

# TEMPO DO MUNDO

Volume 2 | Número 2 | Julho 2016

## **A HONEYMOON WITH CHINA? PUBLIC PERCEPTIONS IN LATIN AMERICA AND BRAZIL**

Ariel C. Armony

Nicolás G. Velásquez

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Rebecca Ray

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## APRESENTAÇÃO

A você, nosso leitor, apresentamos o segundo número desta série especial da *Revista Tempo do Mundo* sobre a presença chinesa na região em desenvolvimento da América. Após o primeiro volume cumprir a função de tratar especificamente da relação sino-brasileira, este segundo perscruta, com um olhar atento, as relações bilaterais entre países selecionados da região – Argentina, Brasil e Venezuela – e o gigante asiático, entre outros temas referentes à conexão da América Latina com a China.

Mais uma vez, o ofício de reunir e coordenar os artigos aqui expostos é creditado e confiado aos egrégios professores José Augusto Guilhaon Albuquerque e Leila da Costa Ferreira, a quem prestamos nossa mais distinta gratulação.

Com este volume, encerramos, por ora, a série especial da *Revista Tempo do Mundo*, com o juízo de gratificação de tarefa cumprida com primor e presteza e com resultados positivos para a realização de novos números especiais no futuro, sobre os mais diversos temas. Por ora, daremos continuidade ao expediente ordinário do periódico.

Boa leitura!

**Os Editores**

## PRESENTATION

To you, our reader, we present the second number of this special series of *Revista Tempo do Mundo* on the Chinese presence in America's developing region. After the first volume focus specifically on the Sino-Brazilian relationship, this second one peers with a close look at the bilateral relations between selected countries in the region – Argentina, Brazil and Venezuela – and the Asian giant, among other topics related to the connection between Latin America and China.

Again, the effort of gathering and coordinating the articles herein is credited and entrusted to the esteemed professors José Augusto Guilhon Albuquerque and Leila da Costa Ferreira, whom we pay our most distinguished congratulation.

With this volume, we ended for now, the special series of *Revista Tempo do Mundo*, with the feeling of duty accomplished, deftly and swiftly, and with positive feedback for the future new special numbers, on different themes. For now, we will continue the ordinary regular journal.

Enjoy your reading!

**Editors**

## PRESENTACIÓN

A usted, nuestro lector, le presentamos la segunda edición de esta serie especial de la *Revista Tempo do Mundo* sobre la presencia China en la región en desarrollo de América. Después del primer volumen analizar específicamente la relación China-Brasil, este segundo trata con ojos atentos las relaciones bilaterales entre el gigante asiático y algunos países seleccionados de la región – Argentina, Brasil y Venezuela – entre otros temas de la conexión de Latinoamérica con China.

Una vez más, el mérito para reunir y coordinar los artículos en este documento se acredita a los estimados profesores José Augusto Guilhon Albuquerque y Leila da Costa Ferreira, a quienes rendimos nuestro más distinguido agradecimiento.

Con este volumen, finalizamos, momentáneamente, la serie especial de la *Revista Tempo do Mundo*, con el sentimiento de deber cumplido con destreza y rapidez, y con resultados positivos para la creación de nuevas series especiales en el futuro, sobre distintos temas. Por el momento, volveremos a los números ordinarios de la Revista.

¡Buena lectura!

**Editores**



## INTRODUÇÃO

José Augusto Guilhon Albuquerque<sup>1</sup>

No primeiro número<sup>2</sup> desta edição especial da *Revista Tempo do Mundo*, sobre a presença da China no Brasil e na região, tratamos especificamente das relações bilaterais da América Latina com a China no que diz respeito a comércio, investimento, energia e meio ambiente. Para contextualizar as análises apresentadas naquele volume, esboçamos um breve histórico das relações bilaterais da América Latina e, em especial, do Brasil com a China.

Um primeiro ponto ressaltado diz respeito ao caráter recente dessa relação, uma vez que os laços diplomáticos e comerciais só normalizaram-se a partir da década de 1970, posteriormente à aproximação entre China e Estados Unidos durante o governo Nixon. As relações econômicas, sobretudo comerciais, ainda permaneceram mornas até o início deste século, e o fluxo de investimento manteve-se pouco relevante até a crise financeira de 2008.

O principal obstáculo – que ainda se manifesta – é o mútuo desconhecimento entre os países latino-americanos e a China. Outro obstáculo é a precedência dada de longa data, pelos chineses, aos países africanos, no que concerne ao comércio de *commodities* e aos investimentos ligados ao comércio. Além disso, a China manteve-se cautelosa em respeito ao que considerava uma área de influência americana.

Apenas nos anos 1990, após a abertura para o exterior, e no rescaldo do isolamento sofrido pela China por causa dos acontecimentos da Praça da Paz Celestial (Tiananmen) em 1989, as relações bilaterais começaram lentamente a adensar-se, crescendo drasticamente no início deste século.

Este número desta edição especial trata do lugar da América Latina entre os interesses geopolíticos da China, e de como os chineses ajustam-se aos interesses latino-americanos.

Vários artigos incluídos neste segundo número abordam o tema de uma perspectiva nacional. Dois deles, redigidos por acadêmicos de universidades chinesas, centram sua análise na China. Jean-Marc F. Blanchard, em seu artigo *Aspectos políticos dos investimentos chineses na América Latina* adota um ponto de vista geopolítico e investiga o lugar ocupado pela América Latina entre os interesses chineses e como eles ajustam-se aos interesses dos países latino-americanos. Zhang Qingmin, no trabalho intitulado *Assimetria complexa: uma perspectiva*

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2. *Revista Tempo do Mundo* volume 2, número 1 (2016). Disponível em: <<http://goo.gl/9vBF0d>>.

*comparada das relações da China com a África e a América Latina*, compara o lugar da América Latina e o da África na política externa chinesa, salientando as similaridades e as diferenças entre ambas.

A Argentina é o objeto do artigo de Felipe de la Balze – *Entre “contos chineses” e a realidade: o surgimento da China, um dilema central da política exterior argentina*. A Venezuela é abordada por Carlos A. Romero, em seu artigo *Novas diretrizes na associação Venezuela-China*. O tema em pauta é a diversidade de dimensões envolvidas nas relações bilaterais dos dois países com a China e aponta o caráter ambíguo como o parceiro asiático é encarado pelos países latino-americanos. E o caso brasileiro é tratado por José Augusto Guilhaon Albuquerque no estudo *A parceria Brasil-China e os Estados Unidos*, que analisa a *natureza* da parceria estratégica brasileira com a China e seus efeitos sobre as relações bilaterais do Brasil com a China.

Os demais artigos abordam a América Latina como um todo. No primeiro, intitulado *Uma lua de mel com a China? Percepções públicas na América Latina e no Brasil*, Ariel C. Armony e Nicolás G. Velásquez, com base na literatura e nos dados estatísticos, tentam entender a perspectiva das sociedades latino-americanas sobre a presença chinesa em sua região. No segundo trabalho que retrata a América Latina – *China e América Latina: da oportunidade ao desafio* –, Raúl Bernal-Meza examina as relações bilaterais dos países latino-americanos com a China em perspectiva geopolítica. E, por fim, Rebecca Ray e Kevin P. Gallagher, em *A China na América Latina: dimensões ambiental e de desenvolvimento*, abordam o impacto da presença chinesa sobre o desenvolvimento regional, além de seus efeitos ambientais

Em seu conjunto, esses estudos apontam o caráter denso e multidimensional das relações bilaterais entre a região e a China e sublinham a ambivalência com que o parceiro chinês é encarado pelos seus parceiros latino-americanos. Eles refletem, dentro de suas áreas de investigação, o estado atual do conhecimento internacional sobre o tema.

## INTRODUCTION

José Augusto Guilhon Albuquerque<sup>1</sup>

The first issue<sup>2</sup> of this special edition of *Revista Tempo do Mundo* on China's presence in Brazil and Latin America, dealt specifically with trade, investment, energy and environment. In order to put into perspective the studies included in that issue, we have outlined a short history of bilateral relations between Latin America – especially Brazil – and China.

The first topic addressed concerns how novel this relationship is after all. Diplomatic relations and later on commerce between the two parts were only established after the rapprochement between China and the United States, during the Nixon government in the 1970s. Despite that, economic relations between Latin America and China remained lukewarm until the first years of this century, and the relevance of investment flows remained low until the international financial crises of 2008.

Among the obstacles to full economic and political relationships, the mutual lack of familiarity between Latin American countries and China is paramount. Another hurdle to overcome is the priority that has long been given by China to another less developed region. Indeed, Latin America lagged far behind African countries in terms of commodities trade and trade-related investment. Besides, China has been very cautious regarding a region considered an area of influence of the U. S.

It was only in the 1990s, after China's opening up, and especially in the aftermath of China's relative isolation that followed the Tiananmen events in 1989, that bilateral relations between Latin American countries and China became denser, and increased dramatically in the early 21st century.

The current issue of this Special Edition deals with the place of Latin America among Chinese geopolitical interests, and how the Chinese adjust to Latin American countries' interests.

Several articles included in this second issue approach the issue from a national perspective. Two of them, written by scholars from Chinese universities, focused its analysis on China. Jean-Marc F. Blanchard (*Political aspects of Chinese investment in Latin America*) adopts a geopolitical point of view and investigates the role played by Latin America among Chinese interests and how they fit the

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1. Professor of international relations, Department of Economics, University of São Paulo (USP) and senior research fellow, Wong Center for the Study of Multinational Corporations.

2. *Revista Tempo do Mundo* volume 2, number 1 (2016). Available at: <<http://goo.gl/9vBF0d>>.

interests of Latin American countries. Zhang Qingmin (*Complex asymmetry: a comparative perspective on China's relations with Africa and Latin America*) compares the place of Latin America and Africa in Chinese foreign policy, focusing on similarities and differences in trade and investment trends.

Argentina is the main subject of Felipe de la Balze's contribution (*Between "Chinese stories" and the reality: the rise of China, a central dilemma for the Argentinian foreign policy*) and Carlos A. Romero (*New directions in Venezuela-China partnership*) deals with Venezuela's case. Both underline the numerous dimensions involved in the two countries bilateral relations with China and the ambiguous perceptions of Latin American countries *vis-à-vis* their Asian partner. The Brazilian case is tackled by José Augusto Guilhon Albuquerque (*Brazil/China partnership and the United States*). His article analyses the impacts of the Brazilian strategic partnership with China on the former's bilateral relations with the U. S.

The remaining articles deal with Latin America at large. Ariel C. Armony and Nicolás G. Velásquez (*A honeymoon with China? Public perceptions in Latin America and Brazil*) try to assess the perspective of Latin American societies based in statistic data and the international literature. In his article *China and Latin America: from opportunity to challenge*, Raúl Bernal-Meza presents a geopolitical perspective of Latin American partnership with China. And Rebecca Ray and Kevin P. Gallagher deal with the impact of China's presence on Latin America's development and on the regions environment in *China in Latin America: environment and development dimensions*.

Together these studies point out the dense nature and multidynamic character of China-Latin American bilateral relations, besides underscoring the ambivalent Latin American perception of the chinese partner. Taken together theses studies reflect the current state of international knowledge in their respective areas of study.

## INTRODUCCIÓN

José Augusto Guilhon Albuquerque<sup>1</sup>

En el primer número<sup>2</sup> de la edición especial de *Revista Tempo do Mundo* acerca de la presencia de China en Brasil y la región, tratamos específicamente de las relaciones bilaterales de América Latina con China en materia de comercio, inversión, energía y medio ambiente. Para contextualizar los análisis presentados en aquél volumen, ahora aquí se describe una breve historia de las relaciones bilaterales de China con América Latina, especialmente con Brasil.

Un primer punto importante es el carácter reciente de esta relación, ya que las relaciones diplomáticas y comerciales, sólo se normalizaron a partir de los años 1970, después del acercamiento entre China y los Estados Unidos durante la administración Nixon. Las relaciones económicas, en particular el comercio, se mantuvieron lentas hasta principios de este siglo, y los flujos de inversión se mantuvieron poco relevantes hasta la crisis financiera de 2008.

El principal obstáculo – que todavía está presente – es la ignorancia mutua entre los países de América Latina y China. Otro obstáculo es la prioridad dada desde hace mucho tiempo, por los chinos, a los países africanos en lo que dice respecto al comercio de *commodities* e inversiones relacionadas al comercio. Además, China se mantuvo cautelosa en cuanto a lo que considera un área de influencia de los Estados Unidos.

Sólo en los 1990 años, después de la apertura hacia el exterior, y como consecuencias del aislamiento sufrido por China después de los acontecimientos de la Plaza de Tiananmen (Tiananmen) en 1989, las relaciones bilaterales empezaron lentamente a espesar, creciendo dramáticamente a principios de este siglo.

Este número de la edición especial China discute el lugar de América Latina entre los intereses geopolíticos de China y cómo esos intereses se ajustan a los de América Latina.

Varios artículos incluidos en esta segunda edición abordan la cuestión desde una perspectiva nacional. Dos de ellos, escritos por académicos de universidades chinas, centran su análisis en China. Jean-Marc F. Blanchard (*Aspectos políticos de las inversiones chinas en Latinoamérica*) adopta un punto de vista geopolítico y e investiga el papel desempeñado por América Latina entre los intereses chinos y cómo ellos se ajustan a los intereses de los países de América Latina.

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2. *Revista Tempo do Mundo* volumen 2, número 1 (2016). Disponible en: <<http://goo.gl/9vBF0d>>.

Zhang Qingmin (*Asimetría compleja: una perspectiva comparada sobre las relaciones de China con África y América Latina*) compara las ubicaciones de América Latina y África en la política exterior de China, destacando las similitudes y diferencias entre estas relaciones.

Argentina es objeto del artículo Felipe de la Balze (*Entre los “cuentos chinos” y la realidad: el surgimiento de China, un dilema central de la política exterior argentina*). Venezuela es analizada por Carlos A. Romero (*Nuevas directrices en la asociación Venezuela-China*). El tema en cuestión es la diversidad de dimensiones que intervienen en las relaciones bilaterales de los dos países con China y el carácter ambiguo de la visión de los países latinoamericanos acerca del socio asiático. El caso de Brasil es estudiado por José Augusto Guilhon Albuquerque (*La alianza Brasil/China y los Estados Unidos*). El artículo analiza los efectos de la asociación estratégica de Brasil con China y sus efectos en las relaciones bilaterales entre los países.

Los artículos restantes analizan América Latina en su conjunto. Ariel C. Armony y Nicolás G. Velásquez (*¿Una luna de miel con China? Percepciones públicas en América Latina y Brasil*), con base en la literatura y datos estadísticos, tratan de entender los puntos de vista de las sociedades de América Latina sobre la presencia china en la región. En su artículo *China y América Latina: de la oportunidad al desafío*, Raúl Bernal-Meza analiza las relaciones entre países latino-americanos y China en perspectiva geopolítica. Finalmente, Rebecca Ray y Kevin P. Gallagher, tratan del impacto de la presencia china en el desarrollo regional, además de sus efectos ambientales en *China en Latinoamérica: dimensiones del ambiente y del desarrollo*.

Tomados en conjunto, estos artículos señalan el carácter denso y multidimensional de las relaciones bilaterales entre la región y China, y subrayan la ambivalencia con la que el socio chino es comprendido por sus socios latinoamericanos. Reflejan así, dentro de sus áreas de investigación, el estado actual del conocimiento internacional sobre el tema.

# A HONEYMOON WITH CHINA? PUBLIC PERCEPTIONS IN LATIN AMERICA AND BRAZIL

Ariel C. Armony<sup>1</sup>

Nicolás G. Velásquez<sup>2</sup>

Sino-Latin American trade grew dramatically since the turn of the century, with the commercial relationship between Brazil and China leading the regional trend. Bilateral trade grew almost fifteen-fold between 2000 and 2013, with a trade balance favoring Brazil. The resulting relationship has matured, and is nowadays evolving beyond mere trade into a complex matrix that includes developmental, political, cultural, and “soft power” dimensions involving not just state and corporate actors, but common citizens as well. This article seeks to move the discussion forward by contrasting Latin American and Brazilian perceptions of China obtained from public opinion polls. The focus is placed on how the particular nature of the early Sino-Brazilian economic and political interactions enabled a mild “honeymoon” from the perspective of Brazilians, in which socioeconomic or ideological positions had little impact on the general positive opinion of China. Nonetheless, this “honeymoon” should not be taken for granted, as the exchange that was favorable to Brazil in the early stages is likely to change in the near future.

**Keywords:** China-Brazil relations; trade; public opinion; soft power; perceptions.

## UMA LUA DE MEL COM A CHINA? PERCEPÇÕES PÚBLICAS NA AMÉRICA LATINA E NO BRASIL

O comércio China-América Latina cresce dramaticamente desde a virada do século, com a relação comercial entre Brasil e China liderando a tendência regional. O comércio bilateral cresceu quase quinze vezes entre 2000 e 2013, com uma balança comercial favorecendo o Brasil. A relação resultante amadureceu e, hoje, além do comércio, engloba uma matriz complexa que inclui dimensões de desenvolvimento, política, cultura e *soft power*, envolvendo não apenas atores estatais e corporativos, mas também os cidadãos comuns. Este artigo analisa as percepções latino-americanas e brasileiras em relação à China a partir de pesquisas de opinião pública. Foca-se especialmente em como a natureza das primeiras interações político-econômicas sino-brasileiras permitiram que se criasse, na perspectiva dos brasileiros, a imagem de uma “lua de mel” entre os países, na qual posições socioeconômicas ou ideológicas tiveram pouco impacto na avaliação global positiva da China. No entanto, esta “lua de mel” não deve ser tomada como dada, uma vez que as relações de troca, inicialmente favoráveis ao Brasil, provavelmente sofrerão alterações em um futuro próximo.

**Palavras-chave:** relações China-Brasil; comércio; opinião pública; *soft power*; percepções.

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## ¿UNA LUNA DE MIEL CON CHINA? PERCEPCIONES PÚBLICAS EN AMÉRICA LATINA Y BRASIL

El comercio entre China y América Latina ha crecido de manera espectacular desde el inicio del siglo con la relación comercial entre Brasil y China liderando la tendencia regional. El comercio bilateral ha crecido cerca de quince veces entre 2000 y 2013, con la balanza comercial favorable a Brasil. La relación resultante ha madurado y hoy, además del comercio, abarca una matriz compleja que incluye dimensiones del desarrollo, política, cultura y *soft power*, involucrando no sólo a los actores estatales y corporativos, sino también a los ciudadanos. Este trabajo analiza las percepciones de América Latina y de Brasil hacia China desde las encuestas de opinión. Se centra sobre todo en la naturaleza de las primeras interacciones políticas y económicas entre China y Brasil, las cuales han permitido a los brasileños crear una imagen de una "luna de miel" entre los dos países, de modo que las posiciones socio-económicas o ideológicas tuvieron poco impacto en la valoración general positiva de China. Sin embargo, esta "luna de miel" no debe darse por hecha, ya que las relaciones de comercio inicialmente favorables a Brasil probablemente cambiarán en el futuro cercano.

