. Towards this end, China strives hard to project an image of a responsible state by embracing multilateralism in its diplomacy and respecting present norms and institutions at work. It has been an active participant in multilateral dialogues and negotiations so as to realize one of its primary security principles, i.e. peaceful settlement of international conflicts. Moreover, it tries at its best to demonstrate peaceful development orientation in its foreign policy for the new millennium. To demonstrate its commitment to such orientation, China recently adopted the idea of creating a 'harmonious world' as one of the major principles for its foreign policy.

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<sup>2</sup> Zheng Yongnian, "Zhongguo 'zouchuqu' ying you moshi (China urged to step carefully in developing countries as it becomes a world force)" *Lianhe zaobao* (Chinese Media Morning Services), February 27, 2007, accessed online at [http://www.zaobao.com/special/forum/pages5/forum\\_zp070227.html](http://www.zaobao.com/special/forum/pages5/forum_zp070227.html) on January 14, 2008.

The notion of 'harmonious world' is quite significant. It offers a principal guideline to the future direction of Chinese foreign behavior and policy. Its concept is a strategic innovation to further facilitate the backbone of China's foreign policy principle, known as "Five Principles of Peaceful Co-existence." Its aim is twofold. One is to further the precipitation of China's desire to preserve world peace and stability by realizing harmony in a world of diversity, thereby serving the foremost goal of current Chinese foreign policy. Another aim is to materialize the practice of such principles as mutual benefit, equality, and non-interference of domestic affairs. In sum, respect to diversity in ideology, values, and system is a prerequisite to the realization of a harmonious world. This is probably where the seed for 'Beijing consensus' is sowed. Nevertheless, China pursues a foreign policy with its own conviction and belief in such principles regardless the status of a state. How it is perceived by others does not seem to concern China as long as their relationship is deemed to be mutually beneficial and practiced on equal basis.

Despite the longevity of the Five Principles, on which the idea of creating a harmonious world is founded, China has yet to win sufficient trust and confidence from predominant actors like the US regarding its recent diplomatic excursion into developing countries including Latin America. Although China gets a wide approval of being a late comer to international affairs, and therefore, it is an inevitable due course for China to become more deeply engaged in and integrated into the world system, at the same time, it raises a dire concern to major international actors. Their concern is simply arisen by the sense of uncertainty about where the rise of China will take it to, and the sense is deeply rooted in the theory of power transition. According to the theory, it will be inevitable for a state like China to challenge the primacy of the US in due time as a result of its ascendancy to a great power status underpinned by its accrued power from economic success and enhanced political influence.

Hence, a set of critical questions follows: What has driven China's growing presence in Latin America? Does it necessarily mean correlated rise in its influence in Latin America? If so, does it mean that China has the potential to become a threat to the US interests in the region? Is China's policy to Latin America intended to act in such way? Is there any short-term or long-term aspect to it? If so, what kind of impact will the implications of the respective end have on Latin America's future relations with China and the US as well as on the China-US relationship? To address these questions, it first requires a comprehensive, yet in-depth, understanding of China's policy toward Latin America at two levels, i.e., domestic politics and foreign politics. Most of the literature on the subject is heavily approached from American or Western perspectives, focusing only on the phenomenal aspect of Chinese engagement discourse with the region, which has naturally led to a lack of substantial analysis on Chinese policy motivation, orientation, principles, strategies, and goals.

Against this background, the article attempts to address China's relations with Latin America in Chinese foreign policy context. It is comprised of three parts. It will first address the issues of Chinese interest concerning Latin America in the light of its policy towards developing countries. It will then proceed to analyze the strategies that China employs in pursuit of these interests in Latin America. It will conclude with implication notes inferred from this study.

## 2. ISSUES AT HAND AND CHINA'S INTERESTS

During the Cold War period, issues concerning China's interest in Latin America were basically oriented towards its political and security outlook. Although governments and political leaders of China and Latin America did not share the same ideology (e.g. communism), however, their political and security outlook were similar. Political values were understood and shared between China and many of the Latin American states because of the similarities in their political system and outlook. Many of the Latin American states were under either totalitarian or authoritarian regimes. Others as a result of US influence, adopted western democratic political system. Regardless, both parties recognized themselves as Third World countries, whereby they were able to converge on many international issues. Their convergence basically laid a foundation of framework in which their relationship was found. Some of the major issues concerning both parties during this period were very much political.

China and Latin American states were both once colonized and struggled hard to win independence. Hence, they both opposed colonialism and imperialism. Anti-imperialism found its place as one of the fundamental principles in their foreign policy. Because of their unyielding stance on imperialism, they naturally found anti-hegemonism to be a binding force behind their relationship. To capitalize their political independence in the realm of their foreign policy, China and Latin American states also shared a strong interest in pursuit of independent and autonomous foreign policy. In materializing this, they both actively participated in Non-alliance movement and the Group 77. They also strove hard in furthering their efforts towards the idea of creating a new international political and economic order.

Economic interest remained secondary and marginal during this period. One of the most attributing factors was their economic conditions. Both China's and Latin America's economy was absent of common interests in part because they were underdeveloped and poor Third World economies. In addition, both economies did not have much to offer to each other in part because of similarities in their industrial structure. Moreover, the absence of formal diplomatic recognition between China and Latin American states was another salient impediment to the chance of developing economic relations in part because most of the states had diplomatic relationships with Taiwan. Latin America during the Cold War period was heavily influenced by the US as it intervened very much into domestic politics of Latin American states in the name of 'Monroe doctrine.'

This factor is self-evident in the normalization efforts on the part of Latin America only after US normalization efforts of its relations with China efforts were made explicit in the early 1970s. Throughout the rest of the Cold War period, Latin American economy heavily relied on the US market. The trend seems to be valid as Latin America still remains a secondary economic and commercial partner for China. In 2006, for instance, Latin America and the Caribbean states accounted for 3.7% of China's exports and 4.3% of its imports. The total trade volume has been growing rapidly, with Chinese exports and imports up by 24.8% and 23.9%, respectively, from 1995 to 2006.<sup>3</sup>

With the end of the Cold War, coupled with the rapid processing of globalization and

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<sup>3</sup> Enrique Dussel Peters, "China's Challenge to Latin America," *Project Syndicate*, October 11, 2007, accessed online at [http://www.project-syndicate.org/print\\_commentary/dussel3/English](http://www.project-syndicate.org/print_commentary/dussel3/English) on November 20, November 30 2007.

deepening integration of world economy, China and Latin America would find renewed political and economic interests in each other.

China's interests in its relations with developing countries are multifaceted. There is a variety of issues concerning Chinese national interest. Most of all, developing countries embody the fundamental foreign policy outlook and values of Chinese foreign policy. China has long claimed itself as a Third World nation and the largest developing nation. China remains a part of Third World, and it is unthinkable to exclude itself from Third World (Jubany and Poon 2006: 4).<sup>4</sup> Its economic development is not feasible when excluded. Its policy and policy goals, therefore, naturally fall in the same line with those of most of developing countries. Chinese policy on Latin America and developing countries shares the same policy goals in enhancing solidarity and cooperation, according to China's Policy Paper on Latin America and the Caribbean published on November 5, 2008. To achieve this end, they both perceive anti-imperialism and anti-hegemonism as the fundamental principal goals of their foreign policy. Peaceful co-existence is the basic guiding norms of their international relations. Furthermore, they find unity and cooperation as the most viable measures for the realization of their common global political end: a new international order.

Although China in recent years has been restraining from making explicit of its desire for a multipolar world, however, it is well represented in its policy towards Latin American, and well respected and accepted by Latin America states (Delamer, Malena, and Pom 2004: 79). In their official diplomatic documents such as joint statement and joint communiqué, it is well illustrated that both parties are committed to the idea of creating a multipolar world. They share the same perception on the causes of world poverty problem embedded in the unfair and unjust ways the current international economic order and system evolves. Hence, they often find common interests deeply shared in this particular cause and they conceive themselves as the crusaders with responsibilities to reduce the growing gap in the level of development between the developed and developing states. They both value the importance of South-North dialogue and South-South cooperation as a means to settle the economic disparity between the rich and poor.

Secondly, China's interest in issues is awakened by the economic opportunities in developing countries and Latin America in particular. China's international trade has expanded at a rapid pace. Trade has been the driving engine of its miraculous economic development. Given its ever-expanding international trade in terms of both sheer volume and market share, Chinese expansion into Latin America was naturally destined. Given the reciprocal nature of international trade, Latin America's economic engagement with China also began to grow, largely for growing Chinese interest in Latin America's economic merits: markets, natural resources, and raw materials. China values Latin American market not only for its potential but also for the progress it has made in the regionalization process. Moreover, their industrial and economic structure is viewed as to be mutually reinforcing and benefiting (Lu 2007: 62-3).

After a long economic stagnation during the 1980s and 1990s, thought to be the result of their blind pursuit of neoliberalism directed by the US, Latin American economies began to rise again with the shift in its policy orientation from neoliberalism to government-led economic drive.<sup>5</sup> In 2004, for instance, the region recorded the highest growth rate of 5.5%

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<sup>4</sup> This notion was reiterated by current Chinese president Hu Jintao as he stressed that China "would forever stay on the side of developing countries."

<sup>5</sup> Rising China's influence in economic realm will have a spill-over effect in the security area as it will

for the first time in twenty years (Hakim 2006: 40). Success of the regional economy, on the one hand, is attributed to the deepening Chinese economic penetration with products of competitive prices as well as greater opening of the Chinese market to Latin America. Growing interdependence seems to have worked in favor of China who was able to retrieve regional states' approval of 'market economy' status from larger regional economies such as Brazil, Argentina, and Chile in 2005.

Granted major Latin American economies as a 'market economy' status, China seemingly wants to capitalize the opportunity to spearhead its advancement into the US market. Such a status is expected to pave the way for China to have an easier access to US market. The US is still has a lot of reservation about following a similar suit of Latin America on this matter in part because it wants to preserve the economic leverage over China that is guaranteed by not granting the status. Because China is not recognized as a 'market economy,' the US can adopt a variety of measures to control the imports of dumped Chinese products by claiming violation of fair and just trade practice. To overcome this obstacle, China values Latin American states and region as a gateway to American market as a result of their economic regionalization with the US. There is a growing trend in regional free trade efforts among the regional states and the US. Given that the trend is likely to persist in the foreseeable future, Latin American markets and economies will be much more deeply integrated into those of the US. Hence, China's economic advancement into Latin America can benefit from this integration. Chinese products will enjoy a greater access to the US market by having an outlet in Latin America, which naturally facilitate the flow of Chinese goods into it. This has been well manifested in the increase of China's share of total US imports, which rose from 3% in 1990 to 16% in 2006, whereas Latin America's has not grown since 2000, standing still approximately at 17%.<sup>6</sup>

Thirdly, Latin America, for instance, is a world-class supplier of natural resources including energy resources and raw materials (Jiang 2006: 14).<sup>7</sup> China relies heavily on imports for copper, iron ore, and food grains. Its import dependence for energy resources is ever growing larger. Energy ties with Latin America have the dual benefits of an alternative source of supply as well as a bargaining power over other suppliers. China has long pursued to diversify its import source of energy, expanding from Russia to Central Asia to Africa. This diversification policy has helped China gain leverage over suppliers, thereby enhancing its bargaining power. With respect to Latin America's potential as an export market, China has been proactive in pioneering Latin American markets. Its efforts have paid off large dividends. However modest the trade share is,<sup>8</sup> Latin America rapidly rose to become China's fifth largest export market. In a similar vein, its second largest export market is now

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undermine the traditional control imposed by the US and these critics argue that the United States is largely responsible for persistent problems. See Noam Chomsky, "Latin America and Asia Are at Last Breaking Free of Washington's Grip," *The Guardian*, March 15, 2006.

<sup>6</sup> As a result, China replaced Mexico in 2003 as the second-leading exporter to the US in value terms after Canada. Peters, "China's Challenge to Latin America," *Project Syndicate*, *Project Syndicate*, October 11, 2007, accessed online at [http://www.project-syndicate.org/print\\_commentary/dusse13/](http://www.project-syndicate.org/print_commentary/dusse13/) English on November 20, November 30 2007.

<sup>7</sup> According to Wenran Jiang, China's imports of Latin American oil in 2003 merely stood at 1 percent of its total imports and just above 3 percent in 2005.