**Palabras clave:** relaciones China-Brasil; comercio; opinión pública; *soft power*; percepciones.

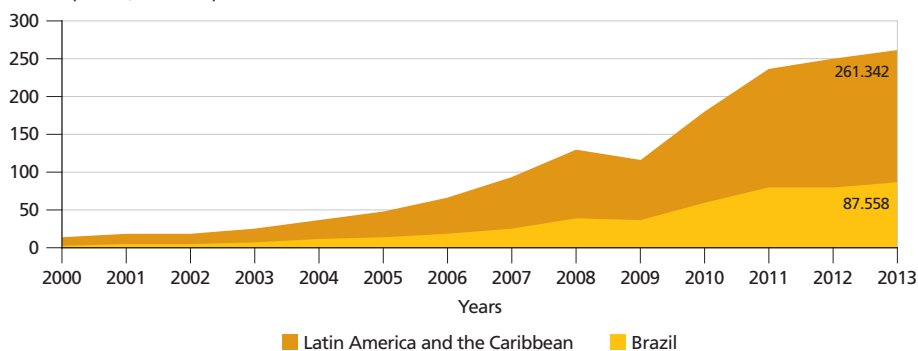
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### 1 INTRODUCTION

The trade relationship between China and South America has grown dramatically since the turn of the century. The official Chinese policy of "going out" has certainly favored this drive, along with the Asian country's demand for natural resources and new markets for its manufactures. South American nations have welcomed China: the newcomer is today among the top three trading partners of most South American economies.

According to the United Nations Conference on Trade and Development (UNCTAD), the regional bilateral trade reached a record volume of US\$ 261.3 billion in 2013 (figure 1). Since the turn of the century, Brazil has been at the forefront of this dynamic relationship. Sino-Brazilian trade grew almost fifteen times between 2000 and 2013, and in that last year, it alone amounted to 34% of the total China-Latin American and Caribbean commercial exchange. Furthermore, Brazil has enjoyed a favorable trade balance with China since 2009. In 2013, Brazil's favorable trade balance was about 13% of the total bilateral exchange (UNCTAD, 2014).

FIGURE 1  
**Trade: driver of a deepening relationship**  
 (In US\$ millions)



Source: UNCTAD (2014).

Elaborated by the author.

Note: Brazil's share is emphasized.

Most of the academic and policy attention has been placed on the trade and investment dimensions of this rapidly evolving relationship (Dussel-Peters, 2014; Gallagher and Porzecanski, 2008; Rosales and Kuwayama, 2012). Debates over the developmental impact and challenges brought up by China's "arriving in" Latin America also abound (Rosales and Mulder, 2012; Gallagher and Porzecanski, 2010; Marques, 2009). Mainstream international relations scholars have followed closely the relationship, asking questions about the opportunities and challenges this commercial link poses to the hemispheric and regional *status quo* (Arnson and Davidow, 2011; Ellis, 2014b; Roett and Paz, 2008).

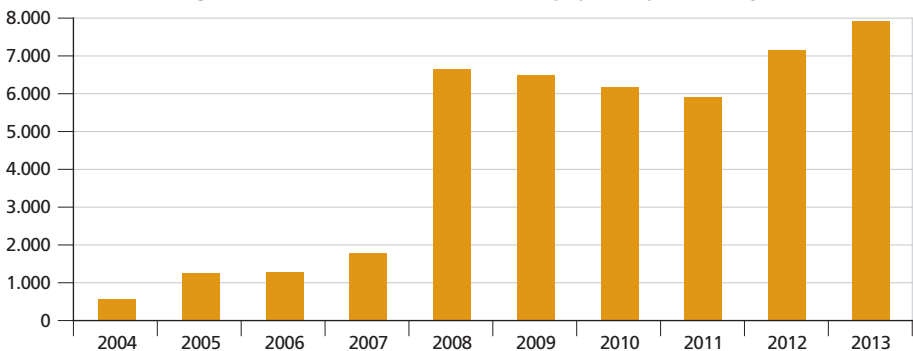
It is only natural that, as the relationship matures, new perspectives attain increasing relevance. For Latin America and China, this relationship is not just a commercial partnership (Moreira *et al.*, 2010). The bilateral trade exchange is also an important platform, particularly for China as an ascending global power, to project its cultural presence and political influence abroad, and to develop and deploy soft power in the service of its national interests. One of the most pressing questions since the onset of the dramatic rise in trade between China and Latin America is, how much do the partners know and understand each other? This is not a trivial question. For instance, the special status of "strategic partners" that the governments of China and Brazil have conferred to each other requires a more sophisticated understanding of mutual perceptions (Dominguez *et al.*, 2006, p. 3; Oliveira, 2010; Strauss and Armony, 2012).

This article seeks to move the discussion forward by focusing on perceptions about China in Latin America. As such, it elaborates on previous work (Azpuru and Zechmeister, 2013) and incorporates a more detailed look at perceptions among Brazilians. These insights are key to understanding the ways in which China is incorporated as a key player into the mindsets and agendas of both Brazilians and Latin Americans in general.

The dramatic growth in the bilateral trade relationship is mirrored by the rise of news coverage about China in Latin America. Figure 2 shows the coverage (in Spanish only) about China in Latin American newspapers. In the case of Brazil, growth in trade has not necessarily translated into greater news coverage about China, as figure 3 indicates. The number of articles rose steadily until 2007, but since then it has kept a downward trend.

FIGURE 2

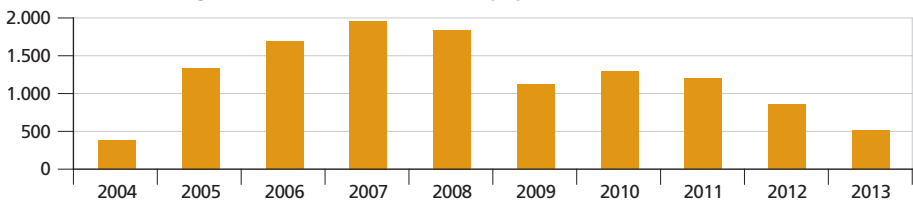
News coverage on China in Latin American newspapers (Spanish only)



Source: Latin... (2014).  
Elaborated by the author.

FIGURE 3

News coverage on China in Brazilian newspapers



Source: Latin... (2014).  
Elaborated by the author.

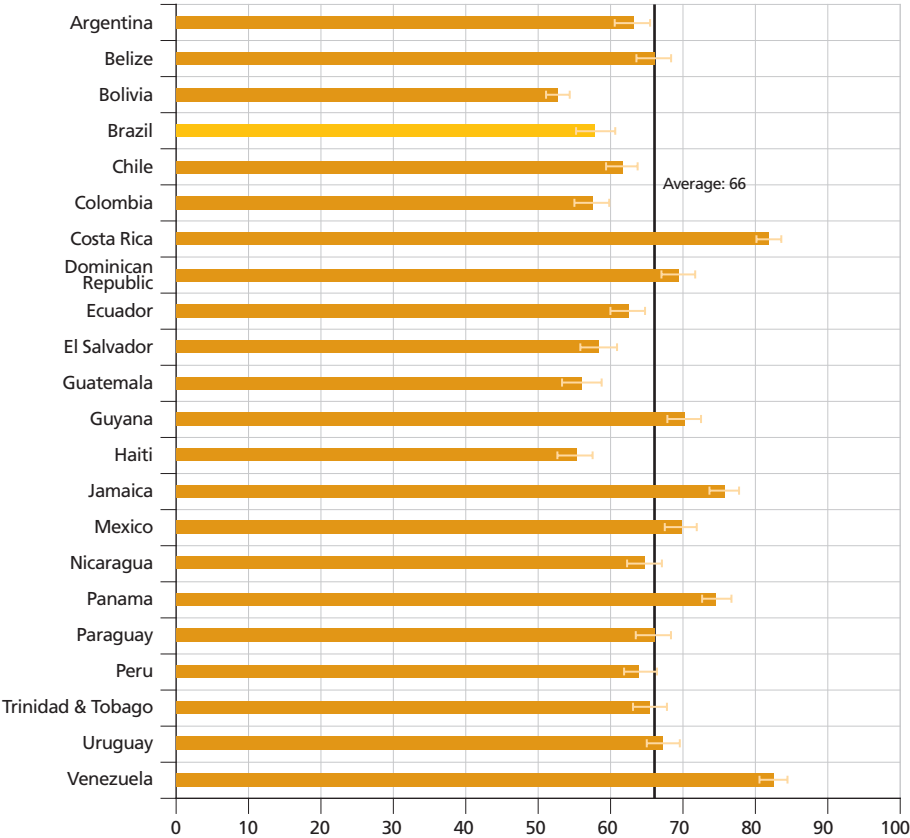
Recent studies suggest that, as the relationship between Latin America and China has been steadily maturing, the links between the partners are becoming more complex. If the first wave of the relationship witnessed a surge in trade, a more recent phase has been characterized by important Chinese investments in the region, with expanding Chinese business presence. This trend is leading to a more direct, day-to-day interaction, between the Chinese and Latin Americans. The dynamic of the relationship is thus changing; it is entering a stage that presents new challenges. These cannot be reduced exclusively to issues related to State or corporate relations, but they involve a transversal set of relations that connect a wide variety of actors (Ellis, 2014a). In this sense, the role of the media and public opinion in shaping the relationship are of fundamental importance (McCombs, 2004).

## **2 LATIN AMERICAN AND BRAZILIAN PUBLIC OPINION ON CHINA**

According to data from the 2012 Americas Barometer by the Latin American Public Opinion Project (Lapop), China is perceived favorably across Latin America and the Caribbean (Vanderbilt University, 2012). It is seen as an influence that is both mildly strong and mildly positive in the countries of the region. When researchers from Vanderbilt University compared trust in the government of the United States and that of extra-hemispheric powers, China was placed just below the United States on the trust scale, with both of them receiving scores of moderate trust, while other countries such as Russia and Iran were not seen as trustworthy (Azpuru and Zechmeister, 2013).

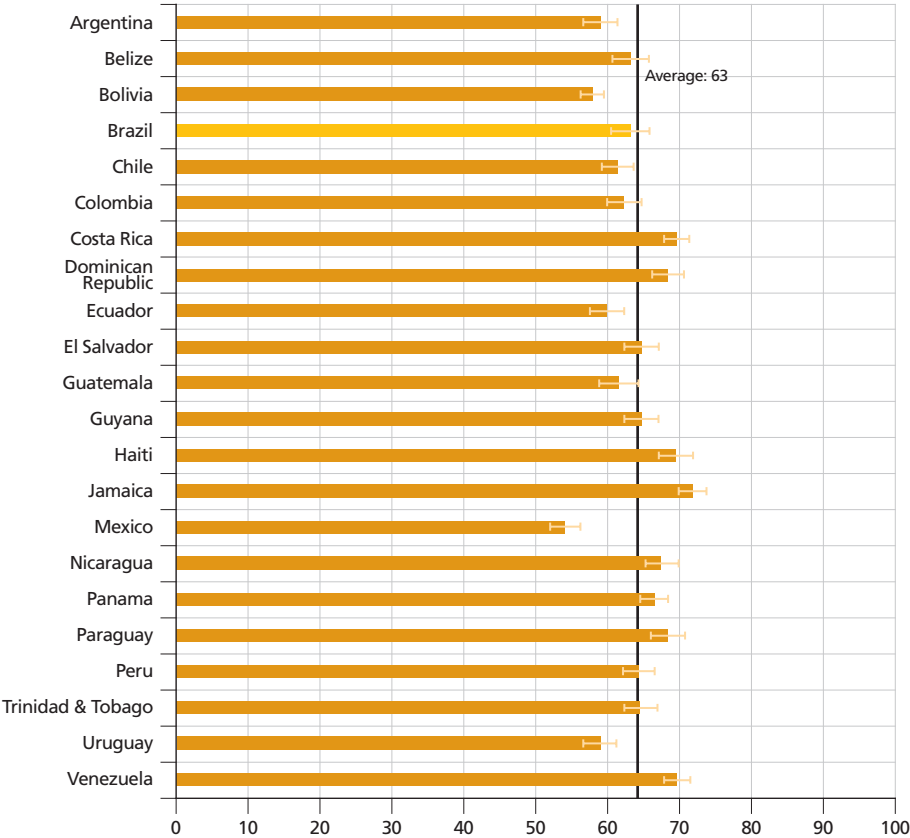
Brazilians rated China's presence just below the Latin American averages both in terms of the strength of Chinese influence over the region and the nature of Chinese influence over each Latin American country. It is interesting to note that regional heterogeneity on views regarding Chinese influence is minimal, which suggest that there is a mild public opinion honeymoon between Latin Americans and the Asian newcomer (figures 4 and 5).

FIGURE 4  
Strength of Chinese influence in Latin America



Source: Vanderbilt University (2012).  
Elaborated by the author.  
Note: Minimum value = 0; maximum value = 100.

FIGURE 5  
Nature of Chinese influence in Latin American countries



Source: Vanderbilt University (2012).  
Elaborated by the author.  
Note: Completely negative influence = 0; completely positive influence = 100.

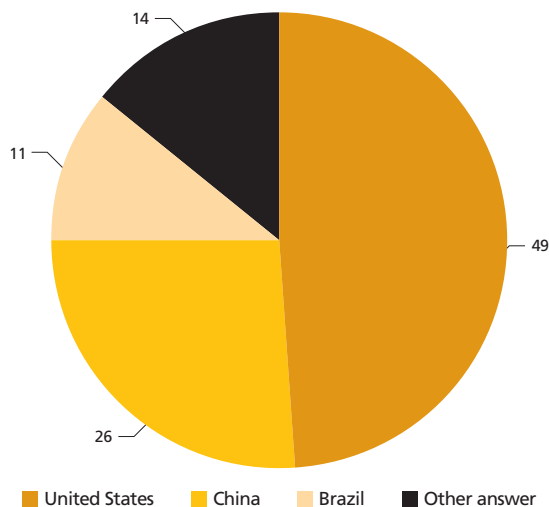
There is a clear sense that Chinese influence in the region will grow over the next decade. The polls show that in 2012 a quarter of respondents believed that China was already the most influential country in the region, and almost a third of them believed that it would be the most influential in 2022. While in both accounts China ranked below the United States, the United States position is expected to decline in contrast with the Chinese rise. In brief, Latin Americans expect a substantial shift in the relative influence of the United States and China over the next decade.

Brazilians tend to align with Latin Americans, with differences no greater than 1% (figures 6 and 7). Studies that have compared the public’s trust on the Chinese and the United States governments conclude that the former enjoys a more homogeneous image, while the latter shows greater variation across subregional economic blocs (Azpuru and Zechmeister, 2013). The rest of the Latin American

region sees Brazil's influence as more positive, albeit weaker, than that of China (Zechmeister *et al.*, 2013, p. 20).

FIGURE 6

**Most influential country in Latin America in 2012, according to Brazilians**  
(In %)

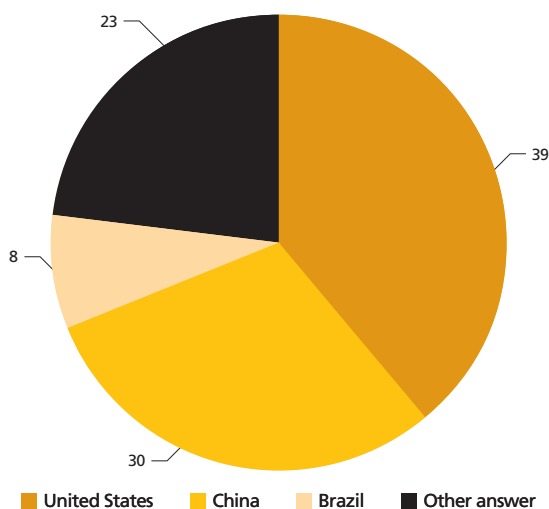


Source: Vanderbilt University (2012).

Elaborated by the author.

FIGURE 7

**Most influential country in Latin America in 2022, according to Brazilians**  
(In %)

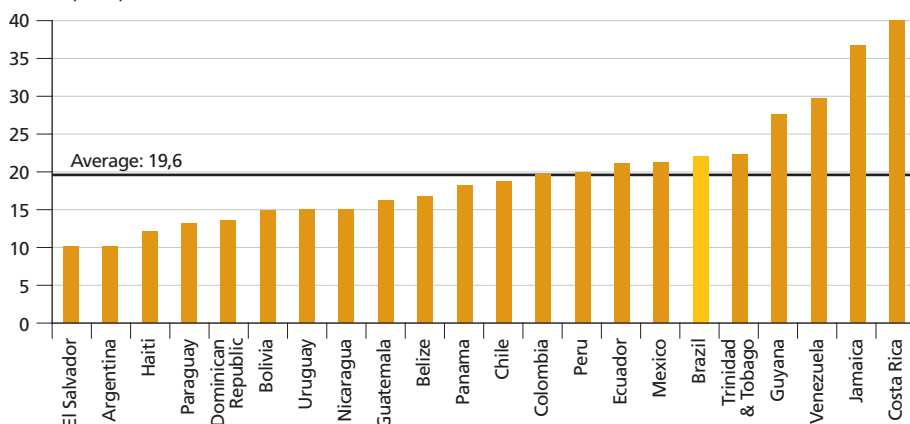


Source: Vanderbilt University (2012).

Elaborated by the author.

Despite these positive views on Chinese influence, Brazilians do not think of China as their preferred model for development. While there is greater heterogeneity among Latin American countries over their rate of preference for China as a model for development, Brazil's rate of 22.0% is very close to the regional average of 19.6% (figure 8).

FIGURE 8  
**China as the preferred model of development**  
(In %)



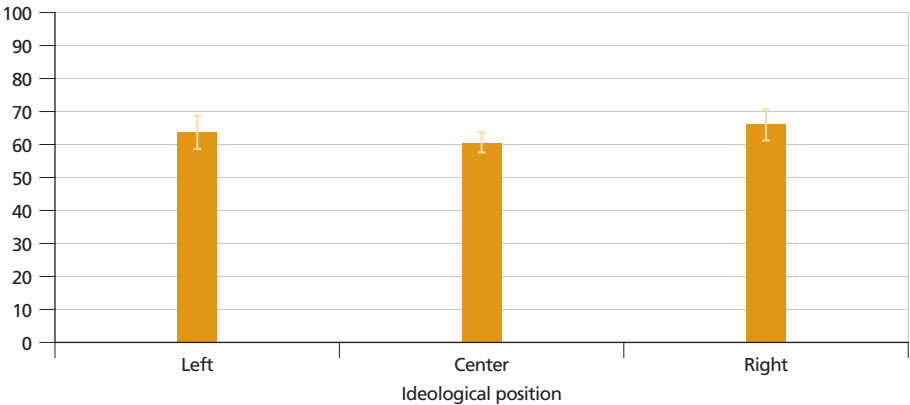
Source: Vanderbilt University (2012).  
Elaborated by the author.

More than 60% of the Brazilian respondents identified the United States or Japan as their preferred models of development. These are of course nations with liberal democracies and undisputedly capitalist markets, the ones that until the turn of the century were the unquestionable economic leaders in the Asia Pacific and the Americas, and with strong trade and migration ties with Brazil. Thus China's third place can have multiple readings. Other public opinion polls, as the Pew Research Center's Global Attitudes Project, explore in more detail the level of admiration and disposition toward the Chinese model. From the Pew Research Center's analysis, we can infer that while Brazilians, as the rest of Latin Americans, admire Chinese material and scientific development, they are less enthusiastic about Chinese cultural production and its projection in Latin America. Sixty-eight percent of Brazilians admire China's technology and science, but only 36% view the spread of Chinese ideas and customs as a positive trend (Pew Research Center, 2013, p. 28).