<sup>8</sup> As of 2006, Latin America represents 3.7 percent of China's total exports and 4.3 percent of its total imports.

China. Furthermore, bilateral economic relationship have also been mutually benefiting to both parties. From the Chinese perspectives, it gives leeway for its energy diplomacy. From the Latin American perspective, relations with China has constructively contributed to its economic development, generating the highest growth rate in two decades in 2004. Furthermore, it has been strategically benefiting both parties. While Latin America finds China as an alternative to the recent US reduction of economic aid and assistance, China can use Latin America's free trade relations with the US as a gateway to the US market.

Lastly but not least, Latin America remains a litmus test of Chinese diplomatic competition against Taiwan. It is a region with a number of states that maintain diplomatic relationship with Taiwan. Of the thirty-three regional states, twelve recognize Taiwan as a sovereign state, a diplomatic challenge to 'one China policy' in the eyes of Beijing. Although the degree of concern has diminished on China's part, Beijing does not want to see other states to shift their stance towards Taiwan. In other words, as long as the status quo regarding recognition of Taiwan is maintained, China is not, and will not be, provoked. Furthermore, China will make its utmost efforts to prevent others from deviating to Taiwan. China's current satisfaction with the status quo of diplomatic struggle against Taiwan is difficult to explain. In many analyses and work, Chinese experts still emphasize the Taiwan issue as an important issue in China's relations with Latin America. Nevertheless, Beijing's official position is no longer nuanced in such ways. For instance, while Beijing leaders admit the significance of the issue, they are not proactive, but rather reactionary, in their posture (Davis 2007: 20). Given the seemingly reactionary nature of Beijing's perception on the issue, China has not actively undertaken the initiative to pressure the regional states that have effective diplomatic relationship with Taiwan to break it off. When it did take the initiatives, it was always in reaction to Taiwan's assertive 'money diplomacy' for official recognition.

### 3. CHINA'S POLICY: "BASED ON POLITICS, PURSUE ECONOMICS (YI ZHENGZHI SHANG JIE JINGJI)"

Since its foundation in 1949, China has valued the importance of Third World, now dubbed as "developing countries," for both sentimental and strategic reasons. It has long harbored a strong sentimental bond with their common historical experiences with colonial rulings and subsequent struggle for independence. In addition, as a late comer to the international system, China and the Third World countries were compelled to cooperate in their search for a position in the system. They managed to do this beginning in the 1950s with Bandung Conference for Asia-African states where the so-called "Five Principles of Peaceful Co-existence" was declared and accepted as the core principle of Third World foreign policy. Following the Conference, China and the Third World would continue together their struggle against the superpowers in a hope to create a new world order founded on a more equality, fairness, and just basis. Their efforts were visible with the foundation of such international fora as Group 77, also known as the Non-aligned states movements, and the most recent one being G-22. Moreover, they have been persistent in their efforts to continue the talks of the North-South with hopes to realize their shared goals of settling the growing gap between the developed and developing states.

Third World was strategically appreciated by China during the Cold War period. After China separated itself from the socialist camp led by the former Soviet Union in the late 1950s, it found itself in isolation. While in isolation, it was still in pursuit of diplomatic

struggle against Taiwan for its 'one China policy' as well as displacement of Taiwan from international organization as the legitimate representative of "China." Cognizant of vast potential for political support lying in the growing number of Third World countries and the potential for the number to grow following independence, China became highly appreciative of the strategic and diplomatic value of the Third World. At a time when China's security was perceived to be vulnerable to the possibility of another world war by the intensifying cold war between the two superpowers, Third World was viewed as a crucial force to their causes. They were a critical weight in maintaining the equilibrium in the balance of power between the two. In a similar vein, they were indispensable in Chinese strategic thinking as part of the so-called 'United Front,' a strategy that facilitated a coalition against the 'imperial' powers. In the past, such coalition acted as an effective deterrence against the expansion of limited war.

Nonetheless, once highly appreciative Chinese attitude to Third World would undergo a significant change as China decided to pursue economic reforms and the open-door policy in 1978. China's economic modernization-oriented policy had a spillover effect into its foreign policy realm. As its national orientation would shift from politics and ideology to economics and pragmatism, China's foreign policy soon adapted to this shift as well. It was imperative for China to emancipate its foreign policy from ideological constraints and from its external dependency on financial and technology assistance. At the time China adopted economic modernization program, China was very much in shortage of human capital, and capital, technology, and other sources of materials and goods for economic development after years of economic isolation. China attempted to maintain balance in its relations with the developed and developing countries in the early phase of reform period, however, it did not last for long. Instead, as China's relations with the developed states further progressed, especially with the West, China naturally became more negligent of Third World in its diplomacy.

China's opportunity to amend its relations with the Third World came when it was on the verge of diplomatic isolation following its brutal suppression of demonstrators at the Tiananmen Square in Beijing in June of 1989. While China was subject to economic sanctions by the West, it received sympathy from the fellow followers of the Five Principles of Peaceful Co-existence. It was then that China re-recognized the political value of Third World which would enable Beijing to confirm the primacy of domestic stability and peace over any other conditions for modernization. Given the external support it needed to confirm and consolidate its new leadership, Beijing immediately responded by allocating more attention and assistance to the Third World. China's desire to enhance relationship will perpetuate the rest of the 1990s and in the new millennium.

Beginning in the late 1990s Chinese leadership launched a diplomatic offense to developing countries. Successive visits by the top leaders underscored Beijing's such desire. The importance of the relationship with developing countries has ever since then been well inscribed in official documents, especially in the annual working reports delivered to the National People's Congress as well as the Communist Party Congress. It is widely claimed that China's resurging interest in the relationship with developing countries is coincident with its rising import demand for natural resources and raw materials to sustain its fast growing economy. Ironically enough, China would become an oil product importer in 1993 and a net oil importer in 1997. As a result of rapid urbanization and desertification of arable lands, food supply had to be outsourced mainly to developing countries. High economic growth rate naturally necessitates an increase in imports of raw materials. Hence, China's

developing countries diplomacy is often dubbed as energy diplomacy or economic diplomacy.

Cognizant of the vast economic opportunities in developing countries and Latin America in particular, Beijing leadership began to emphasize their importance in the nation's foreign policy. Their recognition is underscored in official documents. Official documents known as "Working Report (*gongzuo baogao*)" delivered to the National People's Congress (NPC) and the Chinese Communist Party Congress (CCPC) are the reflection of the founding foundation of Chinese foreign policy, encompassing the principles, orientation, interests, and outlook. Changes in China's policy to Latin America were self-evident in these documents. Beginning with 1999 "Working Report" to the National People's Congress (NPC), for instance, developing countries surpassed other regions and countries (i.e. neighboring states and developed countries) in the order of importance, implying the rise in priority of these states in Chinese foreign policy.<sup>9</sup> Developing countries are mentioned before neighboring and developed countries for the first time since the opening of China in 1978. The trend continued until 2003 when the new session of the 10<sup>th</sup> NPC was held.

While the Chinese government emphasizes the priority of relationship with developing countries, the Chinese Communist Party (CCP) does not necessarily agree with such an outlook. In the "Working Reports" to the Party Congress since 1997, the order has been subject to change according to the external developments and changes. In 1997, in the eyes of the Party, developing countries was mentioned second to neighboring states; in 2002, following developed countries and neighboring states; and in 2007, rising to the top again. As can be seen, the strategic importance of developing countries can be analyzed by how it is prioritized in the foreign policy outlook in the government and party's working report.

In light of China's foreign policy orientation, principle, strategy, and interest, developing countries are critical. Apart from the traditional strategic values China has embodied in its Latin American policy, new dimensions have been added. In terms of orientation, shared opportunities for development and co-counter of challenges were put forward as a new orientation. At the devastating aftermath of 9.11, anti-terrorism (*fan kongbu zhuyi*) was promulgated as additional top national security concern. It was manifested in the passing of "Anti-terrorism law" in December 2001, and National Anti-Terrorism Working Cooperation Leading Small Group (*guojia fan kongbu gongzuo xietiao lingdao xiaozu*) in 2004 (Pan Guang 2004: 100).<sup>10</sup> An additional dimension to Chinese foreign policy was brought in with renewed emphasis on multilateral cooperation based on multilateralism. Economic security interests were further incorporated into China's foreign policy as a result of the Asian financial crisis in 1997. The crisis led the Chinese leadership to realize the vitality of economic security to the peace and social well-being of the nation as well as other regional states. Hence, China's perception on the priority of regions and nations naturally underwent a substantial change.

During the early years of reform and open-door policy, Beijing highly emphasized the need to focus on the relationships with the West. Against the economic sanctions the West imposed in 1989, China saw neighboring states as a breakthrough. Neighboring states were

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<sup>9</sup> "Gongzuo baogao (Working Report)" delivered by Prime Minister Zhu Rongji at the second session of the 9<sup>th</sup> National People's Congress on March 17, 1999, accessed online at <http://www.people.com.cn/zgrdxw/zlk/rd/9jie/newfiles/b1130.html> accessed on June 23, 2006.

<sup>10</sup> Zhongguo <fan kongbu fa> huzhi yuchu, Xingbian luntan, September 1, 2005, accessed online at <http://www.xingbian.cn/template/article.jsp?ID=5760&CID=481433258> on June 25, 2006.

far from well economically and yet many of them retained official diplomatic or economic ties with China at the time. Manipulating their desire for economic opportunities in China, Beijing formally recognized these states and replaced them as an alternative source for economic help. As China's fast growing economy demanded more raw materials and energy resources, China naturally turned toward developing states and replaced them in the top in its order of external relations priorities in 1999, evident in the Working Report delivered that year.

Notwithstanding the long history of good-will and friendly relationship, China did not truly appreciate the strategic value that Latin America until 1999. Although it was in 1996 when the then Chinese president Jiang Zemin, would visit Latin America for the first time in post-Deng Xiaoping era, it took an additional three years for China to present a set of principles that would guide its relations with Latin America well into the new millennium.

China's policy towards Latin America extends from its overall developing countries policy (*fazhanzhong guojia zhengce*). It was proclaimed in 2004 when China held a national economic diplomacy working conference on developing countries (*chuanguo dui fazhanzhong guojia jingji waijiao gongzuo huiyi*). The policy was announced by Premier Wen Jiabao. Recognizing the importance of economic diplomacy towards Latin America, the guiding principle should be upholding "mutual respect, equal treatment, promotion of economics via politics, integration of politics and economics, mutual benefit and treatment, co-development, diversified forms, and emphasis on actual effect."<sup>11</sup>

Hence, China's policy priority lies in political relationship that is based on mutual respect and equal treatment. Political relationship is also the fundamental prerequisite for economic relations. Put simply, politics is a precondition for economics. It can be interpreted that politics will guarantee and lead China to the improvement of economic relationship with Latin America. Furthermore, in the framework of economic relations based on politically-bound relationship, China and Latin America's mutual trust and confidence will be enhanced. In the same vein, mutual benefit will increase between the two parties. Therefore, in China's policy towards Latin America, it can be said that economics is embodied in politics.

China's Latin American goals were pronounced during president Hu Jintao's visit to four Latin American states. There are basically three of them. First, through mutual political support, China and Latin America will become all-weather friends. Second, mutually complementary economics is the starting point for their win-win co-operative partnership. Third, enhanced cultural exchange will be an example for how different civilizations can carry a dialogue (Zhang 2007: 27).

#### 4. STRATEGIES

China's approach to Latin America is carried out strategically because it is political. As indicated above, China prioritizes political relations above anything else. A sound political relationship is a precondition to the relationships in other sectors. Economic relationship, for instance, is premised upon friendly political relations. Cultural exchange can be facilitated by

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<sup>11</sup> Peters, "China's Challenge to Latin America," *Project Syndicate*, October 11, 2007, accessed online at [http://www.project-syndicate.org/print\\_commentary/dussel3/English](http://www.project-syndicate.org/print_commentary/dussel3/English) on November 20, November 30 2007.

stable political relations; China's 'soft power' will otherwise be viewed as vigilant.<sup>12</sup> Hence, ever since Chinese leadership began to emphasize the value of relationship with Latin America in the late 1990s, it was they themselves who took the initiative to pursue political relationship with regional states. During this pursuit, Chinese approaches were revealed, and from this, Chinese strategies can be inferred. At the outset of development of the relationship, Chinese top leaders called for summit meetings with Latin American counterparts. While they toured regional states, they would basically discuss and negotiate their interests at the bilateral level. Following the success of bilateral talks whereby China succeeded in winning the trust and confidence of those they met, its strategy eventually shifted towards multilateral approaches.<sup>13</sup> However, multilateral diplomacy is not new. China has already long been engaged in multilateral engagement with Latin American states as a part of its Third World diplomacy. Upon the foundation of political relationship, China furthers its relations in other areas. A salient strategy applied in the economic realm is 'zouchuqu (going out)' strategy.