So far we have reported average results. The analysis thus begs the question: can the respondent's ideological position, socioeconomic level, or education background explain her attitudes toward China? It seems that not. When we cross the abovementioned

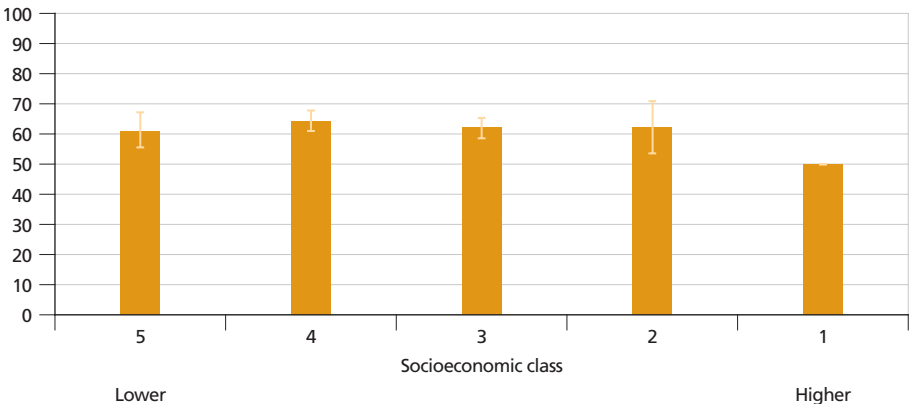
variables with respondents’ overall view of Chinese influence in the region, we get very similar results to the general average of 63 over 100 (figures 9, 10 and 11). These results suggest that the Chinese image as a positive influence on the region is generalized across socioeconomic and ideational variables, albeit there is reticence toward following China as a model. The question of how well informed is the public about the Chinese model is left open, a question that wide but shallow surveys as Americas Barometer and Pew Global Attitudes Project are not well suited to deal with (Armony and Velásquez, 2015).

FIGURE 9  
Brazil: perception by ideology



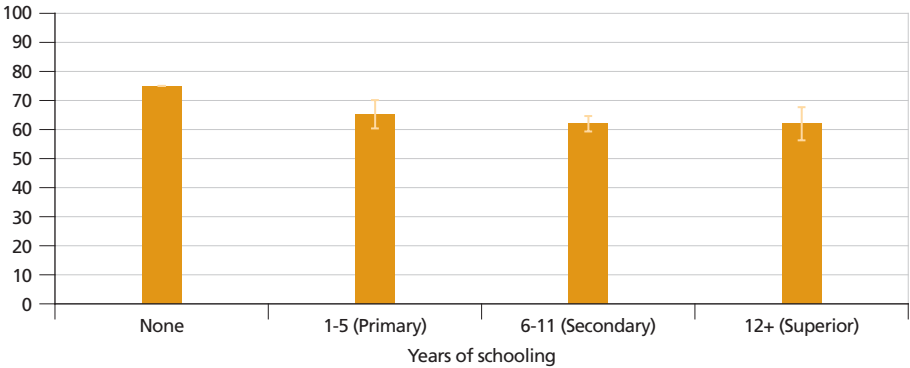
Source: Vanderbilt University (2012).  
Elaborated by the author.  
Note: Completely negative influence = 0; completely positive influence = 100.

FIGURE 10  
Brazil: perception by class



Source: Vanderbilt University (2012).  
Elaborated by the author.  
Notes: 1. Completely negative influence = 0; completely positive influence = 100.  
2. The number of respondents from the higher class was too small to calculate a 95% confidence interval.

FIGURE 11  
Brazil: perception by educational level

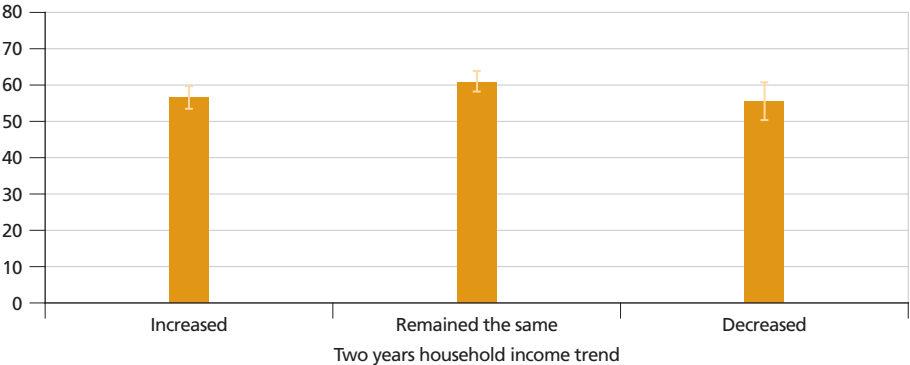


Source: Vanderbilt University (2012).  
Elaborated by the author.  
Notes: 1. Completely negative influence = 0; completely positive influence = 100.  
2. The number of respondents with no education was too small to calculate a 95% confidence interval.

3 CHINESE BUSINESS IN LATIN AMERICA AND BRAZIL

Both the Pew Global Attitudes Survey and the Americas Barometer hint toward Chinese business as the “weakest” flank of the Chinese “going out” policy in Latin America in terms of public opinion. While both surveys are different in their design and reach, they concur on one point: Latin American public opinion shows uneasiness with the way in which Chinese business activities are conducted in their countries. It is important to note that, especially in the Americas Barometer data, the perception of the economic impact that the Chinese presence has on national and household economies is mildly positive, in range with the previous measures (figures 12 and 13).

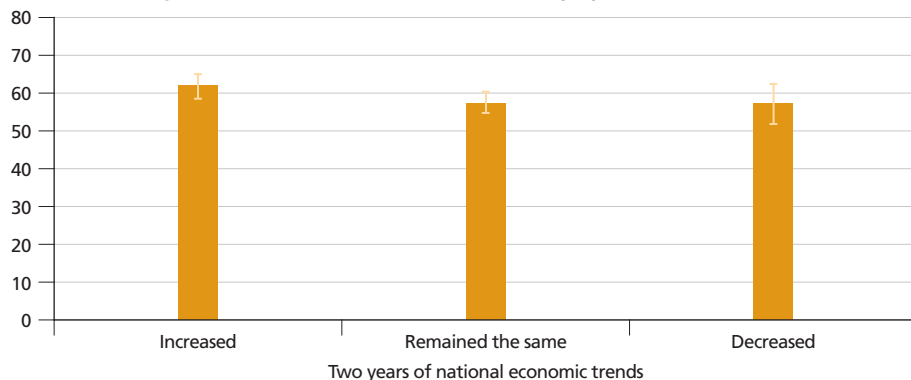
FIGURE 12  
Brazil: nature of Chinese business influence by trends of household income



Source: Vanderbilt University (2012).  
Elaborated by the author.  
Note: Completely negative influence = 0; completely positive influence = 100.

FIGURE 13

**Brazil: impact of Chinese business in the economy by trends of household income**



Source: Vanderbilt University (2012).

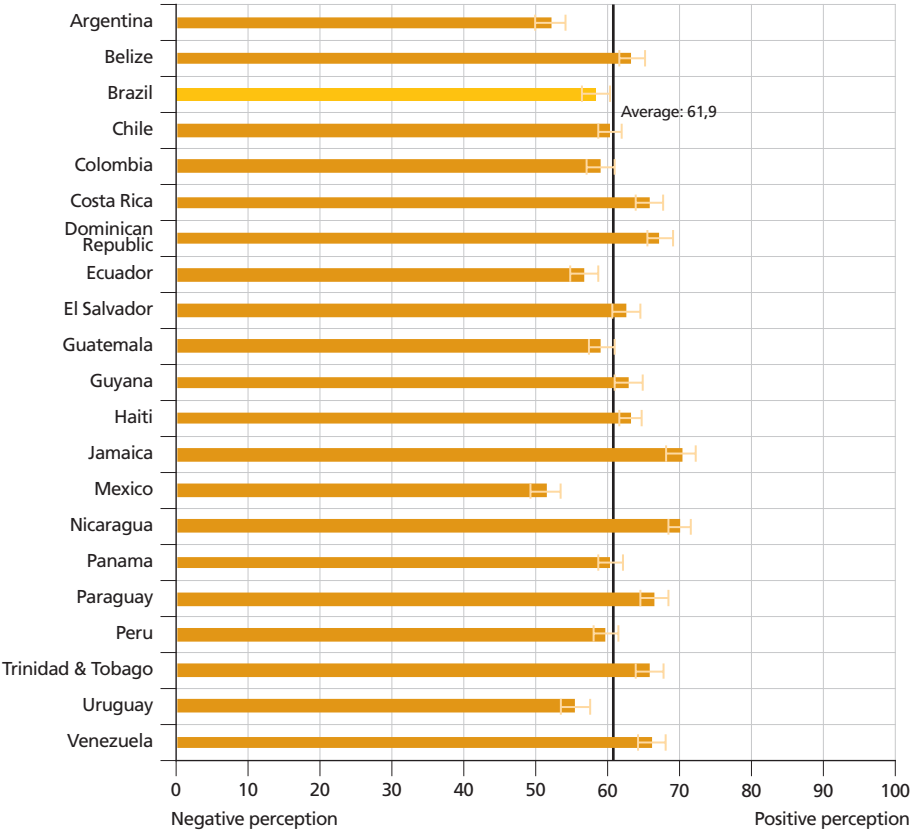
Elaborated by the author.

Note: Completely negative influence = 0; completely positive influence = 100.

Policy oriented and academic literature on Sino-Latin American relations has expressed concern over the long-term economic and developmental effects of the trade model that has characterized Latin America's relationship with China in recent years. Among the main concerns are the sustainability of a re-primarization of the Latin American economies, with the critical domestic effect of an erosion of the domestic industrial base, particularly in Mexico and the largest South American economies (Gallagher and Porzecanski, 2010; Rosales and Kuwayama, 2012; Becard and Macedo, 2014). Some commentators think that the conditions for a smooth trade honeymoon between China and Latin America are already at their natural decline (Ferchen, 2012). However, irrespective of the optimistic or pessimistic readings of the national and domestic economies from 2010 to 2012, the Americas Barometer data show that the average perception of Chinese influence remains very close to the general mark of 63 points. We may want to monitor the evolution of this perception over the next few years. It may be possible that, in a country as unequal as Brazil, visible or perceived challenges brought about by changes in the production and consumption cycles could translate into public opinion wariness of China.

For the time being, Brazilians' overall qualification of the impact of Chinese business on national development has been positive at 58 out of 100, and very close to the regional average of 62. In this respect, only Mexico and Argentina show a definite neutral view of Chinese influence, with scores bordering the 50 points mark. The rest of the countries have averages that surpass the 55 points mark (figure 14).

FIGURE 14  
**Brazil: impact of Chinese business on national development**



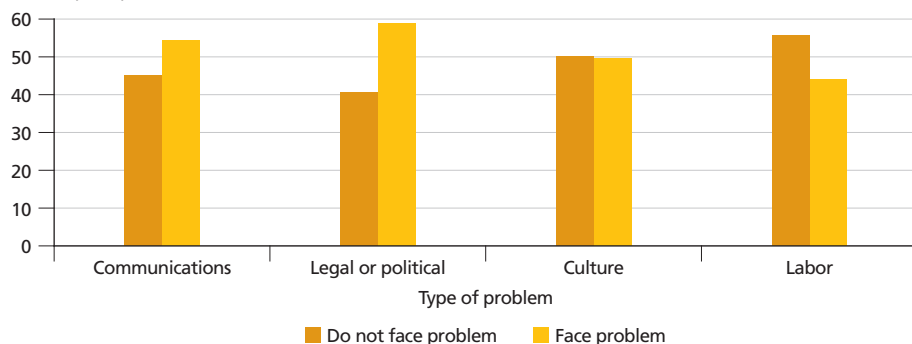
Source: Vanderbilt University (2012).  
Elaborated by the author.  
Note: Completely negative influence = 0; completely positive influence = 100.

It is worth exploring this issue in more detail. When people are asked whether they are aware of problems faced by Chinese businesses operating in their country, the responses clearly indicate that people entertain the notion that Chinese companies do meet with a variety of problems. Respondents highlight communication and legal or political problems with greater frequency than cultural and labor problems. Figure 15 shows the results for the case of Brazil.

FIGURE 15

**Problems facing Chinese business operating in Brazil**

(In %)



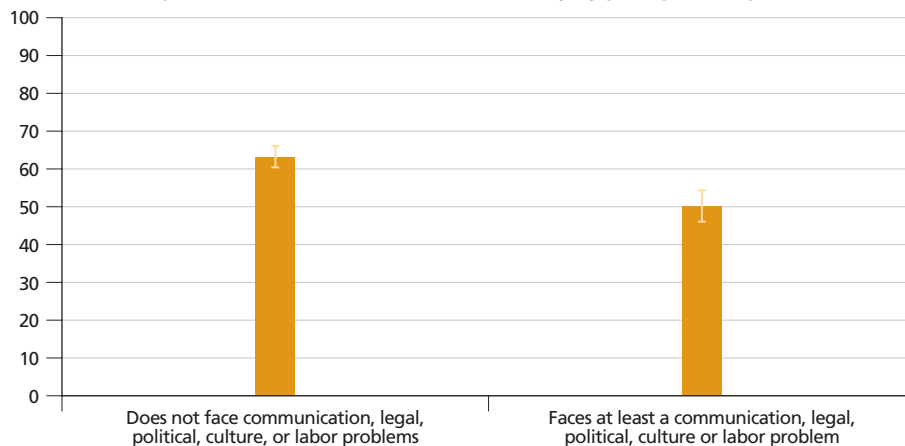
Source: Vanderbilt University (2012).

Elaborated by the author.

Our analysis of the Americas Barometer data reveals that the best predictor for negative views on Chinese influence was people's knowledge of Chinese business facing at least one type of problem (which could be a communication, legal/political, cultural, or labor problem). Figure 16 summarizes the results. This finding holds true for both Latin America as a whole as well as for Brazil in particular. In the latter's case, knowledge about Chinese companies having problems erodes in 13 points the perception of the benefits to the national economy of Chinese business, to the point where the view is turned to neutral, on the 50 points mark.

This is indeed relevant, because Chinese business presence in Brazil is rising, ranging from large corporate holdings to small detail business ran by Chinese (Lorentz, 2013). A report sponsored by the Inter-American Development Bank and the China-Brazil Business Council shows that, since 2007, Chinese foreign direct investment (FDI) in Brazil has translated into dozens of large Chinese corporations in the South American country, either by the establishment of local branches or through acquisition of previously existing operations. The report states that market-seeking investment is more prevalent than resource-extracting investment in absolute numbers, although the report does not disaggregate each category's share of Chinese FDI (Frischtak, Soares and O'Connor, 2013, p. 41-43). The report explains that stereotypes about Chinese investments in Brazil are relatively common, but emphasizes that these perceptions will change over time. According to the authors, China will be viewed as a "normal" albeit late-coming investor, whose presence should not raise eyebrows any more than any other investor operating under the laws and regulations which frame the activities of both domestic and foreign companies" (Frischtak, Soares and O'Connor, 2013, p. 86).

FIGURE 16

**Brazil: impact of Chinese business in the economy by perception of problems**

Source: Vanderbilt University (2012).

Elaborated by the author.

Note: Completely negative influence = 0; completely positive influence = 100.

These findings are in line with some of the most recent studies on Chinese companies' operations in Latin America. These studies argue that one of the most important challenges facing Chinese business is their ability to manage the multifaceted difficulties that they encounter in Latin America. It seems that the average citizen is aware of these problems. The question is whether there would be tolerance or whether the existence of these problems would erode the mild honeymoon between China and Latin America in the near future (Barbosa, Tepasse and Biancalana, 2014; Ellis, 2014a).

#### 4 CONCLUSION

Brazilian public opinion has met the initial stages of the Chinese "landing" with mildly positive views. Much in line with the rest of Latin America and the Caribbean region, Brazil's public has entertained a "mild public relations honeymoon" with China, the new trading and investing partner whose influence changed the economic outlook of the past decade. Furthermore, Brazilians, as well as Latin Americans, believe that China's influence in the region will increase in the future, not just in economic but in political terms as well. These opinions are until now transversal to socio-demographic variables, showing very slight variations across different segments of Brazilian society. In this sense, in terms of soft power, China has a moderately advantageous position upon which to project its image and interests further into Brazil and the region.

Nonetheless, there are evolving conditions that suggest that China's "public image honeymoon" with Brazil cannot be taken for granted in the near future.

First of all, there is the question of how well informed are the Brazilians on China, and on the dynamics of the bilateral relationship. Mainstream and specialized media's priming will undoubtedly play a significant role on the evolution of public opinion perceptions.

Second, the economic conditions that favored the bilateral trade boom enjoyed during the past decade and a half are at a natural deceleration. In this recent past, Brazil enjoyed an advantageous position through a positive trade balance, due mainly to the export of primary goods. However, the other side of the coin is the challenge posed to the Brazilian industrial base by the increasing competition from Chinese manufactures. The inherent difficulties in balancing these two dimensions are likely to translate into public policies and economic decisions that will impact the nature of the relationship and the public's perception of Chinese influence.

Additionally, the increasing presence of Chinese companies and products will turn the relationship into a more complex, day-to-day, experience. It is very telling that the strongest indicators of public malaise in recent polls come from perceptions over the problems faced by Chinese companies operating in Latin American countries. While this holds true for all the countries in the region, the comparatively larger Chinese FDI in Brazil will probably lead to stronger and sooner impacts on public awareness and public opinion in comparison with other Latin American countries.

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# POLITICAL ASPECTS OF CHINESE INVESTMENT IN LATIN AMERICA<sup>1</sup>

Jean-Marc F. Blanchard<sup>2</sup>

For some, China's increasing economic interdependence with Latin America, coupled with its extensive political relations and diverse other ties with countries in the region, herald a new regional, and perhaps even global, political and economic order with respect to bilateral political relations, international institutions, and the place of the United States. The literature on the political economy of national security, though, suggests we should be cautious about assuming a direct correspondence between economic stimuli and political behavior. This article probes what exactly is happening through an analysis of the politico-economy of China's investment relations with Latin America, focusing on the cases of China-Brazil and China-Venezuela ties. It finds that political variables play a crucial role in illuminating Brazil and Venezuela's stances towards China and that even broad and deep economic relations with China do not eliminate serious frictions with it or self-interested behaviors by Brazil and Venezuela. Furthermore, it shows that China considers a variety of non-economic factors when determining the nature of its relationship with these two Latin American states. In short, Chinese investment in Latin America, even layered on top of massive trade ties, does not seem to be having transformative political effects contrary to more sensationalist accounts.

**Keywords:** China; Brazil; Venezuela; political economy of national security; Chinese outward FDI.

## ASPECTOS POLÍTICOS DOS INVESTIMENTOS CHINESES NA AMÉRICA LATINA

Para alguns, a crescente interdependência econômica da China com a América Latina, juntamente às suas extensas relações políticas e aos laços com outros países da região, anunciam uma nova ordem político-econômica regional e, quiçá, global, no que diz respeito às relações políticas bilaterais, às instituições internacionais e ao lugar dos Estados Unidos. A literatura sobre a economia política da segurança nacional, no entanto, sugere que se deve manter cautela ao assumir uma correspondência direta entre estímulos econômicos e comportamento político. Este artigo investiga precisamente essa relação a partir de uma análise da economia política das relações de investimento da China na América Latina, com foco nos casos China-Brasil e China-Venezuela. Conclui-se que variáveis políticas desempenham um papel crucial ao iluminar posições do Brasil e da Venezuela em relação à China, e que relações econômicas amplas e profundas com o país não eliminaram alguns atritos e comportamentos egoístas por parte de Brasil e Venezuela. Além disso, mostra-se que a China considera uma variedade de fatores não econômicos para determinar a natureza da sua relação com estes países latino-americanos. Em resumo, o investimento chinês na América Latina, mesmo que embasado em fortes laços comerciais, não parece estar resultando em efeitos políticos transformadores, a despeito das predições mais sensacionalistas.