#### 4.1. Summit diplomacy

Summit diplomacy in Chinese diplomatic conduct is a recent phenomenon. It has become one of the most reliable strategies for initiating a relationship. While Chinese top leaders travel to meet their foreign counterparts, they extend their invitations in return. Hence, summit meeting is reciprocal. It is also effective in pioneering or amending or improving or developing relations. It is usually followed with a framework in which the direction and orientation of the prospective relationship are guided. Based on the consensus and agreement drawn by their top leaders, nations will seek to co-operate on agreed terms in the form of follow-up measures at the working level. When these measures are enforced and enacted, non-governmental sectors will be called up for the implementation.

Chinese summit diplomacy with Latin America remained somewhat idle for historical reason (e.g. Cultural Revolution) and Beijing's emphasis on the relationship with the West during the first decade of the reform period. Although the importance of Third World was renewed in Chinese foreign policy in the early 1980s, it was only temporary. As evident in the records, exchanges between top leaders of China and Latin American states would peak in 1985 and dissipate thereafter (Dreyer 2006: 87).<sup>14</sup> It will not be until after 1989 Chinese leaders would initiate political contacts with the Latin American counterparts. Once seemingly indifferent China's policy towards Latin America had been turned around by the economic sanction imposed by the West. In addition, "the consequences of globalization and its link to domestic economics" led "countries that previously had little or no mutual contact to seek greater ties" (Mora 1999: 92). Hence, the expansion of ties between China and Latin America both had domestic and international rationale. In 1992, the then president Yang Shangkun visited Latin American states and presented four principles for the bilateral

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<sup>12</sup> Mohan Malik, "China's Growing Involvement in Latin America," *The Power and Interest News Report* (PINR), June 12, 2006, accessed online at [http://www.pinr.com/report.php?ac=view\\_printable&report\\_id=508&la...](http://www.pinr.com/report.php?ac=view_printable&report_id=508&la...) on July 4, 2006.

<sup>13</sup> The Chinese side is particularly driven by the hopes of making constructive steps toward the elimination of misunderstandings and the building of trust. "China-US Latin America talks increase trust," *Xinhua*, April 14, 2006.

<sup>14</sup> Zhao paid a "goodwill visit" to Colombia, Brazil, Argentina, and Venezuela. "The trip was billed as the turning of a new page" in the history of bilateral relationship between China and Latin America.

relations, thereby opening a new chapter for the relationship (He 1998: 101). These principles included: (1) friendly cooperative relations; (2) bilateral economic, trade, technology relations; (3) mutual respect; and (4) new international order (He 1998: 102). Following the groundbreaking visit by Yang, a series of successive visits by Chinese leaders to Latin America took place. President Jiang Zimin took a tour in 1993, Premier Li Peng visited twice in 1995 and 1996, and Jiang made his last trip in the decade in 1999.

Coming into the 21<sup>st</sup> century, Chinese leaders sustained their summit diplomacy with Latin America. In 2001, then president Jiang Zimin made his last official trip of his tenure (1993-2002) to four regional states. After succeeding Jiang in 2003, the fourth generation leader Hu Jintao did not hesitate to follow his predecessor in visiting the region (six states, to be specific) in November of the following year. Hu's visit was considered historic because it paved way to enhanced strategic understanding between China and Latin America, improved trust and confidence, and consequently led to mutual understanding on the importance of exchange to a new level.<sup>15</sup> One of the most prominent achievement Hu retrieved from his visit was the winning of Beijing's coveted designation of market economy status from some of the largest economies in the region, namely Argentina, Brazil, Peru, and Chile. In return, from 1996 to 2000, 8 presidents, 3 governor-generals, and 3 prime ministers from Latin America visited China.

#### 4.2. Bilateral approaches

China has a set of goals in its bilateral approaches to regional states at all levels including the summit. The most outstanding goal is to revive once seemingly withered political ties by all means, and particularly by summit meeting. China has been successful in this endeavor through a cultivation of the concept 'partnership' in its relationships with them. By labeling them as states in partnership, not only is China able to evoke traditional notion of bilateral negotiation in its approaches in securing vital national interests, which is still China's preference over multilateral, but it can also pave the way for the strengthening of the relationship at the bilateral level. The latter is pursued further to serve the interests of prominent Chinese diplomatic principles such as the Five Principle of Peaceful Co-existence. As these five principles are founded in reciprocity and mutuality, China still regards bilateral approaches to be the most effective diplomatic approach to its national interests overseas. With such conviction, it has become an 'open secret' that China prefers this approach over others including multilateral one. In its active pursuit of interests in Latin America, China's strategy of bilateral approach was further emphasized. China has thus far succeeded with this approach by successfully capitalizing on the concept of partnership in promoting its relations with the Latin American states.

Argentina moved up the ladder of partnership at a much faster pace. It was first, for instance, recognized as a "cooperative partner" as June of 2004. During Hu's state visit in November 2004, it was 'promoted' to be a "strategic partner." The fast changing character of the bilateral relationship, according to some analyses, is attributed to the result of Argentina's convey of a greater willingness for political collaboration with China (Dominguez: 23). Venezuela was endowed with "friendly cooperative relations" upon former

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<sup>15</sup> Zhang Mingde, "2004nian lamei xingshi he zhongla guanxi (Latin America's situation in 2004 and China-Latin America relations)," *Zhuanjia taolun* (Experts Forum) March 31, 2005, accessed online at <http://www.ciis.org.cn/item/2005-03-31/50906html> on August 19, 2005.

president Jiang's visit in April 2001. It would take only a month after the bestowment of this label that China upgraded the bilateral relationship to "strategic partner" during Venezuelan president Chavez's visit to Beijing.

Other major goals are: (1) to gain recognition of full market status; (b) to secure the raw materials it needs and to diversify the sources in order to reduce the country's vulnerability; (c) to maintain a high level of access to the market in order to assure the exports of its dynamic manufactured products (He 2007: 840-1). A key objective is to win recognition as a market economy. Economic ties based on improved political relationship have been manifested in the rapid increase of trade volume and investment. China's trade with the region in 1975, for instance, stood at mere \$200 million. After thirty years in 2006, the total trade volume exceeded \$70 billion. What is noteworthy is that a great portion of this was achieved between 2000 and 2006 when the bilateral trade increased by over 500 percent (He 2007: 842). After all, China has become the second largest importer behind the US of the region's commodities and goods. Given the persistent growth rate of trade (e.g. 38 percent) witnessed in recent years, it is expected that the volume will easily surpass \$100 billion mark by 2010.

How the improved political ties had a spillover effects in other aspects of the bilateral relationship between China and Latin America is summarized in the following bilateral cases.

With Brazil, unlike other cases, the political impact on the economic realm in particular has been much more visible. Since Brazil received strategic partnership in 1993 when the then president Cardoso became the first Brazilian president to visit China, the bilateral relationship burgeoned upon a solid political foundation (Wu 2005: 13). In 2002, China surpassed Japan as Brazil's largest trade partner in Asia. In 2004, as the bilateral trade exceeded \$12 billion, and by quintupling from 2000 and 2004, China became Brazil's fourth most important trade partner. Brazil supplies 30 percent of China's total soybean imports and 16 percent of total imports of iron ore concentrates (Dominguez: 27). Strategic partnership embraces more than economic ties and the growth of trade and investment. It gives political backing that both parties seek in relations with the US. Their political consensus on the US is that there has to be a more constrained role for the US, and therefore, they need to a stronger and more influential place in international affairs (Dominguez: 28). Their political aspiration is evident in their mutual support in the international political arenas. Brazil fully supported China's bid to the WTO membership and recognized it as a 'market economy' thereafter. It also backed China's bid for membership in the inter-American Development Bank. To the Brazilian cause in the similar efforts, president Hu also extended his country's supportive stance on a Brazilian candidate to be director-manager of the WTO in his address to the Brazilian Congress during the 2004 visit (Paz 2006: 99). Growing political ties entailed economic consequences as the Brazilian Congress "cleared the way for bids by Chinese firms to invest in ports, railways, and roadways" (Dominguez: 28).

Argentina's partnership was also upgraded from "cooperative partner" to "strategic partner" in 2004. In a ten-year investment plan announced during his visit in 2005, Hu pledged to invest more than \$19 billion in Argentina for infrastructure construction of the country, including an \$8 million investment in the expansion of the Argentine railway system and \$6 billion in other construction projects.<sup>16</sup> Despite China's efforts to woo Argentina by all and any means to further their economic ties, coupled with efforts to

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<sup>16</sup> "China plans to invest \$19 B in Argentina," *Xinhuanet*, November 17, 2004, accessed online at [www.chinaview.cn](http://www.chinaview.cn) on December 22, 2004.

improve political ties, they have yet to demonstrate the efficacy Beijing had hoped in part because of Argentina's tradition to be pro-US in many areas, and in part because of its fears for the disadvantages the asymmetric economic structure may bring to it. Hence, before their economic differences surfaced, their political differences preceded in many negotiations both in bilateral and multilateral settings. Nevertheless, the bilateral trade in recent years (2000-2005) enjoyed growth by three times.

Chile has been the most visited Latin American nations by Chinese top leaders. Since former president Yang's visit in 1990, former president Jiang visited twice in 1993 and 1997, and the current president Hu in 2004. Reciprocally, every Chilean president visited Beijing since 1990-1992, 1995, and 2001. Pinochet as military commander-in-chief also visited China in 1993 and 1997. Moreover, Michelle Bachelete, the newly elected president in 2006, has also declared for continuity in his nation's policy to China. During the political developmental discourse, China also supported Chile's bid for non-permanent membership on the UN Security Council in 2003-04. In November 2005, China concluded its Latin American free trade agreement with Chile. China's main economic interest in Chile is copper. It has promised to invest heavily in the mining sector to secure a steady and abundant provision.<sup>17</sup>

Mexico was one of the earliest Latin American states that recognized China in 1972, only second to Cuba. Since the normalization of relations in 1972, the relationship experienced a great magnitude of fluctuation. Strange enough, it enjoyed its peak during the Cold War era, and it is somewhat contrary to the post-Cold War period, full of controversial calls in relation to international affairs. The dark side of the relationship began to loom large in 1993 when the Mexican government imposed 1000 anti-dumping measures on Chinese goods (Dominguez: 38). Conflicts in trade relations eventually developed over into political ones. Out of fears of Chinese growing competition, Mexico would take the economic issues into political arena to challenge China issues such as human rights issue, Tibetan issue, and others alike. Nonetheless, Mexico as one of the leading economies in Latin America bears significant strategic meanings to China's national interests. It is recognized as a strategic partner to China in 2004. The notion of partnership was not, however, appreciated by the Fox administration when it declared China as a competitor and not partner during Vice-president Zeng Qinghong's visit in 2005.

Beijing and Caracas signed numerous contracts to develop Venezuelan oil fields. Venezuela has been exporting 150,000 barrels per day of oil to China and intends to more than double the amount to 300,000 barrels in 2007. Furthermore, it was agreed that the supply will exceed 5,000,000 barrels within five years. It was a pledge to increase Venezuela's supply of 15 to 20 percent of China's imports in the future. Apart from energy resources, the cooperation between the two nations is quite active in technology transfer area. In 2005, Venezuela signed a deal with China to build and launch a satellite in 2008. During his visit to China in December 2004, Venezuelan president Chavez observed that the investment and trade agreements signed could generate \$ 3 billion in 2005.<sup>18</sup>

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<sup>17</sup> Rob Delaney, "China and Chile Begin Talks to Reduce Trade Tariffs (Update 2)," *Bloomberg.com*, January 26, 2005.