**Palavras-chave:** China; Brasil; Venezuela; economia política da segurança nacional; saídas de IED chinês.

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## ASPECTOS POLÍTICOS DE LAS INVERSIONES CHINAS EN LATINOAMÉRICA

Para algunos, la creciente interdependencia económica entre China y América Latina, junto con sus relaciones y alianzas con otros países de la región, anuncian un nuevo orden político-económico regional, tal vez mundial, en lo que se refiere a las relaciones políticas bilaterales, las instituciones internacionales y el lugar de los Estados Unidos. La literatura sobre la economía política de la seguridad nacional, sin embargo, sugiere que uno debe mantener la cautela en suponer una correspondencia directa entre los incentivos económicos y el comportamiento político. Este trabajo investiga precisamente esta relación a partir de un análisis de la economía política de las relaciones de inversión de China en América Latina, centrándose en los casos de China-Brasil y China-Venezuela. Se concluye que las variables políticas desempeñan un rol fundamental al destacar algunas posiciones de Brasil y Venezuela frente a China; y que las relaciones económicas amplias y profundas con el país no han eliminado algunas fricciones y comportamientos egoístas de Brasil y Venezuela. Además, muestra que China considera una variedad de factores no económicos para determinar la naturaleza de su relación con estos países latinoamericanos. En resumen, la inversión china en América Latina, aunque fundamentada en fuertes vínculos comerciales, no parece resultar en efectos políticos transformadores, a pesar de algunas exageradas predicciones.

**Palabras clave:** China; Brasil; Venezuela; economía política de la seguridad nacional; salidas del IED chino.

**JEL:** F21; F23; F51; F52; F68.

### 1 INTRODUCTION

The relationship between the People's Republic of China (PRC) and Latin America has been exploding along multiple dimensions for almost a decade. To be clear, the PRC (hereinafter China) certainly is not a new player in the region.<sup>3</sup> In the 1960s, China championed, albeit minimally, revolutionary movements in Latin America. Prior to the souring of its relationship with the Soviet Union, it supported Soviet-ally Cuba against the United States. Later, it backed anti-Soviet movements in various Latin American countries, supported anti-Soviet governments, and disparaged Cuba (Ratliff, 2009; Rothwell, 2013; Sutter, 2012, p. 323-326). It also has worked with players in the region for many years in order to wrest diplomatic recognition away from Taiwan, using promises of aid, loans, and investment as well as taking diplomatic measures against those supportive of Taipei (Li, 2007; Ratliff, 2009, p. 8; Sutter, 2012, p. 332-333).

It is really the explosion of China's economic ties with Latin America, though, that has captured the attention of observers. Among economic links, the most eye-catching is bilateral trade. In 1995, China's trade with Latin America ran a meager US\$ 5 million.<sup>4</sup> By 2011, it hit US\$ 240 billion (Fornes and Philip, 2014, p. 7). In 2013, it exceeded an astounding US\$ 260 billion (Trade..., 2014). Chinese outward foreign direct investment (OFDI) in Latin America also has been growing, though the trend is clearer than the specific amounts and geographic and sectoral distribution. In any event, per some studies, whereas Chinese OFDI (COFDI) in Latin America

3. Indeed, China and Latin America even had economic links in the 16th century (Fornes and Philip, 2014, p. 7).

4. All figures used herein are in United States dollars.

was approximately US\$ 285 million in 2004, it hit US\$ 1.6 billion in 2009, with the total stock of COFDI running roughly US\$ 4.5 billion in 2004 (Alves, 2013; Santibanes, 2009, p. 22; Kotschwar *et al.*, 2012, p. 3). By 2012, annual COFDI totaled an estimated US\$ 11.4 billion (Mallén, 2014). China further has provided billions in loans, credits, grants, and aid (Dussel-Peters, 2012, p. 4-5, 8-9). China also has technical cooperation with diverse Latin American countries in areas like aviation, biofuels, nanotechnology, satellites, and telecommunications (Ellis, 2005).

Beyond economic linkages, China has extensive bilateral political and, to a lesser extent, military relations with Latin American states. These relations involve frequent leader summits, cabinet and sub-cabinet meetings, and cooperative military exercises and training (Santibanes, 2009, p. 23; Ellis, 2011; Sutter, 2012, p. 332-333). China also interacts with Latin American countries in international organizations like the United Nations and International Monetary Fund (IMF) as well as multilateral negotiations relating to the World Trade Organization (WTO) Doha Round and global climate change (Pereira and Neves, 2011). Less well known is that China also has been intensifying its participation in Latin American multilateral bodies such as the Forum for East Asia-Latin America Cooperation, Inter-American Development Bank, and Organization of America States. China's involvement involves financial contributions and membership on voting bodies (Jenkins, 2010; Becard, 2013).

For many, these developments herald not only a new regional political and economic order, but also a new global order (Fornes and Philip, 2014, p. 7-8). Some go so far as to see Latin America pulling away from the United States and, at the extreme, falling under China's sway (Fumento, 2014). This paper analyses the political aspects of COFDI in two Latin America countries as one path to understand whether or not a sea change is underway. Contrary to more sensationalistic accounts, it argues that COFDI, even layered on top of massive Chinese trade, has not bought China flawless political relations with key Latin American partners.

The next section delves into Venezuela-China ties, which features one of China's deepest and most extensive investment relationships with a Latin American country. Thereafter, the paper examines the dynamic between Brazil and China. It is not asserted here that these cases are representative (though they may be), but that they are worthy of study because they involve noteworthy COFDI as well as a mix of political factors, milieus, and consequences. It also should be noted that the discussion below does not confine itself to investment since Chinese investments in Venezuela and Brazil occurs conterminously with extensive trade and political interactions. The final section offers some summary remarks, discusses several policy implications, and identifies some areas in need of further research.

## 2 CHINA-VENEZUELA

Soon after he became president of Venezuela in 1998, Hugo Chávez strove to build a warm relationship with Beijing. Such a policy served multiple purposes. First, it advanced his goal of a more multipolar world and reduced his country's dependence on the United States. Second, strong ties with China elevated his country's status and enhanced its claim to a leadership role in Latin America. Third, intimate links facilitated Chávez's "revolution" because they enhanced his ability to deliver on his domestic economic promises and to ignore the demands of "Western" international financial institutions and multinational corporations. Close ties with China facilitated this because China offered alternative supplies of capital, expertise, and technology. Beyond this, China lent a measure of support to Chávez's favored state-led, anti-neoliberal development strategy (Venezuela..., 2009; Cheng and Shi, 2008, p. 107-108, 113, 119-121; Ratliff, 2009, p. 16; Rios, 2013, p. 59, 61-64; Wei, 2012).

Beijing was receptive to Chávez's overtures because an expansion of its relations with Caracas conformed to a foreign policy that sought access to natural resources, a greater global presence (while complicating life for the United States), and the validation of China's identity as a leader of the developing world. In addition, Venezuela was willing to designate China as a *market* (versus non-market) economy, which gave weight to China's calls for others extend it a similar status. Relations with Venezuela also legitimated China's so-called "Beijing consensus" model (Cheng and Shi, 2008, p. 100-103, 105-106, 119-125; Li, 2007, p. 849; Rios, 2013, p. 62-64). This should not be exaggerated, though, given the differences between the two countries' economic development strategies.

China is a vital market for Venezuela with Venezuela ranking among the top five of China's Latin American trade partners. This results mainly from its oil sales to China, though Venezuela also exports bauxite, gold, and iron to China (Rios, 2013, p. 54-57). Trade jumped from an unimpressive US\$ 73 million in 1993 to US\$ 2.14 billion in 2005 to US\$ 10.25 billion in 2010, exceeding US\$ 20 billion in 2012 (Rios, 2013, p. 55-56; Wei, 2012). Before discussing energy, it is worth noting a few other ways in which China and Venezuela interact economically. One area is agriculture with China playing a role in Venezuelan agricultural production by providing credit, building infrastructure such as irrigation systems, and supplying machinery and tractors. Another is "finance" with Venezuela having borrowed billions of dollars, sometimes on preferential terms, to construct housing and railways, buy oil drills, and purchase tankers. Not surprisingly, China also exports goods to Venezuela. Venezuela is an important market for Chinese engineering companies, too (Cheng and Shi, 2008, p. 117-123; China lends..., 2010; Rios, 2013, p. 57).

Since the mid-1990s and especially the mid-2000s, China's imports of Venezuelan oil have been steadily increasing (Wei, 2012). The growth in Chinese energy imports from Venezuela relates to the fact that Venezuelan oil not only satiates Chinese energy needs, but also diversifies its energy supplies away from the volatile Middle East. Despite limitations such as the large distance between Venezuela and China, the fact that Venezuelan oil is high-sulfur crude, which is difficult for China to refine, and that the Venezuela oil sector confronts a mixture of shortcomings that limit its ability to expand production, the expectation is that Venezuela will continue to ramp up its oil exports to China (Cheng and Shi, 2008, p. 108-109, 111-112, 126-127; Ferchen, 2013, p. 10; Pham, 2010, p. 364-365). It is hard to imagine otherwise since oil sales represent the major way that Caracas earns the funds needed to service the loans that Beijing has extended to it (Venezuela..., 2010).

In tandem with its rising oil imports, China has been pouring money into Venezuela, though figures on COFDI in Venezuela vary widely.<sup>5</sup> Such investments are eminently logical given Venezuela is one of the world's largest oil producers and may have the world's largest oil reserves. China's involvement in the sector started in the mid-1990s with the operation of two oilfields. About seven years later, Chinese firms started work on 15 declining oilfields and began to build a plant to produce boiler fuel from Orimulsion. Several years after this, two Chinese energy giants, CNPC and Sinopec, agreed to invest US\$ 5 billion in oil exploration and production. China also is investing US\$ 60 million to extract natural gas (Cheng and Shi, 2008, p. 108-110, 117; Pham, 2010, p. 365; Rios, 2013, p. 54-56). Interestingly, a large proportion of the oil that Chinese companies in Venezuela are selling may not be going back to China, but actually may be sold on international energy markets (Ferchen, 2013, p. 10-12).

Chinese firms do make non-energy investments in Venezuela. Chinese enterprises, for instance, are investing in the aluminum, electronics (for example, phones), and white goods (electric appliances) sectors (Rios, 2013, p. 56-58). Chery, the ambitious Chinese car company, has two assembly plants in Venezuela and is contemplating an expansion of its assembly plants there (Venezuela..., 2014). Aside from the lure of the Venezuela market, another consideration for Chinese investors is the fact that Venezuela is proximate to other Latin American countries and Mercosur members (Venezuela joined Mercosur in 2012) having or negotiating special trade preferences with the European Union, United States, or others. Due to this, Chinese investors in Venezuela believed they might use the latter as a springboard to sell goods elsewhere (Cheng and Shi, 2008, p. 124; Keller, 2012; Strategic..., 2013).

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5. Wei (2012) puts the amount at US\$ 1.9 billion as of the end of 2011. Rios (2013, p. 54) suggests the amount is as high as US\$ 16 billion.

There is much more to the relationship than economics. China and Venezuela cooperate in the political, military, and technological realms. On the political front, Venezuela backed China's bid to host the 2008 Olympics and has opposed human rights actions against China in the United Nations (UN) Human Rights Council. For its part, China supported Venezuela's failed bid for a UN Security Council seat in 2006 (Rios, 2013, p. 60).<sup>6</sup> Regarding military cooperation, China sold Venezuela "mobile air-defense radar systems, including a command-and-control center, technical support, and access to a satellite communications network" (Cheng and Shi, 2008, p. 115). It also has provided military personnel to train Venezuelan special forces and has supplied trainers for the aircraft that it sold to Venezuela. As well, China has cooperated with Venezuela on a communications satellite and associated infrastructure (Cheng and Shi, 2008, p. 115-116, 126-127; Ellis, 2005, p. 22; Rios, 2013, p. 60-61).

Diverse variables, though, are constraining the breadth and development speed of China-Venezuela relations. First, Venezuela is not as important to China as many other countries in Latin America and elsewhere. Second, on a related note, there are many other energy suppliers that are far more important to China than Venezuela. Third, China appreciates that Venezuela is a sensitive issue for Washington. Fourth, Venezuelan radicalism does not fit China's needs given the latter's close enmeshment in the dominant "Western" economic order. Fifth, the unstable state of Venezuela's domestic political scene makes China cautious (Cheng and Shi, 2008, p. 130-132, 138, 140; Paz, 2012, p. 25; Rios, 2013, p. 61-64).

To conclude the discussion about China-Venezuela political-economic relations, I offer three points. One is that Venezuelan political interests have played a powerful role in pushing Caracas towards Beijing and welcoming COFDI. Another one is that Chinese investment, trade, and loans have not bought China universal support in Venezuela. Indeed, there are many in Venezuela who look unfavorably on the impact of China on the structure of the Venezuelan economy as well as their country's obligation to provide China with large "payments" of oil to service its debts (Giacalone and Ruiz, 2013, p. 76-77). Finally, Chinese investment in Venezuela, specially, and Chinese trade links, generally, have not bought unlimited Chinese backing for Venezuela. In sum, it would be wrong to claim that COFDI in Venezuela has no political ramifications, but it would be equally wrong to assert that the economics of investment and trade have stripped politics of its own independent dynamic.

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6. Venezuela eventually won a seat as a non-permanent member in 2014 (Welsh, 2014).

### 3 CHINA-BRAZIL

China's relations with Brazil's in the first few decades following the 1949 establishment of the PRC were stunted due to Brazil's close ties with the United States, which opposed closer ties between Beijing and Brasília, and anti-Communist forces in Brazil. Nevertheless throughout the 1960s and especially in the beginning of the 1970s, diverse factors pushed Brazil to pursue closer links, at least commercial ones, with China and to recognize China in 1974. First, Brazil wanted to strengthen its independent foreign policy (in part, meaning greater distance from the United States), which was active in the 1960s and gave it greater global relevance. Second, Brazil saw eye-to-eye with China on various issues such as the Law of the Sea, the Non-Proliferation Treaty, and the transformation of the global economic order. Third, it wanted to foster its industrialization. Fourth, it wanted to sell China goods like coffee and sugar. Fifth, for political and economic reasons, it wanted to enhance both its relations with the developing world and South-South solidarity (Pinheiro, 1993; Hurrell and Pinheiro, 2006; Jilberto and Hogenboom, 2010; Uehara and Casarões, 2013; Vizentini, 1999).

It was not until the mid-1980s that bilateral relations took off as the two giants voted similarly in international forums, signed science and technology agreements, and collaborated on various projects (Becard, 2011; Cabral, 1999; Jenkins, 2012, p. 22; Pereira and Neves, 2011, p. 8; Sutch and Elias, 2007). Cooperation was attractive to China from an economic vantage point and to Brazil from a domestic and international political and economic standpoint. Regarding political logics, Brazil saw relations with China as a way to break away from its past military past, to gain leverage in international forums, and to support an independent foreign policy. As for economics, Brazil viewed China as a partner in regards to areas like agriculture, energy, finance, mining, technology and innovation, and space cooperation (Hao, 2009; Hirst and Pinheiro, 1995; Niu, 2010).

Since the mid-1990s, Brazilian leaders have given significant attention to China due to exploding economic relations (Albuquerque, 2014, p. 108). For instance, Fernando Henrique Cardoso labeled China as one of his top foreign policy priorities (Hurrell and Pinheiro, 2006). His successor Luiz Inácio Lula da Silva gave priority to China from his 2003 inaugural address onward, met frequently with top Chinese leaders, and worked with China in the Brazil, Russia, India, and China (BRICs), Group of Twenty (G-20), and Brazil, South Africa, India, and China (BASIC). At the time, Brazil enthusiastically touted its relationship with the largest developing country in the Eastern hemisphere on the basis of common identity defined in terms of socio-economic features (Albuquerque, 2014, p. 111-112; Pereira and Neves, 2011, p. 3). Brazilian president Dilma Rousseff made her first trip to Beijing in 2011 and quickly struck several commercial deals.

Not long ago, she and Chinese president Xi Jinping agreed to railway cooperation (China..., 2011; China's..., 2014; Gouvea and Montoya, 2013, p. 5).<sup>7</sup>

Warm links supported warmer ties, but the relationship is not on autopilot and moves forward because of various political and economic drivers. Brazil views its partnership with China as a way to enhance the power and legitimacy of its (Southern-oriented) foreign policy, to push international economic reforms, to bolster its exports, to secure investment, and to build up its infrastructure.<sup>8</sup> Indeed, Brazil primarily seems to define the vaunted Brazil-China "strategic" partnership in terms of trade and investment and bilateral cooperation in international venues less as a way to advance specific political agendas, but as a way to change/transform global trade, investment, and finance (Albuquerque, 2014, p. 108-110, 114-115). For China, good relations with Brazil bring it support in international venues and greater political influence, commodities and raw materials, and a huge market for exports (Cardoso, 2013, p. 39-43; Pereira and Neves, 2011, p. 3, 8; Vigevani and Cepaluni, 2009).

China's voracious appetite for iron ore, oil, soybeans, meat, and other goods has fueled massive growth in China-Brazil bilateral trade. Between 2000 and 2009 trade in select goods such as those just listed rose from US\$ 1.1 billion to US\$ 21 billion (Pereira and Neves, 2011, p. 3). In 2005, bilateral trade hit US\$ 12.18 billion with China becoming Brazil's third largest market. Seven years later, total trade volume amounted to US\$ 75 billion, making China Brazil's largest trading partner and uprooting the United States from a position it had held since the 1930s (China spells..., 2010; O'Connor, 2013; Ellis, 2009, p. 25). From a trade balance vantage point, trade with China has been an unvarnished positive for Brazil as the latter has run large trade surpluses in its dealings with China (Jenkins, 2012, p. 35). As of 2014, China remained Brazil's most important export partner and a key market for Brazilian commodities, though overall exports declined by 3.5% or so (China..., 2015; Continued..., 2015).

The bad trade news is that Brazilian manufacturers, especially textile producers, have been besieged by competition from Chinese products at home and in third markets, leading the Brazilian government to take a number of countermeasures. These have included launching antidumping measures, pressing China to voluntarily limit its exports, and raising tariffs. When Brazil did the latter, China retaliated against Brazil moves by banning all Brazilian meat imports, using an isolated foot-and-mouth disease case as an excuse (Baumann, 2009; Gouvea and Montoya, 2013, p. 8-9; Pereira and Neves, 2011, p. 6-7). The composition of China-Brazil trade concerns many observers, too, because it reflects the traditional North-South

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7. It is possible that plans have been abandoned. I thank the editor for bringing this to my attention.

8. Albuquerque (2014, p. 108-109) questions if China really is that important to Brazil's south-south foreign policy agenda.

pattern of Brazil exporting resources in return for manufactured goods. Moreover, the situation appears to be deteriorating with Brazil exporting a greater percentage of lower-technology goods to China while importing a greater percentage of higher-technology goods from China. To make it worse for Brazilian analysts, this ties in no small measure to Chinese trade barriers (Gouvea and Montoya, 2013, p. 6-7; Jenkins, 2012, p. 26-32; Pereira and Neves, 2011, p. 4-5).