<sup>18</sup> Roger F. Noriega, "China's Influence in the Western Hemisphere," Testimony of Roger F. Noriega, Assistant Secretary of State for Western Hemisphere Affairs before the House Subcommittee on the Western Hemisphere, April 6, 2005, accessed online at <http://usinfo.state.gov/eap/Archive/2005/Apr/07-272076html> on October 23, 2007.

In development in other areas, a joint venture company between Ecuador and China agreed on the acquisition of EnCana Corporation's oil and pipeline asset in 2005 for \$1.42 billion.<sup>19</sup> Bolivia invited China to develop its gas reserves. In the Caribbean, China is enticing, for instance, Dominica with \$112 million investment at the expense of cutting off ties with Taiwan (Noriega 2007: 3).

Brazil, Cuba, Argentina, and Chile in 2004 were selected as "Chinese group travelers' destination," or also known as "Approved Destination Status (ADS)." Cuba was the first Latin American nation to be granted of such a status in 2003. Mexico and Peru joined them in 2005. Regarding the Caribbean, China listed Antigua and Barbuda, Barbados, the Bahamas, Grenada, Guyana, St. Lucia, Dominica, Suriname, Trinidad and Tobago, and Jamaica as tourist destinations. Nonetheless, they are yet to witness substantial numbers of Chinese tourists, and hence, the status seems to remain rather symbolic. This designation is politically significant and economically meaningful because it serves as a diplomatic tool for Beijing and selected nations can hope to realize millions of dollars in revenue per year (Dreyer 2006: 92). Expectations are high as China is speculated to become the fourth-largest source of outbound tourists by 2020 with more than 100 million people traveling abroad each year.

#### **4.3. Multilateral cooperation approaches**

Through summit diplomacy and enhanced political ties at the bilateral level, China has been able to garner support from Latin American states. In the due process, China was able to effectively transform its national image, successfully replacing its threatening image with that of a responsible state, and more importantly, of a developing state. In return China has remained supportive to Latin America's regionalization process over the years. In the age of globalization and regionalization, China has also proactively attempted to engage itself in the regionalization process of the region. Chinese efforts have paid off in a significant way in recent years. It has won an observer status in the Association for Latin American Integration, the Organization of American States (OAS), the Inter-American Development Bank (IADB), and the Agency for the Prohibition of Nuclear Weapons in Latin America and the Caribbean. Among them, China succeeded in winning official admission to permanent observer status by the OAS in May 2004. China also joined new political dialogues and consultation mechanisms, such as the Andean Community, the Rio Group, and the South American common market, and Mercado Comun del Sur (MERCOSUR). In addition, China's multilateral efforts goes beyond the region. With significant help from Brazil, China and Brazil together successfully organized the so-called G21 at the 2003 Cancun World Trade Organization ministerial meeting. With respect to its membership to IADB, China must fulfill the stipulation of a \$200-300 million contribution to the Bank, and "pre-pay its International Development Association loans" (Noriega 2007: 3).

In the global multilateral arenas, China and Latin America were able to cooperate at a new level. During the discussion discourse of the UN reforms, China made it known of its support to Brazil's attempt to gain a permanent seat on the Security Council. It has also undertaken active participation in UN peacekeeping operations in the region. China's deployment of 155 police officers to Haiti is by far the largest that China ever dispatched

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<sup>19</sup> Ministry of Commerce of China, February 22, 2007, accessed online at <http://www.zhs.mofcom.gov.cn/aarticle/Nocategory/200702/20070204346971.html> on March 2, 2007.

overseas to a UN mission, symbolizing the trust and confidence Latin America has in China.

From 1992, China has participated in Non-alliance summit and it has been 11 years since. As a special guest, China has been active in Group-77 meetings since 1991. In March 1991, at the UN Environment and Development Conference, China suggested a 'Group-77 Plus China' dialogue. In addition, China has already been a long and active participant in the Forum for East Asia-Latin America Cooperation (FEALAC). In addition, in 1997, the MERCOSUR-China Dialogue Forum was founded. In January and February 2005, Vice president Zeng Qinghong visited Mexico, Venezuela, and Peru, and attended the opening ceremony of the first ministerial-level meeting of the China-Caribbean Economy and Trade Co-operation Forum 2005.

#### **4.4. *Zouchuqu* (Going-out) strategy**

*Zouchuqu* strategy has in recent years been an impetus behind China's improved relations with developing countries and Latin America in particular. It offers justification and legal grounds to its efforts for a greater economic engagement through investment with those states whose relationship is much improved as a consequence of summit meetings and bilateral efforts. The goals of the strategy are multifaceted. While it emphasizes the need to pursue this strategy to secure the resources to help its economy to sustain continuous growth, it also envisions its economy's place in the world, especially in developing countries. Furthermore, it values the market opportunities in these states. It also encourages Chinese firms to go abroad to achieve these objectives. Moreover, it underscores Chinese government's support to such endeavor by Chinese enterprises. At the same time, it also highlights the need for Chinese businesses to advance into the developed world through aforementioned multilateral efforts.

In sum, the strategy can be viewed from two different perspectives. From the perspective of China's advancement into developing countries, the purpose is obviously to pioneer new markets, to secure natural and strategic resources, and to help the economic development of developing countries in the end. With regards to the developed nations, the strategy is designed to overcome the obstacles and barriers that hinder China's pursuit of high technology and related information and skills through direct engagement of Chinese firms in these nations.

Thus far, China's *zouchuqu* strategy has been most active and visible in Latin America. As of 2005, China's non-financial investment in Latin America totaled \$ 6.5 billion, making it the largest recipient of Chinese overseas investment which accounts for 52 percent of the total. China's total stock of investment in the region stood at \$11.5 billion. The Cayman Islands was the top recipient of Chinese investment at \$8.9 billion, followed by the Virgin Islands with \$ 1.98 billion. The next four largest host countries are Mexico at \$141 million, Peru at \$ 129 million, Brazil at \$81 million, and Venezuela at \$ 43 million.

## 5. CONCLUSION

Chinese advancement in both diplomacy and economic realms in Latin America has been a recent phenomenon. Although the bilateral relationship between China and Latin America

began in the early 1970s, however, the development of the relationship has remained in most of time very much idle. It has not advanced as much as both parties desired due to historical reasons (e.g. China's Cultural Revolution) and political reasons (e.g. US influence) (Zhang 2007: 24). Soon after China's engagement became visible first with frequent visits by the head of the state and later by high ranking officials, heated debates naturally arose in the American policymaking community and academia in order to find the Chinese true intention behind all these maneuvers. Thus far, the general mood in the US policy-making circle has been to look at the Chinese maneuver with much skepticism. It can be said the US reaction is natural since there had been no other external influence that advanced so fast and deep into its 'backyard' thanks to the efficacy of Monroe doctrine and since the independence of Latin American states after the second World War.

Given this historical background, the US concern is not difficult to comprehend. It involves a critical question such as: Will China ever rise to challenge US influence in the region? Many will not agree that China will because China's presence and influence is still marginal compared to those of the US. Under the assumption, this article has sought to deduce the cause of such concerns on the US part by examining the purposes and goals of Chinese Latin American policy in applying insights from Chinese policy to define issues at stake and strategies pursued by China. At least three important points have emerged to substantiate this study. First, it finds that the scope and range of Chinese engagement in Latin America and the Caribbean is still limited. The chance for China and Latin America to work together in military realm, for instance, is not realistic in the short- or mid-term perspective. US military presence in the region is simply unchallenged and therefore, very formidable. US' military aid to Colombia alone, for instance, stands at \$600 million a year. In addition, the US provided the region with \$112 million in Foreign Military Financing, recording three consecutive years to exceed \$100 million.

Second, Latin America's economic dependence on the US is also far greater than on China. Notwithstanding its status as the largest export market for Latin American products, the US is by far the largest investor in the region, currently standing at \$300 billion and compared to China's \$11.5 billion. Despite all the propagation of its investment plan, China has yet to sufficiently follow up with action, thereby losing much credential from the Latin American states. On the contrary, it is very much regarded as the main cause for industrial hauling in many of these states.

Third, it is true that there has been a growing tendency among the Latin American states to hedge China against the US in pursuit of their interests, especially political one. China and Latin America do share interests in many aspects of the world affairs, ranging from new international order to poverty reduction. Although in many cases, the voting behavior of Latin American states at the UN would be more congruent with the US than China, it has been worrisome in the eyes of Washington in recent years. For example, what took the US by surprise was that Chile and Mexico opposed a resolution endorsing the invasion of Iraq in 2003. Even Colombia also opposed. The more surprising fact is that the former two nations are regarded by the US as its traditional strong allies, yet they went against it.<sup>20</sup>

Four, Washington does not have to be too concerned about China's growing ties with

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<sup>20</sup> Only El Salvador has troops in Iraq, and "very few Latin American countries support the Iraq war." Sebastian Edwards, "Will the US 'lose' Latin America?" *Project Syndicate*, November 7, 2005, accessed online at [http://www.project-syndicate.org/print\\_commentary/edwards4/English](http://www.project-syndicate.org/print_commentary/edwards4/English) on October 11, 2007.

Latin America for power asymmetry reasons.<sup>21</sup> Or as David Lampton would put it, it is “a subject of concern” but “not a crisis” (Lampton 2005: 4). Left-wing leaders of Latin American states will not be troubling, either. To the contrary of what has been depicted in the media, only four nations have a left-wing leader out of 33 nations. Stories of leaders like Chavez and others left-wing leaders and their relationships with China are often overemphasized, and sometimes exaggerated,<sup>22</sup> because leaders of these states still depend on the US as a source of legitimacy (Horta 2008).<sup>23</sup> Their legitimacy pertains to the success of, not military expansion or influence based on such, but national development, which still heavily depends on the US market and assistance. Latin America, indeed, is at a critical juncture, a critical crossroads. Its international profile is undergoing a serious transformation with economic recovery. Its economic importance as a major supplier of raw materials and natural and energy resources that are very much sought by the world has promoted its economic status, endowing it with much greater leverage. Hence, the bilateral relationship between China and Latin America will not be a challenging issue to the regional order but will be an issue of adjustment to meet their mutual benefits and interests. Implication of such adjustment will be great if they can turn their relationship into a mutually beneficial one in light of new international order. Continuous promotion of mutual understanding and deepening interdependence will have a gravitational effect on cooperation towards their world outlook to the extent that will be worrisome to the rest of the world, but only in the long-term.

Nevertheless, this study as a preliminary one inherently bears some noteworthy limitations. How the dynamics of bilateral relations between China and the US will, for instance, influence China’s Latin American policy. China’s Latin American policy report is a mere extension of its policy toward developing countries. Hence, the strategies employed to pursue policy goals and interests do not seem to be much different from the traditional ways of improving relations with those once neglected. How America’s relations with the Latin American states and/or region are factored in China’s policy-making process is another topic that deserves further analysis. How Latin American states perceive China’s rise is also a question that could entail significant strategic implications to understanding the dynamics of China-US-Latin American relations.

Given the implications of China’s growing engagement and ensuing influence in Latin America and the Caribbean, and the increased possibility that China and the regions may pursue interest-oriented diplomacy, it is hoped that the preliminary analysis will spur more research about this topic. This article suggests several future avenues in the field of Sino-Latin American relations. The influence of enhanced bilateral relationship appears to be on the rise in America’s strategic thinking on its backyard. Assessing the degree of the influence

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<sup>21</sup> Malik, “China’s Growing Involvement in Latin America,” p. 6.

<sup>22</sup> Humphrey Hawksley, “US Alarm at China’s Latin Influence,” BBC, April 1, 2006, accessed online at [http://news.bbc.co.uk/1/hi/programmes/from\\_our\\_own\\_correspondent/4865122stm](http://news.bbc.co.uk/1/hi/programmes/from_our_own_correspondent/4865122stm) on May 2, 2006.

<sup>23</sup> One such prominent article in recent time argues that Chavez and neighboring states are aligning to secure the survival of their regimes and expand influence in the region through the expansion of military means including procurement of military weapons from China, Russia, Spain, and others as well as communists insurgents in Columbia, for instance. They could act as a source of instability and further exacerbate their relationship with the US. That is one side of the story of a coin, however, and the other side of the coin still tells us the importance of their reliance on the US for their energy resource-driven economy.

generated from the development of the bilateral relationship and the manner in which it exerts will be critical to understanding the dynamic of the trilateral relationship and its influence on the Sino-American relations in the region in the future, given the formation of such trilateral relationship in the region.

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