There were serious expectations that Chinese investment in Brazil would grow massively. This had something to do with the belief China promised to make infrastructure investments between US\$ 5-10 billion, open its markets to Brazilian beef and poultry, and back Brazil's pursuit of a UN Security Council seat in return for Brazil's 2004 commitment to recognize China as a market economy. While not fully implemented, Brazil's concession was not trivial given it would handcuff its ability to impose antidumping measures on Chinese imports (Brazil..., 2004; Bauman, 2009, p. 11; China..., 2011). COFDI in Brazil indeed has grown, though there is a dearth of good information. According to one study, whereas COFDI in Brazil between 1990 and 2009 totaled an unimpressive US\$ 255 million in 2010 alone annual COFDI reached about US\$ 9.6 billion! And, announced investment for 2011 approximated US\$ 9.8 billion. Much of this seems to be M&A rather than Greenfield investment. Nevertheless, it indicates a sea change (CBBC, 2011, p. 6, 11-13, 19).

Chinese investors in Brazil are largely state-owned enterprises and have been directing the vast majority of their money in natural resource areas, particularly energy and mining, though agriculture and steel also have been important (CBBC, 2011, p. 7, 22-24). Positively, indications are that Chinese private firms as well as manufacturing firms will become progressively prominent going forward. Furthermore, Chinese firms appear to be increasingly interested in non-resource opportunities, investing in manufacturing, logistics/distribution, and food processing. Increasing COFDI in non-resource sectors is an indication of market-seeking behavior, Chinese firm's desire to escape Brazilian tariff walls, as well as the existence of multiple Brazilian laws and regulations that diminish the appeal of further investments in natural resources (CBBC, 2011, p. 9-10, 21, 25; Jenkins, 2012, p. 35; Li and Ding, 2011; O'Connor, 2013; Pearson, 2012).

In terms of other non-economic areas of interaction, China and Brazil have cooperated in regards to issues such as the WTO Doha Round, climate change, and reform of the IMF (Cardoso, 2013, p. 44-46). Sino-Brazilian military cooperation historically has been rather limited (Ellis, 2011). Nevertheless, in 2014, China and Brazil concluded a military cooperation agreement providing for a sharing of information on UN peacekeeping missions, military training, joint exercises, defense technology, and information sharing relating to military medicine,

humanitarian assistance, and disaster relief. Rousseff and the Chinese president Hu Jintao also established the China-Brazil Defense Joint Committee to provide for the implementation of the agreement and the eventual exchanges of experts and mutual ships and plane visits.

However, not all is perfect in the relationship. As noted, there have been a number of trade friction and, on a related note, tensions relations to China's perceived undervaluation of its currency (Jenkins, 2012, p. 43-44; Leahy, 2011; Pereira and Neves, 2011, p. 5-6, 16). On top of this, Chinese investment in Brazil is not seen as uniformly positive because of its impact on the structure of the Brazilian economy. Indeed, some view Chinese investments as nothing more than a big resource grab or a threat to the competitive position of Brazilian companies. Those less alarmed still feel Chinese firms are not transferring enough technology and skills (CBBC, 2011, p. 25; Leahy, 2011; Pereira and Neves, 2011, p. 6). Beyond this, the two countries have different agendas regarding Africa, climate change, and proliferation (Gouvea and Montoya, 2013, p. 5-6; Pereira and Neves, 2011, p. 8-9). Lastly, some Brazilian observers now feel that whereas China initially embraced Brazil as a strong partner in promoting a more multipolar, democratic global order it now sees Brazil as nothing more than a secondary actor that can legitimate its "game-changing" pretensions while supplying Chinese economy with vital raw materials (Oliveira, 2010).

As in the case of the China-Venezuela investment relationship, Brazil has sought closer relations with China for multiple reasons. Economics is the central part of the story, but political logics are consequential, too. Chinese investments in and massive trade ties with Brazil have not pushed Brasilia to synchronize all its agendas with Beijing, to ignore trade and other disagreements, or to shy away from making demands. While one might claim that Chinese investment should not have much of an impact on Brazilian policy, there are, in fact, reasons to expect consequential effects given its scale, trend, and potential, especially at a time when Brazil lacks access to other sources of capital. Looking at China-Brazil relations, one also does not see China making major gestures in order to secure its access to investment opportunities in Brazil.

#### 4 CONCLUSION

Investment is an increasingly important part of China's interactions with Latin American countries such as Argentina, Cuba, Ecuador, Nicaragua, and Peru. Some have raised the possibility that such investments are having transformative economic and political effects. The purpose of this analysis has been to assess such claims. It has done so by looking at two specific cases, Chinese investment in Venezuela and Chinese investment in Brazil. It finds that some of the more extreme claims are overblown. Chinese investment

coupled with Chinese trade has political ramifications, but there does not seem to be any evidence they are transformative.

This study yields several policy implications. First, parties such as the United States and Japan, which have long-standing or significant economic and political stakes in Latin America, do not need to be alarmed that they will be pushed out or that their relations with Latin America will be completely upended by China's expanded relationship with Latin America. Second, Latin American countries need to recognize that COFDI (and trade) will only buy them a certain measure of collaboration with China. China has a multitude of political and economic interests and will not be driven by narrow investment and trade considerations alone. Third, China needs to appreciate that its investments in and trade with Latin American countries will only promote a certain measure of cooperation and deference, especially if it does not take steps to mitigate the negative economic impacts or enhance the positive externalities of its economic interactions with Latin American countries.

The broader applicability of the conclusions flowing from this study are limited by the fact that it only probes two cases, albeit two important ones. Furthermore, in order to obtain a better grasp of the ways in which COFDI affects politics in Venezuela and Brazil, it would have been useful to undertake a more systematic analysis of the domestic political dimensions of select Chinese investments in Venezuela and Brazil on a sectoral or project level. However, time and data constraints precluded such an analysis. Regardless, this is certainly a fruitful avenue for further exploration. Finally, while this work was not meant to be heavily theoretical, it would be interesting to consider how theories of economic influence illuminate the specific dynamics witnessed in the two cases studied here.

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# BRAZIL/CHINA PARTNERSHIP AND THE UNITED STATES

José Augusto Guilhon Albuquerque<sup>1</sup>

The purpose of this article is to assess the impact of Brazil's special relationship with China on Brazil's bilateral relations with the United States. The article contains four sections, including an introduction. The second one explores the so-called "strategic partnership" between Brazil and China. The third section examines how United States-China relations in the global system could affect both Brazil-United States and Brazil-China relations. Finally, based on the above analysis, the fourth section presents some recommendations for Brazil's strategic orientations regarding the current systemic transition in the allotment of global power. The present study is based on the review of current literature and on an extensive analysis of official statements by the Brazilian government.

**Keywords:** Brazil/China bilateral relations; Brazil/United States bilateral relations; strategic partnership; Brazilian foreign policy; world power transition.

## A PARCERIA BRASIL-CHINA E OS ESTADOS UNIDOS

O objetivo deste artigo é avaliar o efeito da relação especial do Brasil com a China sobre as relações bilaterais do Brasil com os Estados Unidos. Este trabalho divide-se em quatro seções, incluindo uma introdução. Na segunda, examina-se a chamada parceria estratégica entre o Brasil e a China. Na terceira, analisa-se até onde as relações entre a China e os Estados Unidos no sistema global poderiam afetar tanto as relações Brasil-Estados Unidos, quanto as relações Brasil-China. Finalmente, na quarta, com base na análise acima mencionada, formulam-se algumas recomendações no que diz respeito às orientações estratégicas do Brasil a respeito da atual transição na distribuição do poder mundial. Este estudo baseia-se em uma revisão da atual literatura e em extensa análise de pronunciamentos oficiais do governo brasileiro.

**Palavras-chave:** relações bilaterais Brasil-Estados Unidos; relações bilaterais Brasil-China; parceria estratégica; política externa brasileira; poder mundial em transição.

## LA ALIANZA BRASIL-CHINA Y LOS ESTADOS UNIDOS

El propósito de este artículo es evaluar el efecto de la relación especial entre Brasil y China sobre las relaciones bilaterales entre Brasil y los Estados Unidos. El artículo se divide en cuatro partes, con una introducción. En un primer momento (segunda parte), se analiza la llamada alianza estratégica entre Brasil y China. La tercera parte analiza cuanto las relaciones entre China y los Estados Unidos en el sistema global podrían afectar a las relaciones Brasil/Estados Unidos y Brasil/China. Finalmente, con base en el análisis anterior, se formulan algunas recomendaciones para las directrices estratégicas de Brasil con respecto a la actual transición en la distribución del poder mundial (cuarta parte). Este estudio se basa en una revisión de la literatura actual y en un amplio análisis de las declaraciones oficiales del gobierno brasileño.

**Palabras clave:** relaciones bilaterales Brasil/Estados Unidos; relaciones bilaterales Brasil/China; alianza estratégica; política exterior brasileña; poder mundial en transición.

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## 1 INTRODUCTION

The purpose of this article is to assess the impact of Brazil's special relationship with China on Brazil's bilateral relations with the United States and contains three sections. The first one explores the so-called "strategic partnership" between Brazil and China. The second section, examines how United States-China relations in the global system could affect both Brazil-United States and Brazil-China relations. Finally, based on the above analysis it presents some recommendations for Brazil strategic orientations regarding the current systemic transition in the allotment of global power. The present study is based in the review of current literature and on an extensive analysis of official statements by the Brazilian government.

## 2 BRAZIL-CHINA STRATEGIC PARTNERSHIP

The expression "strategic partnership" was applied to Brazil's bilateral relation with China during the Itamar Franco government (1992-1995), and remained in use throughout the governments of Fernando Henrique Cardoso (1995-2003), and Luiz Inácio Lula da Silva (2003-2011). Later, during prime minister Wen Jiabao's visit to Rio de Janeiro, in 2012, a joint communiqué enhanced the relationship to the level of "global strategic partnership". The expression usually assigns a special nature to the relationship between the two countries.

It was not until the Lula government, however, that bilateral relations between Brazil and China actually became unique, thanks to a combination of extraordinary growth in the flow of trade and investment between the two countries, with priority being given to South-South relations during the Lula government. During his presidency, and specifically as a consequence of the 2008 crisis, China became Brazil's biggest single partner in trade and investment, second only to the European Union (EU) and to the United States.

During his time in government, Lula made two official visits to China – in 2004 and 2009 –, and twice received visits from president Hu Jintao. According to his own count, Lula met his Chinese counterpart nine times between 2008 and 2009, an impressive figure. Therefore, one cannot ignore the uniqueness of the relationship between the two countries, but this does not necessarily define the nature of the relationship. Neither the extent nor the strategic nature of the partnership is clear. The expression "strategic partnership" seems, above all, to be a metaphor for the priority given by both governments to the growing volume of trade and investment between the two countries and to Brazil's aspiration to build closer political ties with the Asian giant.

A number of authors emphasize the strategic role of Brazil's partnership with China as part of the Lula government's priority for South-South cooperation as an

alternative to what had been the predominant trend up to that time, of insertion of Brazil into the economy of developed countries (Cunha, 2004; Oliveira, 2004; 2006).

Lima, one of the most respected experts on Brazil's priority to South-South cooperation, in a 2005 article does not give a single mention to China as a protagonist of this strategic South-South cooperation process (Lima, 2005).

Oliveira (2012) published extensively on Brazil-China strategic partnership. His book on the subject presents a compelling argument about the structural reasons favoring such a partnership from a historical, economic and geopolitical viewpoint. Undoubtedly thorough in his review of the Brazilian literature on the theme, and generally on South-South cooperation, Oliveira mentions a fair number of agreements and projects aiming for joint initiatives between the two countries and its strategic potential. It leaves little doubt about the assumed goals of the relationship but is scarce concerning how the partnership actually works outside government statements.

Besides, the concept of strategic partnership is almost totally absent in two dossiers organized by the prestigious Brazilian Center for International Relations (Cebri) a think tank created by the Brazilian diplomatic establishment, the first published in 2008, on *Challenges of Brazilian Foreign Policy*, and the other in 2010, on *Priorities for Brazilian Foreign Policy in the Light of National Interest* (Cebri, 2008; 2010).

In the 51 essays contributed by diplomats, business people, politicians, and academics, there are no references to China as a special partner or as a challenge to national core interests. Among these essays, Celso Amorim, then foreign minister, mentions China just once, when listing the countries forming the BRIC – then including Brazil, Russia, India and China. The former Brazilian president Fernando Henrique Cardoso also mentions China only *en passant* and Ms. Lima (2005), in an essay summarizing her own arguments in the aforementioned article, mentions China just once, in a list including India, Mexico, and South Africa (Cebri, 2008, p. 17, 23, 64).

Given this lack of correlation between the relevance attributed to the strategic nature of Brazil-China partnership, its central role in defining Lula's innovative foreign policy, and its ambiguous presence in the literature, it seems necessary to examine how this partnership appears in the presidential discourse. My general hypothesis is that the narrative of the Brazilian government on its strategic partnership with China is not based on factual evidence about the relationship between the two countries, both countries trade interests, political objectives or, generally speaking, the objective conditions for cooperation or conflict between them. The rationale for the special treatment given to the bilateral relations with China is symmetrically opposed to that given to the United States.

Bilateral relations, as a dimension of a country's foreign policy, is supposed to reflect that country's perceptions of both its core interests and the core interests of its partner. Besides, it must take into account the scope of that partnership, whether regional or global, including or not trade, investments, political and/or defense objectives. Finally, it should consider the existing or potential challenges and obstacles to that partnership, due to systemic, regime based, institutional or individual factors (Rosenau, 1969). Strategic partnerships, as a special class of bilateral relations, should consider, besides that, its systemic objectives, the existing or potential systemic challenges to that partnership and, above all, the country's soft and hard power resources in order to surmount systemic, economic, regional or domestic obstacles.

In order to assess the content and scope of the Brazilian government perceptions of its bilateral relations with China, I have undertaken a study based on discourse analysis. The study deals with perceptions of China and the nature and substance of its strategic partnership with Brazil, based on the analysis of both former president Lula's and current president Dilma Rousseff's speeches and interviews during their official visits to China.

In one of his speeches during his second state visit in 2009, president Lula uses a metaphor of three pillars that are supposed to sustain Brazil-China partnership. His use suggests the notion of independence between factors that sustain the same structure, that is, the partnership. Contrariwise, the idea of strategy necessarily involves not the independence of factors, but the notion of hierarchy: the target comes above the tools, the ends above the means, the conclusion above the starting point, the objectives above the actors, and so on.

My hypothesis, however, is that, as opposed to being independent, the three dimensions in Lula's speech on Brazil-China strategic partnership fit into a hierarchical structure in a nexus of causal determination. The three dimensions of the partnership pointed out in Lula's discourse are the identity between the two countries, the growing volume of bilateral trade and investments, and cooperation in international forums. The element determining the partnership is identity, which includes variables such as level of economic development, the existence of a large and rapidly expanding internal markets, and lack of basic, physical, and service infrastructure.

The second dimension of the partnership, the bilateral trade and investments element is a consequence of the basic identity between the two countries. This identity, in particular in relation to the needs of each of the two countries, for example, demand for mass products and new technology, is the principal factor determining the rapid growth in trade and investment between the two countries, and justifies the large potential for that trade and investment, which are the relevant variables of the bilateral trade element. Bilateral trade, in turn, has strengthened

the identity between the two economies since they were drawn together at the center of the world stage during the 2008 crisis.

All along his visit, Lula stresses this causal connection between common socioeconomic conditions, bilateral trade, and international cooperation. However, when he explains the BRIC countries' growing influence in the G20, his interpretation is a little different. The access of the BRIC countries into the G20 and the new voice they acquired at institutions such as the IMF and the World Bank are factors attributed by Lula to fiscal policies and to public investment programs adopted by the BRIC governments. In his speeches, he disregards the fact that these countries have been less affected by the credit crisis and were responsible for the little that remained of international trade and of the countries attractiveness to foreign investments.

This process of being drawn together to the world forums of international decision-making, adds new variables to the basic identity between levels of economic and social development. Consequently, the identity between Brazil and China involves new aspects, such as a common lack of voice and decision-making powers in international financial and political forums, which this partnership will address.

Therefore, identity determines the international partnership dimension as much as it affects bilateral trade. Consequently, the set of affinities that already determines the existence and great potential for bilateral trade relations, bring a further dimension to the partnership between the two countries, to the extent that it highlights possibilities of acting beyond bilateral relations, and of sharing tasks in order to achieve common goals.

Whenever this new element of the international partnership appears in the discourse, it is associated with the identity between the two countries and the international significance acquired by the two economies, because of that identity.

Let us turn now to president Dilma's discourse.<sup>2</sup> In her state visit in 2011, her narrative is very close to that of her predecessor.<sup>3</sup> The same three dimensions of Brazil-China partnership are present: identity, trade and investments potential, and international cooperation. However, the identity between the countries is assigned to intergovernmental dialogue rather than to the common socio-economic conditions of the two countries. The potentially growing flow of trade and investments derives from complementarity rather than from socioeconomic identity and is driven by dialogue between the two governments. In its turn, international cooperation reflects the identity of social and political visions of both governments.

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2. Public figures in Brazil are known by their Christian name. In president Rousseff's case, we will mention her as president Dilma.

3. A detailed analysis is available in Albuquerque and Yu (2014).

The causal nexus in Dilma's discourse is as follows: intergovernmental dialogue leads to exploring complementarity in the trade flow between the two countries. Given the complementarity of trade, intergovernmental dialogue further leads beyond complementarity, which, in turn, allows a qualitative leap in terms of trade and investments flow based in technology transfer. Finally, intergovernmental dialogue, inspired by the common vision that economic development and social justice are intrinsically interconnected, leads to cooperation in international forums.

We can conclude that the causal chain representation of Lula's government narrative about the alleged strategic partnership with China goes from socio-economic identity to growing trade and investments flow, which in turn reinforces the identity between the two countries and supports a cooperative prominence of the two countries in international financial decision-making forums. In the case of Dilma's narrative, the causal chain representation goes from the identity of visions about the interconnection between economic development and social justice, which, once supported by the dialogue between the two governments, allows both the governments to take advantage of economic complementarity and international cooperation. Only a new dialogue allows both countries to go beyond complementarity and by that allows for a quality leap in their partnership.

As we can note, our analysis points out to a bilateral relation strongly rooted in the complementarity between the Brazilian economy in the process of deindustrialization and a Chinese economy strongly prone to the consumption of commodities, and in growing process of industrial modernization. Nevertheless, this relationship is perceived as a win-win game – the crowning achievement of a deep economic, political and social partnership between the two countries.

### **3 BRAZIL-CHINA PARTNERSHIP AND THE UNITED STATES<sup>4</sup>**

Presently, the core interests and goals of the United States are arguably overdetermined by two independent but interconnected challenges: the first one is the United States role in global governance, and the other is China's rise.

Comparing to the Cold War period, the role of prime guarantor of global governance involves bigger and growing costs, because its challenges are more complex, especially for a country whose resources of power and influence are declining. The decreasing ability of the United States to exert indisputable global primacy is a consequence of its domestic economic imbalance, which, in turn, is closely associated to the deterioration of its internal process of settling domestic political conflicts.

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4. This section summarizes *Governança Regional e Global* (Regional and Global Governance) (Albuquerque, 2014a).

Besides, the United States is involved in a severe crisis of external credibility deriving both from its role in triggering the global financial crisis and its recent record of disastrous military interventions, which in turn negatively affect the country's stock of soft power. Obama's recent about-face on a red line not to be crossed by Assad's government in Syria's civil war does not add to his country's credibility concerning its ability to lead global affairs. The same applies to the controversy about the timing and the nature of Obama's reaction to Russia's annexation of Crimea by military intervention.

China's rise poses an additional systemic challenge to United States' global leadership. Chinese global performance has proved bolder than expected in several dimensions – be it on the economic and financial field, in expanding its military clout, or even in terms of territorial claims. More importantly, China's assertiveness has been directed to all continents, causing United States' trade and investment primacy and to some extent its political and military leadership to be challenged. Therefore, it becomes ever more difficult for the United States to face strategic challenges anywhere in the world, including in Latin America, without taking into account the People's Republic of China's core interests and political priorities.

Among United States strategic priorities in the shifting framework of international power, the search for a new domestic rebalancing of the economy and the internal political decision-making is paramount. This rebalancing is particularly vital as regards the American political system interinstitutional relations pointed out by many authors as a condition *sine qua non* for the country to keep on performing its global leadership. To achieve this rebalancing, it is imperative to recover United States' relevance – its primacy if possible – in global trade and investment, which has been worn down by China's global progress.

Obama's initiatives to revitalize the Asia-Pacific Economic Partnership (Apec), together with relaunching the trade and investment talks with the EU and the big boost given to the Trans-Pacific Partnership (TPP) seem to converge in this direction. Concerning the TPP talks, we should note that the Obama administration is trying to attract key countries in Latin America – Mexico, Peru, Colombia, Chile and also Paraguay and Uruguay – as part of its global strategy. It's an unprecedented initiative in a region always considered as an immediate extension of United States domestic priorities.

Let us turn to the impact of China's rise on Brazil-United States bilateral relations. The growing presence of Chinese trade and investment is becoming ever more visible in Latin America and even in the Caribbean, in such way that we might admit that a triangular relation among the three countries is a possibility not to be dismissed (Ellis, 2012; Tokatlian, 2007; Stallings, 2008).

The case of Brazil is emblematic once China has become, since 2009, the country's principal trade partner. Besides, Brazil alignment with China in the United Nations (UN) Security Council, as well as in other UN forums and agencies is currently more frequent than with the United States or other permanent members of the Security Council. Moreover, the opportunities for a South-South sort of cooperation between Brazil and China are manifold, especially when we take into account the so-called strategic partnership between the two countries. The potential for such cooperation to affect, or to be affected by United States interests in Brazil is significant. The same applies to Chinese interests being affected by any possible increase in Brazil-United States cooperation in Africa or in Asia, especially in East Asia.

In the case of Africa, Brazil and the United States have a record of friction in different periods. Brazil has consistently opposed United States decolonization policies concerning the Portuguese colonies but, in the late process of independence, after democratization in Portugal, in a period of strong attrition between the Brazilian military government and the United States, Brazilian diplomatic activism in Angola was crucial for the international recognition of the new regime, forcing the United States to follow. Furthermore, the new South-South activism of Lula's government towards Africa, as a part of a sort of pivot of Brazilian foreign policy to the "South" breaks new ground for mutual interferences between the two countries' policies in the region.

#### **4 BRAZIL'S CONTRIBUTIONS TO GLOBAL GOVERNANCE: RECOMMENDATIONS**

Finally, we can evaluate possible areas of synergy in Brazilian bilateral relations with the two countries and make some recommendations.<sup>5</sup> First, let us enounce a general recommendation, which consists in adopting a rule of systemic caution: let us reserve any final prognostic about the outcome of the current shifting in the system of international power. The post-Cold War transition went through different phases, but it is still far away from its end.

China is undoubtedly a rising power but even if it outgrows the American economy, United States primacy might prevail for a long time. Granted Chinese peculiarities and serious domestic imbalances, it is impossible to predict when the conditions for competing with the United States for global leadership would eventually emerge. For similar reasons it is impossible to predict if such leadership shift will result in a soft landing, making possible a peaceful realignment such as the one that occurred between the British Empire and the United States in the early 20<sup>th</sup> century.

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5. These policy recommendations are based on Albuquerque (2014a).

The second recommendation concerning Brazil's contribution to global governance is for the country to concur to a peaceful transition of the international system of power. It is in Brazil's core interests to avoid a tumultuous world order. Brazil can only concur to such a goal avoiding an exclusive alignment with China or the United States. It would require trying to reduce rivalries, to avoid taking sides in conflicting situations, and to advance in every possible stance, a positive agenda.

In a number of global stages, Brazilian contribution is becoming more relevant. In the quest for a sound global financial governance, Brazilian opportunities to participate are increasing. In this respect, Brazil should contribute to mitigating conflicts and not to spur attritions.

A more specific role derives from Brazilian unique ability to contribute for regional governance in Latin America. Brazil has a clear national interest in preserving the political and economic convergence in the Continent. In this sense, the country should adopt two courses of action.

First, Brazil should try and reverse the centrifugal trends, notably in Mercosur and Unión de las Naciones Suramericanas (Unasur), avoiding unnecessary conflicts, especially those opposing the Bolivarian countries to Chile, Peru, Colombia, Mexico, and even Paraguay and Uruguay. A subsequent step would consist in adopting a common positive agenda, for instance in clean energy and infrastructure. Even if a common agenda is difficult to achieve, a reduction in the conflictive tendency in the region meets the best interest of Brazil, the United States and China.

Another instance concerns cooperation and conflict among the three countries in Africa, where Brazil sustains an activist foreign policy, China moves forward in every domain – trade and investments, infrastructure, mining etc. – and the United States, while losing ground, has a record of humanitarian and development aid, occasionally in close collaboration with Brazil (combating Aids and malaria, for instance).

Brazil has accumulated a record of triangular cooperation in Africa, in collaboration with third parties has pioneered the development of technology for sustainable energy and tropical agriculture. Nevertheless, it is difficult to predict China's reaction to an increase of Brazilian involvement in Africa, let alone in collaboration with the United States. Anyway, Brazilian diplomats have received from Chinese sources positive signs concerning common projects of cooperation and investments in Africa.

For the same purpose of providing a common positive agenda with the United States and China, Brazil should reconsider its international trade agenda. Brazilian propensity to give an exclusive importance to the Doha round is not in the country's best interest, given that all relevant World Trade Organization (WTO) stakeholders, including China and the United States, are currently prioritizing bilateral, minilateral or regional negotiations.

Denying exclusivity to Doha opens the doors to a reappraisal of the most important negotiations currently available, involving our principal trade partners – United States, EU and China. In this sense, it is recommendable at least to apply for an observer status at the Pacific Alliance, the TPP and the Regional Comprehensive Economic Partnership (RCEP). The Transatlantic Trade and Investment Partnership, whose impact on the governance of international trade might be huge, affecting the Latin American economy, if it ever makes progress, it should be closely followed by the Brazilian diplomacy.

Briefly, Brazil's most important regional goal should consist in concurring to facilitate a convergence in the Western Hemisphere, avoiding centrifugal trends. From a global point of view, Brazil should concur to mitigate the rivalry between the United States and China and contribute to the peaceful power shift that will inexorably result from China's rise.

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# CHINA Y AMÉRICA LATINA: DE LA OPORTUNIDAD AL DESAFÍO<sup>1</sup>

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El artículo presenta un análisis sobre los cambios ocurridos en la economía política mundial de los últimos 35 años, cuyo fenómeno fundamental ha sido el ascenso de China al rango de potencia económica mundial y cómo esto afectó el desarrollo y la inserción internacional de América Latina. Luego de explicar ambos procesos, se hace un examen de las relaciones económicas entre China y nuestra región y se presentan las conclusiones.

**Palabras clave:** China; capitalismo mundial; América Latina.

## CHINA E AMÉRICA LATINA: DA OPORTUNIDADE AO DESAFIO

Este artigo apresenta uma análise das mudanças na economia política global dos últimos 35 anos, cujo fenômeno fundamental tem sido a ascensão da China ao posto de potência econômica mundial, e de como isso afetou o desenvolvimento e a integração internacional da América Latina. Depois de explicar os dois processos, um exame das relações econômicas entre a China e nossa região é realizado e as conclusões são apresentadas.

**Palavras-chave:** China; capitalismo mundial; América Latina.

## CHINA AND LATIN AMERICA: FROM OPPORTUNITY TO CHALLENGE

The article presents an analysis of the changes in the global political economy of the last 35 years. The fundamental phenomenon has been the rise of China to the rank of world economic power and how this affected the development and international integration of Latin America. After explaining both processes, an examination of the economic relations between China and our region is made, the conclusions are presented.

**Keywords:** China; world capitalism; Latin America.

JEL: A10; O19.

## 1 INTRODUCCIÓN

Los últimos decenios del siglo XX mostraron un conjunto de cambios que estaban transformando las características estructurales del sistema mundial. Entre ellos estaban los de la economía internacional, con la aceleración de los procesos de globalización/mundialización y del regionalismo y, en el plano político, como consecuencia de la transición del orden bipolar hacia un orden unipolar, aquellos que marcaban ascensos y declinaciones en la pirámide del poder mundial.

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1. El artículo es resultado de investigaciones realizadas en el marco del Proyecto Fondecyt nº 1.130.380.

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Entre estos últimos, se advertía el posicionamiento de China como potencia regional y su emergencia como potencia mundial, apoyada en su extraordinario crecimiento económico, su creciente participación en la economía global y en el fortalecimiento de su poder militar-estratégico.

De esta forma, el acontecimiento más importante ocurrido en el sistema internacional en los últimos treinta años ha sido su re-emergencia como un gran poder regional y su ascenso al rango de segunda economía del mundo. Su crecimiento económico sostenido, en los últimos tres decenios, es el mayor desafío al orden mundial existente desde el final de la Guerra Fría (Li, 2010, p. 149). De esta forma, el resurgimiento de China como uno de los actores clave del orden político y económico pasó a ser aclamado mundialmente como uno de los eventos más importantes en la historia del mundo moderno. En cierto modo, China es cada vez más comparable al antiguo papel de los Estados Unidos como un “país indispensable” en el mundo (Li, 2010).

Al mismo tiempo, la conjunción de socialismo autoritario con economía de mercado, dejó en las manos del poder político las decisiones sobre las relaciones económicas internacionales, expresando así una nueva variedad de control político sobre éstas, como una paradoja de la economía de mercado.

Para hacer frente al cerco que le impusieron las potencias occidentales, en su entorno vecinal inmediato, que le condicionó a la potencia el acceso a recursos e insumos estratégicos, China se lanzó a la explotación económica de otras regiones de la semi-periferia y la periferia; primeramente en América Latina y más tarde en África. Este proceso, iniciado hace unos quince años, coincidió con el ingreso de China al mercado latinoamericano.

China ha desarrollado dos estrategias para avanzar en su posicionamiento sistémico: *i)* la continuidad de un discurso como país en desarrollo y de preferencia por las relaciones Sur-Sur; *ii)* la participación en agrupamiento de poderes emergentes: los BRICS (Brasil, Rusia, India, China y Sudáfrica), como el paraguas de protección para sus políticas de expansión global.

Simultáneamente a la expansión de sus intereses hacia los países periféricos y semi-periféricos, China comenzó a proyectarse en la política mundial a través de la cooperación con países que hemos denominado como el “segundo mundo” (Christensen y Bernal-Meza, 2014) y de alianzas como los BRICS, a través de los cuales comenzaría a buscar un lugar en el *management* internacional, pero al amparo de coaliciones con países que no son considerados por occidente como potenciales enemigos: India, Brasil y Sudáfrica.

China es muchas cosas: desafíos a la hegemonía norteamericana, desafíos al orden de Bretton Woods, desafíos a la dominación de la cultura europeo-occidental y a la modernidad que ésta representa y desafíos intelectuales para imaginar lo que sería un

mundo bajo su hegemonía. Sin embargo, estos temas, que influirán en las relaciones con Estados Unidos y en los debates en el seno de los organismos multilaterales – Banco Mundial, Fondo Monetario Internacional (FMI), Organización Mundial del Comercio (OMC) –, no forman parte de la agenda de la política exterior de nuestros países, con la relativa excepción de Brasil.

Para América Latina, China es un importante socio comercial y financiero, pero también es – junto a otras variedades de capitalismo, como el brasileño – uno de los modelos estatales de modernización y desarrollo. Sin embargo, los intereses inmediatos, vinculados con el comercio y la inversión, proyectan la discusión sobre las opciones del desarrollo a un mañana cuyo presente es dependiente de la estructura de relaciones económicas entre esa potencia y los países latinoamericanos que hoy domina y que se proyectará, irremediablemente, sobre el escenario de las opciones futuras de inserción internacional.

De esta forma, mientras más dependiente se hace América Latina de las importaciones chinas y de sus exportaciones de capital, más comprometida se verá la región en el marco de los intereses globales de la potencia mundial emergente. El nacionalismo chino también ha crecido y el anti-norteamericanismo es el otro lado de la misma moneda. Las crecientes dificultades entre China y Estados Unidos aumentan las percepciones de desafío a la hegemonía norteamericana. Desde este punto de vista, parece ser urgente una recomposición de las relaciones China-Estados Unidos con el objeto de atemperar en parte el nacionalismo chino y evitar un antagonismo abierto (Becker, 2014). Desde este punto de vista el orden mundial liberal parece lo suficientemente flexible para integrar más a la China estatista-autoritaria. Sin embargo, no se trata sólo de economía política, sino del poder mundial.

## **2 LA EXPANSIÓN INTERNACIONAL DE CHINA POR VÍA DEL CAPITALISMO**

A fines de los años de 1970, después de la muerte de Mao y las disputas por el liderazgo, su sucesor, Deng Xiaoping, condujo a China por el camino del capitalismo, bajo un modelo políticamente autoritario. La opción de China por el capitalismo, desaparecido el modelo soviético, planteó, consiguientemente, la hipótesis que, mientras el modelo de acumulación capitalista fuera dominante, los cambios en la hegemonía sistémica solamente podrían ocurrir dentro del sistema capitalista mundial y que la economía de mercado dominaría la visión de la economía política internacional, al menos, en el mediano-largo plazo, ante la ausencia en la práctica de sistemas o modos alternativos de producción que pudieran competir con el capitalismo.

El ascenso de China se dio en el marco de un proceso de grandes cambios en la región Asia-Pacífico, cuyas dinámicas comenzarían también a incidir sobre el contexto sistémico en el cual se insertaban los países latinoamericanos. Según Ross (2014), cuatro cambios caracterizaron la región Asia-Pacífico en

los últimos lustros: *i)* la declinación de Japón y su sustitución por China en el comercio con América Latina; *ii)* la inserción internacional de China, sostenida en un acelerado y expansivo crecimiento económico, que llevaría a plantearse cuándo China reemplazaría a Estados Unidos; *iii)* la creciente integración intra-industrial entre China e India; y *iv)* la persistencia del conflicto en la península coreana.

El ascenso de China en la estructura de poder económico mundial modificó e influyó sobre la inserción internacional de los países latinoamericanos. La evolución general de las relaciones económicas internacionales de la región señala que sus países miembros, a partir de comienzos del siglo XXI, comenzaron – en mayor o menor medida – a reorientar sus relaciones económicas hacia China. Este cambio también comenzaría a influir sobre sus políticas exteriores, en la medida que los países de la región asumieron de manera pragmática la agenda de temas que le interesaban a China – respecto de Taiwán; la no ingerencia en el tema del Tibet ni en el cuestionamiento internacional a la violación de los derechos humanos (Bernal-Meza, 2012a; 2012b). Paralelamente, China comenzaba a influir sobre las políticas exteriores de la región (Ross, 2002; Becard, 2008; Oviedo, 2010; Bernal-Meza, 2012a), a través de la predominancia de los intereses políticos globales chinos en la definición de la agenda bilateral.

Entre los aspectos relevantes para nuestra región, como países en proceso de modernización y desarrollo, China – también otros BRICS, como India y Brasil – se presentaría posteriormente como una *variedad de capitalismo* (Becker, 2014), es decir, un modelo de desarrollo tardío; una forma de desarrollo dirigido por el Estado, alternativo a la vía histórica representada por el capitalismo anglo-norteamericano y europeo-occidental. Este fenómeno pasaría a formar parte de la imagen china, que limitaba la enorme diferenciación histórico-cultural entre ese Estado y los países latinoamericanos, puesto que, al igual que en muchos otros países de desarrollo tardío, los titulares de capital privado en China se han encarnado en el partido-estado chino, con la creación de una alianza de las élites políticas y económicas (McNally, 2014); tipo de alianzas que también se advirtieron y están hoy presentes en el capitalismo subdesarrollado de nuestra región, en particular a través de los gobiernos populistas.

El sino-capitalismo se coloca al frente de un importante cambio de poder global financiero y económico, lejos de los Estados Unidos, Japón y Europa occidental. En este contexto – posterior a la Segunda Guerra Mundial – hay tres importantes implicaciones analíticas que el estudio de las relaciones del sino-capitalismo genera: primero, en relación con el estudio comparativo del capitalismo en general; en segundo lugar, en lo que respecta al estudio de las economías de mercado emergentes, especialmente los BRICS y otras economías semi-periféricas; y en tercer lugar, en relación con el impacto que las relaciones chino-capitalismo y otras economías políticas emergente podrían tener en el sistema internacional (McNally, 2014).

China ha roto con la suposición excluyente que el desarrollo capitalista debía seguir la tradición occidental y ha demostrado que el capitalismo no es un bloque monolítico, impermeable e ideológicamente coherente – tal como lo señalaría el ejemplo Estados Unidos-Unión Europea (UE)-Organización del Tratado del Atlántico Norte (Otan), sino más bien un sistema socio-económico complejo que se adapta a las distintas formas de las diferentes naciones, culturas y épocas, en las cuales la “opción” nacional (propia y original) – resulta ser parte de las alternativas hacia el desarrollo. Paralelamente, más allá de las características autoritarias del modelo chino, las luchas intercapitalistas, que dieron origen a las Primera y Segunda Guerras Mundiales, parecieran estar también en el horizonte de la política mundial. En este escenario, América Latina – y, en particular, América del Sur – aparece cada vez más fuera del radar de los intereses norteamericanos y europeo-occidentales, con lo cual el acercamiento de China (pero también el de Rusia), surgen como opciones para la inserción internacional de la región, lo que tarde o temprano representará un desafío al dominio hemisférico norteamericano.

China será el actor que tendrá cada vez mayor incidencia e influencia en el sistema internacional y *vis-à-vis* América Latina y esta condición no es compartida por ninguna otra potencia mundial occidental ni tampoco emergente.

El ascenso de China, generará, por un lado e inevitablemente, cambios en el poder mundial y dará nueva forma al orden internacional; pero, por otro lado, ayudará a construir un nuevo tipo de equilibrios de poder en la política mundial, basado en el multilateralismo y el institucionalismo. China demandará mayor poder de decisión sobre los asuntos mundiales y la redefinición de los organismos internacionales.

Por otra parte, no hay dudas acerca de que su crecimiento económico sostenido representa el mayor desafío al orden mundial capitalista, existente desde el fin de la Guerra Fría.

### 3 CHINA Y AMÉRICA LATINA EN LA POLÍTICA INTERNACIONAL

El ascenso de China implicará, para los países de América Latina, una redefinición de sus marcos de relacionamiento internacional, como consecuencia de la transición y seguramente, más tarde, su consolidación como poder hegemónico.

El surgimiento de China generará, inevitablemente, poder y dará nuevas formas al orden internacional, pero, por otro lado, ayudará a construir un nuevo tipo de relación de fuerzas en la política mundial basado en el multilateralismo y el institucionalismo (Muchie and Li, 2010, p. 53, traducción del autor).<sup>3</sup>

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3. "China's emergence will, on the one hand, unavoidably generate power shift and shape the international order in new ways, but on the other hand, help construct a new type of balance of power in world politics based on multilateralism and institutionalism" (Muchie and Li, 2010, p. 53).

Históricamente el orden mundial o su reordenamiento tuvieron siempre como resultado conflictos, derivados de las aspiraciones de los poderes emergentes y la resistencia de los poderes establecidos (Kennedy, 1989; Krippendorff, 1993; Muchie and Li, 2010).

The Chinese self-claimed “peaceful rise” is arguably winning international recognition on the basis of Beijing’s foreign policies and performances in the past decade: its role in promoting regional integration, its involvement in economic development of developing countries, its multilateralism at the United Nations and other international organization, its fight for fairness in the WTO for the developing world, its leadership in promoting regional security through the Shanghai Cooperation Organization in central Asia, its emergence in international aid and development assistance (Muchie and Li, 2010, p. 64).

China necesita de un escenario global de paz para poder consolidar su ascenso en la estructura de poder mundial y apela al multilateralismo para no despertar más temores entre las potencias occidentales. China tiene la intención de unir a su nueva diplomacia el slogan oficial de “mundo armonioso”, para reducir los temores y la probabilidad de que otros países se sientan obligados a formar alianzas para equilibrar su poder creciente y poner especial interés en difundir la idea de “ascenso pacífico”.<sup>4</sup> En ambos objetivos, la relación con América Latina – la región más pacífica del mundo, en términos de relaciones interestatales – resulta ser un factor político beneficioso, pues proyecta sobre la potencia el perfil pacífico internacional de la región. Sin embargo, los acontecimientos en el Mar de China y los conflictos de Beijing con sus vecinos ponen en contrapunto ambos conceptos.

La nueva y más contundente posición de poder del liderazgo chino ha sido un desafío a la idea de una política exterior de Beijing como una política que se construye sobre la fórmula del “ascenso pacífico”. De hecho parece que el logro de *El Sueño de China*, es decir, la transformación del país en la primera potencia del mundo, estará acompañada de la proyección militar del país en, y con creciente tensión, en la región del Mar del Sur de China (Tran *et al.*, 2013, p. 165, traducción del autor).<sup>5</sup>

El avance de China, desde la semi-periferia al centro, desplaza a otros países desde ésta hacia posiciones marginales y modifica la jerarquía de la estructura sistémica (Li, 2008; Muchi and Li, 2010), cuestión que ha sido rebatida por Christensen (2012),

4. De acuerdo a Tran *et al.* (2013, p. 165, traducción del autor), “el concepto del “sueño chino”, entendido como la aspiración de convertirse en la primera potencia del mundo, es el eje central de un libro titulado *El Sueño de China: pensamiento de poder principal y posición estratégica en la era post-americana*, escrito por el Mayor Coronel Liu, profesor de la Universidad Nacional de la Defensa del Ejército Popular de Liberación (PLA). ¿El hecho que el libro haya recibido la aprobación del Partido Comunista para ser publicado es síntoma del ascenso pacífico? La doctrina en ningún caso es la única que sostiene la política exterior moderna china”.

5. “The new and more forceful posture of the Chinese leadership has been challenging the idea of Beijing’s foreign policy as one being built on the ‘peaceful rise’ formula. In fact, it seems that the achievement of ‘China’s Dream’, i.e. the transformation of the country into the world’s leading power, will be accompanied by the country’s military projection into, and mounting tension in, the SCS (South China Sea) region” (Tran *et al.*, 2013, p. 165).

otros autores en Li y Christensen (2012a) y por estos mismos autores (Li y Christensen 2012b). Sin embargo, estudios económicos recientes dan cuenta de ese desplazamiento (Bernal-Meza y Quintanar, 2012), que se produce por vía de la especialización productiva y de los flujos de comercio. China especializa a sus socios comerciales de la semi-periferia y la periferia y sustituye sus exportaciones de manufacturas en terceros mercados.

La intensificación de las relaciones comerciales China-América Latina y China-África también ha acelerado el argumento “neo-colonialista” que afirma que esa potencia se está imponiendo sobre las regiones con una renovada relación “colonial”. El avance de China desde la periferia (primero), a la semi-periferia (después) y ahora hacia el centro modifica la jerarquía de posiciones, lo que se transforma en una fuente potencial de conflictos. Visto desde esta perspectiva, la centralización de China puede estar conduciendo a la periferización de los países hoy semi-periféricos (sustituyendo sus producciones y mercados de exportación) y se prevé que el ascenso económico de China y su participación activa, especialmente en las zonas de la semi-periferia, plantee más retos y restricciones (Li, 2012a; Li, 2012b; Li and Christensen, 2012a).

Si bien de ambos lados se ha planteado el objetivo de un mundo más multipolar y pacífico, no hay dudas que existen grandes diferencias, entre unos y otros; en la medida que América Latina no tiene capacidades para modificar ni influir sobre la estructura sistémica.

Para China, la base de la cooperación internacional con América Latina está en la pertenencia común al “mundo en desarrollo”. El discurso de la política exterior china ha insistido históricamente en la condición del país como tal. Sin embargo, esta es una condición difícil de aceptar para los países latinoamericanos, puesto que, con la excepción del producto interno bruto (PIB) per cápita, no hay otro parámetro que permita identificar a ambos actores como “similares” (Oviedo, 2012; Bernal-Meza, 2012a). No obstante, comparten desafíos al desarrollo como la dependencia energética (con la excepción de Brasil, Venezuela y Ecuador), el deterioro del medio ambiente, la depredación de los recursos no renovables y la polución ambiental.

Según Shixue,<sup>6</sup> los intereses chinos por América Latina tienen cinco razones: *i*) como país en desarrollo, China juzga políticamente necesario compartir posiciones con la región en la lucha por un orden económico internacional más justo; *ii*) para disminuir la dependencia comercial de Estados Unidos y otros países desarrollados, es importante para China mantener relaciones económicas con América Latina, para aumentar sus inversiones en la región; *iii*) para continuar su desarrollo interno, China necesita tener acceso a recursos naturales, de los que

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nuestra región es abundante; *iv*) China puede extraer experiencias de los países latinoamericanos en el proceso de adaptación a la *economía de mercado*; y *v*) a partir del fin del siglo XX, China tiene aún interés en establecer relaciones diplomáticas con algunos países de América Latina, a cambio del reconocimiento de Taiwán como parte de China (Shixue, 2002; 2006).

A pesar de la presencia de factores políticos y diplomáticos, han sido los intereses económicos los que han determinado el rumbo de las relaciones de China con América Latina y el Mercosur. Los objetivos chinos en la región son esencialmente económicos y secundariamente políticos.

Con la diferencia de Brasil, el resto de los países latinoamericanos ven a China desde la perspectiva esencialmente económica; con lo cual hay una importante coincidencia. China aparece como un formidable actor económico mundial, con capacidad de atraer e integrar a las economías semi-periféricas y periféricas a su propia estructura productiva; con atractivos importantes en términos de generar inversión extranjera directa (IED) y mercado para las exportaciones primarias que gracias a la demanda china han mantenido al alza los precios internacionales de los *commodities* latinoamericanos.

Solo Brasil, prioritariamente, y Argentina, más restringidamente, tienen con China una agenda que cubre aspectos de la política internacional (Bernal-Meza, 2012a; 2012b). Brasil es el único de los países de la región que comparte con China la aspiración a reformular el orden global y que participa con ésta en alianzas globales (BRICS).

La autopercepción china – su necesidad de ocupar un espacio acorde con su autorrepresentación de gran país, con larga historia y merecedor de estar en el primer lugar entre los países desarrollados –, le conduce a pugnar por lo que llama un orden internacional justo; por un orden internacional diferente; por la multipolaridad y la ruptura de la hegemonía unilateral que ha caracterizado al mundo después de la Guerra Fría. Este aspecto diferencia la política exterior china de la de los países latinoamericanos, con la excepción parcial de Brasil; aun cuando todos los países de la región comparten la aspiración por un orden más justo y multipolar. La visión de China como potencia emergente, en el marco de los BRICS, ha sido vista por Brasil como la posibilidad de erigirse en un paradigma alternativo para la construcción de un nuevo orden mundial.

Algunos análisis a nivel regional ponen de relevancia la influencia que el sistema político y la ideología chinos tienen sobre sus relaciones internacionales, incluyendo las económicas, lo que condicionaría la flexibilidad de los intercambios en el marco de economías de mercado.

En términos económicos, las relaciones bilaterales de China con los países latinoamericanos, desde una lectura común – con la excepción de Chile –

son vistas como una oportunidad pero también como un riesgo de reproducir el patrón de relacionamiento norte-sur o centro-periferia que caracterizó la inserción internacional de la región durante los siglos XIX y XX.

Un aspecto muy interesante, al analizar la relación de Brasil con China, pero que se puede extrapolar al resto de países – y en particular a algunos tan importantes como México – es que los países latinoamericanos en general vieron a China primero como espacio para la expansión de las exportaciones – primarias y de manufacturas –, para finalmente terminar por verla como el *peligro amarillo*.

La situación se fue haciendo más compleja a medida que los países desarrollados se tornaron, gradualmente, incapaces de absorber la mayor parte de las exportaciones de China e India, las cuales, gradualmente, se volcaron hacia los países en desarrollo. Pero dos fenómenos paralelos aceleraron el proceso con el cambio de siglo: la necesidad creciente de recursos naturales por parte de los dos gigantes asiáticos y la estrategia de las grandes (declinantes) potencias occidentales de privar a China, progresivamente, de tener acceso a los mismos. La lucha contra el terrorismo en Asia Central, bajo la consigna de la “guerra al terrorismo” fue el sentido estratégico de la gran intervención anglo-americana para, entre otras cosas, perturbar la seguridad energética china, centrada en las inmensas reservas de gas y petróleo de la región. Entonces, China, evitando confrontar con los Estados Unidos, buscó áreas no cubiertas por el más rígido control militar norteamericano. Estrechó la cooperación político-económica con los vecinos asiáticos e intensificó el comercio con América Latina.

Un segundo tema que proyecta la imagen de China tiene que ver con la percepción como modelo de *modernización y desarrollo económico* para América Latina que representa el nuevo segundo mundo: el socialismo de mercado. China, pero también Brasil, representan exitosos ejemplos de ascenso en la estructura de poder mundial, ascenso que se basa en la modernización y el desarrollo. Las similitudes señalan, en primer lugar, el papel del Estado, como impulsor y conductor de los procesos de desarrollo e industrialización, a través de las políticas públicas. En segundo lugar, el papel de las empresas estatales en el desarrollo de la innovación tecnológica, la incubación de empresas y el apoyo e impulso a la internacionalización de las empresas. Sin embargo, tal como ha señalado Oviedo (2012) también existen diferencias: mientras que la modernización china ha sido conducida bajo el autoritarismo, la modernización brasileña ha sido alcanzada bajo el régimen democrático.

De las visiones e imágenes que se proyectan desde la literatura analizada, en países grandes y medianos de América Latina – Brasil, México, Argentina, Colombia, Chile (Bernal-Meza, 2014) –, China expresa tres representaciones: *i)* una visión como socio comercial, sobre la cual hay lecturas dispares, aunque predomina la percepción de riesgo; *ii)* una visión como modelo estatal de desarrollo

y modernización económica y social; y *iii*) una visión como eventual pilar en la construcción de un nuevo orden mundial, multipolar y no hegemónico.

En conclusión, las lecturas reflejan intereses esencialmente económicos en la relación bilateral – con la excepción de Brasil – y preocupación común por el patrón norte-sur de la estructura de comercio bilateral.

Algunos regímenes de izquierda han hecho evidente su deseo de contrabalancear el poderío estadounidense con la carta china. Argentina, Brasil, Cuba y Venezuela han expresado, de una u otra forma, sus esperanzas en este sentido. Estas expectativas parecerían correspondidas por la República Popular China, cuyos principales dirigentes han visitado América Latina y Caribe y se han entrevistado con sus homólogos de la región. Sin embargo, quienes esperan que China o India, se conviertan en sustitutos políticos o ideológicos de la Unión Soviética, seguramente esperarán muchos años. En la jerarquía de la política exterior china, la estabilidad en las relaciones con Estados Unidos y Europa tiene una clara primacía sobre cualquier estrategia de expansión geopolítica en la periferia del mundo (León-Manríquez, 2013, p. 215).

#### **4 CHINA Y AMÉRICA LATINA: RELACIONES ECONÓMICAS**

Con la excepción de Chile y Brasil, no se observa que con otros países haya habido una línea contemporánea de continuidad, de largo plazo, en las relaciones bilaterales, involucrando economía y política y con el desarrollo de instrumentos diversos – TLC, convenios, acuerdos diversos etc. –; aun cuando países como Argentina han mantenido una larga relación político-diplomática. Esta falta de vínculos bilaterales se subsanó, aceleradamente en los últimos quince años, a través de las relaciones económicas. Sin embargo, el desconocimiento cultural y lingüístico mutuo es sorprendente, en particular visto desde nuestra región, hecho que resalta por la creciente dependencia económica y financiera respecto del gigante asiático.

China ha puesto de manifiesto y profundizado la heterogeneidad estructural de América Latina. Tanto desde el punto de vista de las estructuras productivas – entre los que tienen una inserción económica internacional por vía de la industria (como Brasil, México y Argentina), como los que la abandonaron (Chile) y con aquellos que no pasaron de la etapa primario-exportadora –, como también respecto de la diversidad de posiciones y percepciones sobre China y el desafío que representa, en el corto y mediano plazo.

China pasó a construir un nuevo patrón de especialización comercial internacional en América Latina (Sevares, 2007; 2012; Ellis, 2009; Li, 2010; 2012a; Bernal-Meza, 2012a; 2012b); estructura caracterizada por la profundización de las exportaciones primarias, en aquellas economías no iniciadas en la industrialización; la re-primerización de las economías industrializadas (Brasil, México y Argentina)

y la sustitución de las exportaciones de manufacturas hacia terceros mercados por productos industriales chinos. Este proceso de “primerización” y “re-primerización” de las economías latinoamericanas, como caracterización del patrón de relacionamiento comercial entre la región y China, se fortaleció y comenzó a consolidarse a través del proceso de inversión directa. Asimismo, los contratos para la compra de maquinaria china, incluyeron la provisión de insumos chinos de menor valor agregado que se producen en el país receptor, trasladando así a China trabajo que podría desarrollarse en el país receptor de la exportación.<sup>7</sup>

Aún cuando la IED china en América Latina y Caribe ha tenido un crecimiento muy dinámico en los últimos años y ha generado altas expectativas de aumento, tres realidades resumen su perfil: *i)* su monto es casi tres veces menor a la IED acumulada de Japón; *ii)* el conjunto de América Latina-Caribe (ALC) es marginal como área de destino de la IED china, pues ningún país de la región aparece en la lista de los treinta principales destinos de dicha inversión;<sup>8</sup> y *iii)* la IED de la República Popular China se realiza principalmente por entidades públicas y suele orientarse a la infraestructura y las actividades extractivas de la minería y la industria petrolera (León-Manríquez, 2013, p. 213).

El socialismo del mercado chino influye negativamente sobre las relaciones económicas entre China y América Latina, puesto que los intereses políticos estratégicos chinos tienen un peso decisivo sobre las decisiones comerciales. Experiencias como las de Argentina (Bernal-Meza, 2012a; 2012b), demuestran lo acertado de tal afirmación, cuando las decisiones de represalia política determinaron el destino de los flujos posteriores de exportaciones argentinas. La política financiera china hacia países como Brasil, México y Colombia, tiene una finalidad política análoga a la correspondiente a los países desarrollados: apaciguar los ánimos de los actores insatisfechos con la rápida penetración comercial de China en los mercados de esos países o en los países de destino de sus exportaciones industriales. En contraste, la política financiera hacia países como Argentina, Chile, Perú, Venezuela y Uruguay atiende más a una finalidad económica; garantizar el abastecimiento de materias primas para proseguir con la industrialización acelerada y construir con esos países una estructura dependiente de las demandas de su estructura industrial y de consumo.

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7. Por ejemplo, “el contrato que el Ministerio del Interior y Transporte firmó con la empresa china para la compra de cientos de vagones que servirían para la renovación del ferrocarril en el país, incluye cláusulas que impiden la producción de repuestos y obras de mantenimiento en Argentina. Por ejemplo, el contrato establece que el país le comprará a los chinos 2.800.000 durmientes, cuando en argentina existen cinco fábricas que podrían hacerlos. Si bien la producción de estos durmientes no requiere de alta tecnología, sí se necesita bastante mano de obra. En la planta china trabajan 250 personas. Sin embargo, importar los durmientes desde China le costará al país entre 30 y 35% más que fabricarlos acá. En total a la firma china, entre los dos tamaños de durmientes que necesita adquirir el ferrocarril nacional, se les pagarán US\$ 249 millones” (Advierten..., 2014).

8. Aún cuando según Sebares (2014), afirma que para 2010, América Latina ya era el segundo destino de las inversiones chinas, después de Hong Kong.

Dada la atención que los países latinoamericanos han puesto sobre las perspectivas de la IED china, aún es muy temprano para afirmar que China es un actor financiero capaz de competir con los países desarrollados. En el marco de la política financiera internacional china, orientada a privilegiar las relaciones políticas con los gobiernos de los países desarrollados, los países en desarrollo ocupan un lugar secundario y la importancia política y económica que el gobierno chino otorga a uno y otros tipos de países es puesta en evidencia por las cuotas de inversiones directas chinas acumuladas. América Latina no representa un interés político y económico importante frente a la relación con los países desarrollados y la región Asia-Pacífico inmediata.

El lugar de las economías latinoamericanas en la política financiera internacional del gobierno chino es sólo marginal y, al depender de las condiciones del mercado, nada garantiza la irreversibilidad de los incrementos en las exportaciones de IED china, ni el *boom* de la demanda china por materias primas de origen agropecuario y minero.

Sin embargo, éstos y otros elementos evidentes de la presencia e importancia económica de China en la región latinoamericana, como su IED (Sevares, 2012; 2014), y el hecho de que esa potencia esté tratando activamente de ascender en la cadena de producción de valor agregado en sectores tales como computadoras, automóviles y aviones, mientras que América Latina sufre un proceso de progresiva “desindustrialización”, son sólo algunos de los elementos a los cuales los países latinoamericanos deben poner atención.

Si bien durante la primera década del siglo XXI América Latina fue el socio comercial más dinámico de China, la región presenta un balance negativo en el comercio con la República Popular China, en razón sobre todo del déficit de México y Centroamérica. Esta diversidad de trayectorias y la heterogeneidad de intereses y estructuras económicas de la región dificultan dar una respuesta coordinada de los estados latinoamericanos ante el ascenso económico de la República Popular China (León-Manríquez, 2013, p. 219).

## 5 CONCLUSIONES

Considerando la estructura de relaciones China-América Latina, tres debieran ser los temas que deberían ocupar la atención de los países de la región: *i)* las características del comercio; *ii)* la política multilateral; *iii)* el impacto sistémico del ascenso de China en la estructura del poder mundial. Sin embargo, en los análisis comparados de políticas exteriores – con la excepción de Brasil –, los países latinoamericanos sólo atienden al primer tema de lo que debería ser una “agenda temática compleja”.

China, en general para el mundo no desarrollado y Brasil, para la región, representan ejemplos exitosos de ascenso en la estructura de poder mundial, que se basan en la modernización y el desarrollo de las estructuras productivas.

Las similitudes de ambos gigantes – China y Brasil – señalan, en primer lugar, el papel del Estado, como impulsor y conductor de los procesos de industrialización, a través de las políticas públicas. En segundo lugar, el papel de las empresas estatales en el desarrollo de la innovación tecnológica, la incubación de empresas y el apoyo e impulso a la internacionalización de las empresas. En tercer lugar, el apoyo a las políticas sociales destinadas a reducir las desigualdades sociales y geográficas internas. Sin embargo, la opción brasileña por la democracia restringe la importancia relativa del modelo chino.

El lugar de las economías latinoamericanas en la política financiera internacional del gobierno chino es sólo marginal y, al depender de las condiciones del mercado, nada garantiza la irreversibilidad de los incrementos en las exportaciones de IED china, ni el *boom* de la demanda china por materias primas de origen agropecuario y minero.

Los estudios de política exterior hechos en distintos países de la región proyectan tres imágenes distintas sobre China: *i*) una visión como socio comercial, sobre la cual hay lecturas dispares, aunque predomina la percepción de riesgo; *ii*) una visión como modelo estatal de desarrollo y modernización económica y social; y *iii*) una visión como eventual pilar en la construcción de un nuevo orden mundial, multipolar y no hegemónico. Sin embargo, la relación fue evolucionando desde el interés a la preocupación: comenzó siendo el nuevo “el dorado” para terminar siendo “el peligro amarillo”.

A pesar del hecho que China ha sido el socio comercial más dinámico de América Latina, el balance comercial es negativo, porque con la excepción de Brasil y Chile, todos los países tienen déficit comercial con China, con saldos negativos de fuerte crecimiento, como son los del comercio China-México y China-Centroamérica. Si asociamos a esta situación el diagnóstico sobre el patrón de comercio bilateral América Latina-China, con primerización y re-primerización de las economías de nuestra región y la percepción crecientemente negativa sobre el impacto de China sobre las economías de nuestra región, hay dos trayectorias que identifican a cada una de las partes: China, como el socio comercial y financiero que crece aceleradamente en importancia y América Latina cada vez más dependiente del comercio, las inversiones y los préstamos chinos.

Sin embargo, dada la atención que los países latinoamericanos han puesto sobre las perspectivas de la IED china, aún es muy temprano para afirmar que ella sea un actor financiero capaz de competir con los países desarrollados. En el marco de la política financiera internacional china, orientada a privilegiar las relaciones políticas con los gobiernos de los países desarrollados, los países en desarrollo ocupan un lugar secundario y la importancia política y económica que el gobierno chino otorga a uno y otro tipo de países es puesta en evidencia por la cuotas de inversiones directas chinas acumuladas. América Latina representa un

interés político y económico marginal y Japón, que hoy parece ser un actor cada vez más distante de la región, sigue siendo el principal inversor asiático.

Los análisis sobre textos de política exterior de países latinoamericanos – México, Brasil, Argentina, Colombia (Bernal-Meza, 2014) – reflejan intereses esencialmente económicos en la relación bilateral – con la excepción de Brasil – y preocupación común por el patrón norte-sur de la estructura de comercio bilateral. Sin embargo, no hay ningún elemento que permita suponer que exista al respecto algún tipo de coordinación. El problema es que el involucramiento regional de China y la subordinación económica de nuestros países, crece y con ello la dependencia externa de la región.

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## ENTRE LOS “CUENTOS CHINOS” Y LA REALIDAD: EL SURGIMIENTO DE CHINA, UN DILEMA CENTRAL DE LA POLÍTICA EXTERIOR ARGENTINA<sup>1</sup>

Felipe de la Balze<sup>2</sup>

La Argentina se encuentra aislada del mundo y su reputación internacional ha declinado. En materia de comercio internacional, a pesar de las favorables circunstancias internacionales, no hemos diversificado el patrón de exportaciones y consecuentemente hemos perdido mercados importantes. En materia de inversión extranjera directa, la recurrente inestabilidad y discrecionalidad en la aplicación de las reglas del juego redujeron las inversiones. En contraste, las reformas pro-mercado introducidas por China, junto con una altísima tasa de inversión, generaron un formidable avance económico durante las últimas décadas. La irrupción de China en el escenario mundial es beneficiosa para nuestro país si sabemos entenderla y aprovecharla. Pero hay que tener en cuenta que la economía Argentina y la China, en el campo comercial, son menos complementarias de lo que se ha comentado en diferentes ámbitos en los últimos años. Desafortunadamente, China importa pocos de los productos con mayor valor agregado que nosotros exportamos, ya que la mayor concentración de nuestras exportaciones a China es de materias primas. Argentina debe implementar una estrategia efectiva para relacionarse con China en el futuro y aprovechar las oportunidades que se le presentan.

**Palabras clave:** política exterior de los Kirchner; ascenso de China; inversiones extranjeras de China en Argentina; relaciones de la Argentina con China.

## ENTRE “CONTOS CHINESES” E A REALIDADE: O SURGIMENTO DA CHINA, UM DILEMA CENTRAL DA POLÍTICA EXTERIOR ARGENTINA

A Argentina está isolada do mundo e sua reputação internacional está em declínio. No comércio internacional, apesar das circunstâncias internacionais favoráveis, o país não possui padrão de exportação diversificado e, conseqüentemente, vem perdendo mercados importantes. Em termos de investimento direto estrangeiro, a instabilidade recorrente e a discricionariedade na aplicação das regras do jogo acarretaram sua redução. Em contraste, as reformas pró-mercado introduzidas pela China, com uma taxa de investimento elevada, geraram um tremendo progresso econômico nas últimas décadas. A emergência da China no cenário mundial é benéfica para a Argentina se for entendida e aproveitada, mas é preciso ter em mente que as economias argentina e chinesa, no domínio comercial, são menos complementares do que vem sendo discutido nos últimos anos. Infelizmente, a China importa apenas alguns dos produtos com maior valor agregado dos argentinos, uma vez que a maior concentração de exportações do país latino-americano para a China são matérias-primas. A Argentina deve implementar uma estratégia eficaz de envolvimento com a China no futuro e aproveitar as oportunidades que se apresentam.

**Palavras-chave:** política exterior dos governos Kirchner; ascensão chinesa; investimento estrangeiro chinês na Argentina; relações Argentina-China.

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## BETWEEN "CHINESE STORIES" AND THE REALITY: THE RISE OF CHINA, A CENTRAL DILEMMA FOR THE ARGENTINIAN FOREIGN POLICY

Argentina is isolated from the world and its international reputation has declined. In international trade, despite the favorable international circumstances, we have not diversified export pattern and have consequently lost important markets. In terms of foreign direct investment, recurrent instability and discretion in the application of the rules of the game reduced investments. In contrast, the pro-market reforms introduced by China, along with a high investment rate, generated a tremendous economic progress over the past decades. The rise of China on the world stage is beneficial to our country if we understand it and use it in our favor. But keep in mind that the Argentinean and Chinese economy, in the commercial field, are less complementary to what has been discussed in various fields in recent years. Unfortunately, China imports few of the products with higher added value that we export, since the highest concentration of our exports to China is raw materials. Argentina must implement an effective strategy to engage with China in the future and seize the opportunities that are presented.

**Keywords:** Kirchner's foreign policy; rise of China; China foreign investments in Argentina; Argentina-China bilateral relation.

JEL: F53; N40.

### 1 LA ARGENTINA AISLADA

La Argentina se encuentra aislada del mundo y su reputación internacional ha declinado mucho en los últimos tiempos. El próximo gobierno que asuma en el 2015 deberá realizar profundas modificaciones para corregir los desaciertos de los últimos años.

Toda política exterior es vulnerable a los efectos de una crisis interna de gran envergadura como la que vivió la Argentina entre los años 2001 y 2003. Las repercusiones internacionales más gravosas de la crisis fueron el quebranto del crédito público y el profundo deterioro en la relación con las principales naciones europeas, que vieron malogradas sus inversiones en el país.<sup>3</sup>

La política exterior de los últimos diez años no supo subsanar estos severos reveses. Tampoco fue capaz de crear un clima de renovada confianza con los Estados Unidos, ni supo articular con Brasil una política que destrabe el ya perenne estancamiento del Mercosur.

Después de diez años, el país sigue en *default* sin recuperar el acceso a los mercados voluntarios de deuda, lo que encarece la inversión de largo plazo tanto pública como privada.

Los niveles de endeudamiento se redujeron sustancialmente gracias a la renegociación de la deuda instrumentada en el 2005/2010. Pero la prima de riesgo país

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3. Quien quiera indagar en detalle las consecuencias de la crisis 2001/2003 sobre la política exterior puede consultar el artículo que publiqué en la Revista del Instituto de Estudios Internacionales de la Universidad de Chile (Balze, 2010).

(el costo de endeudarse) – que es la verdadera medida del acceso al crédito – se mantuvo en niveles altísimos: tres veces más altos que los de Brasil, Chile o México.

Las recientes iniciativas del gobierno para restablecer el crédito argentino llegan tarde y son fruto de una creciente debilidad en materia fiscal y de un disminuido nivel de reservas en el Banco Central.

De todas formas, renegociar las deudas impagas con los bancos de exportación (el Club de Paris), satisfacer los requerimientos del Fondo Monetario Internacional (FMI) de que se publiquen estadísticas confiables, aceptar responsabilidades en materia de juicios perdidos en el Centro Internacional de Arreglo de Diferencias Relativas a Inversiones (Ciadi) e intentar postergar hasta el 2015 las decisiones de la justicia norteamericana respecto a los bonistas impagos (los *holdouts*), son señales en el proceso de volver a integrarse al mundo.

Decisiones recientes (jun./2014) de la justicia norteamericana respecto al juicio con los *holdouts* vuelven a poner a la Argentina en *default*. Los intereses económicos en juego son significativos, la situación legal es intrincada y existen serias dudas sobre la capacidad del gobierno Kirchner para resolver adecuadamente este complejo tema.

Aunque el *default*, al ser selectivo, probablemente no tenga la gravedad de lo ocurrido en el 2002, las consecuencias negativas sobre la economía serán sustanciales, el acceso al nuevo financiamiento será restringido y la Argentina no restablecerá su crédito internacional en el futuro próximo.

En materia de comercio internacional, a pesar de las favorables circunstancias internacionales, no hemos diversificado el patrón de exportaciones. Del lado de las importaciones, las restricciones discrecionales aplicadas por la Secretaría de Comercio suscitaron numerosas acciones legales en contra de nuestro país ante la Organización Mundial del Comercio (OMC).

Además, perdimos mercados importantes. Pasamos de ser el tercer exportador mundial de carnes a exportar menos que el Uruguay. En el 2010, perdimos el acceso al Sistema de Preferencias Generalizadas en el mercado norteamericano que favorecía a nuestras exportaciones regionales. Ahora, después de transformarnos en líder mundial en la exportación de biodiesel, los europeos nos han cerrado su mercado.

En materia de inversión extranjera directa, la recurrente inestabilidad y discrecionalidad en la aplicación de las reglas del juego redujo dramáticamente el flujo de nuevas inversiones. En el año 2012, Argentina recibió nuevas inversiones extranjeras directas (sin tomar en cuenta la reinversión de utilidades) por solo US\$ 4.000 millones, mientras que Brasil recibió por US\$ 65.000 millones y Chile por US\$ 30.000.

El estilo de conducción que el gobierno practica en la política interna se proyectó al escenario internacional con una agenda reactiva y poco respetuosa de las formas diplomáticas establecidas.

No creo que la diplomacia norteamericana haya olvidado el escándalo que ocurrió en Mar del Plata durante la reunión hemisférica, cuando se discutió el futuro del Área de Libre Comercio de las Américas (Alca) (OEA, 2005). Tampoco creo que olviden la escena de nuestro canciller abordando un avión militar norteamericano para confiscar equipos de comunicaciones y claves secretas.

También no creo que los uruguayos hayan olvidado el prolongado bloqueo al principal puente internacional entre nuestros dos países, ni los chilenos el anuncio intempestivo de los recortes de gas natural a Chile durante el invierno del año 2005.

La politiquería y el amiguismo invadieron el aparato burocrático de la Cancillería. Se desplazó o eliminó a experimentados funcionarios de carrera, nombrando en puestos claves a militantes sin experiencia.

El Instituto del Servicio Exterior de la Nación, uno de los pocos centros de entrenamiento de excelencia creado por el Estado durante los últimos cincuenta años, sufre hoy un grave deterioro en su plantel de profesores y en la calidad del entrenamiento que imparte.

Al gobierno le cuesta interpretar las nuevas tendencias internacionales y no sabe aprovechar las oportunidades que ofrece el escenario para mejorar la situación de nuestro país en el mundo.

En lo internacional, el país está cada día más aislado y no tiene una estrategia clara y articulada – mucho menos consensuada – en materia de alianzas, relaciones económicas preferenciales y tácticas diplomáticas.

## **2 EL ASCENSO DE CHINA Y SUS CONSECUENCIAS EN EL ESCENARIO MUNDIAL**

El proceso de globalización que se inició después de la Segunda Guerra Mundial, se extendió vigorosamente durante los últimos 25 años a China, a los ex miembros del bloque soviético y al mundo de los países emergentes en Asia, África y América Latina.

Las reformas pro-mercado introducidas por China, en conjunción con una altísima tasa de inversión, generaron un formidable avance económico durante las últimas décadas. En la actualidad la economía china es la segunda más grande del mundo en términos de producto interno bruto (PBI) y la primera en términos de producción industrial. Su participación en las exportaciones mundiales se incrementó del 2% en 1990 al 4% en el 2000 y al 11% en la actualidad. China ocupa el tercer lugar (después de los Estados Unidos y Japón) en términos de inversión extranjera directa y es el primer tenedor de reservas internacionales (US\$ 3.600.000 millones, al 31 de octubre de 2013).

China continuará creciendo en los próximos años, pero a tasas menores que en el pasado. Su modelo de crecimiento "a todo vapor" ha generado consecuencias indeseadas. El crecimiento es excesivamente dependiente de la inversión fija y de las exportaciones (en detrimento del consumo) y existen graves ineficiencias en el sector bancario y en el funcionamiento de las grandes empresas públicas.

Los Estados Unidos y China serán durante las próximas décadas las principales potencias mundiales tanto en el campo económico como en el político y militar.

En los centros de poder mundial, el ascenso de China desata temores respecto al futuro equilibrio mundial, ya que constituye una amenaza a la preeminencia de los Estados Unidos y pone en jaque los arreglos "de jure y de facto" que le dan sustento al sistema internacional creado después de la Segunda Guerra Mundial.

Recordemos, en este sentido, la reacción de Esparta ante el fortalecimiento de Atenas – tan lucidamente descrita por Thucydides en *Las Guerras del Peloponeso* (1992) – y más recientemente las consecuencias del surgimiento de Alemania, Japón y la Unión Soviética durante el tumultuoso siglo XX.

Hasta ahora, China aceptó el *statu quo* internacional y jugó un rol constructivo y responsable en el escenario mundial. China se incorporó gradualmente al sistema de normas, reglas e instituciones que le dieron sustento a la llamada "pax americana".

Se asoció como miembro activo a las principales instituciones económicas multilaterales, como el FMI, el Banco Mundial y la OMC. Participó en el dialogo sobre el control de armas de destrucción masivas y cooperó con las potencias occidentales en el combate contra el terrorismo.

También aumentó su participación en el sistema de las Naciones Unidas, en el Consejo de Seguridad y participó en numerosas Operaciones de Paz. Durante la década de 1990, se incorporó en forma activa a más de diez organizaciones regionales entre ellas, la Asociación de Países del Sudeste Asiático (Asean) y la Organización de Cooperación de Shanghái (que incorpora a Rusia y a las Repúblicas de Asia Central en proyectos de cooperación económica, energética y de defensa).

Entre China y los Estados Unidos predominó hasta ahora una intensa interdependencia económica sobre las potenciales diferencias que existen en el campo de la geopolítica y la ideología.

Estados Unidos le ofrece un gran mercado a las exportaciones chinas y las multinacionales norteamericanas son grandes inversoras en dicho país. China tiene en Washington un formidable *lobby* de empresas locales que morigeran las presiones proteccionistas que podrían poner en peligro la simbiosis de intereses que sustenta la relación actual.

China provee muchos de los bienes que permitieron la extraordinaria bonanza del consumidor norteamericano durante las últimas décadas. Además, es el principal financista de Washington a través de la compra de títulos públicos, lo que contribuye a mantener bajas las tasas de interés y a estimular la actividad económica.

A pesar de lo expuesto, la relación bilateral entre los Estados Unidos y China tiene aristas conflictivas en el campo de la geopolítica y lo ideológico.

En el *campo de la geopolítica*, China se opuso a las intervenciones de los Estados Unidos y sus aliados occidentales en Irak, Libia y más recientemente en Siria. Apoya al régimen de Corea del Norte y ha desarrollado una relación económica y política privilegiada con Irán.

Además, tiene una larga lista de contenciosos con numerosos vecinos. Sin duda el más serio es el de Taiwán, considerado por China como una provincia rebelde. Durante los últimos años, el control sobre el Mar de China y el Mar Amarillo (donde existen importantes recursos de petróleo y gas natural *offshore*) ha suscitado graves tensiones y roces con el Japón, Corea del Sur, Filipinas y Vietnam y crea un temor difuso a una posible desestabilización regional.

China no tiene aún los medios militares para disputar a los Estados Unidos su primacía, pero su gasto en materia de defensa y equipamiento militar está aumentado rápidamente.

La marina de guerra ya posee más submarinos que la rusa y espera convertirse en una armada bioceánica para fines de esta década. Su estrategia naval se complementa con un ambicioso esfuerzo en materia de satélites, misiles de mediano y largo alcance y capacidad de guerra cibernética. Este hecho preocupa a Washington a tal punto que hace pocos meses anunció el gradual traslado de importantes fuerzas navales y aéreas hacia esa región.

La alianza militar de los Estados Unidos con Japón, Corea del Sur, Australia y Filipinas es vista con suspicacia por los medios dirigentes de Pekín. Sospechan que el escudo misilístico que Estados Unidos desarrolla con Japón sea en su contra y no una respuesta al desarrollo nuclear y misilístico de Corea del Norte como se anuncia.

En el *campo ideológico*, también existen profundas diferencias. Los aliados occidentales promueven un sistema político democrático/liberal que es antagónico con el sistema de partido único que gobierna China.

La dirigencia china privilegia el predominio del estado sobre la sociedad. China sigue siendo un país autoritario, sin elecciones libres, con severas restricciones a la libertad de prensa y al uso del internet. Las demandas de democratización son postergadas y, en algunos casos, reprimidas con severidad.

La expectativa de que el régimen chino podría lentamente girar hacia un sistema democrático/liberal tiene, por ahora, poco asidero en la realidad. La primacía del partido único es consistente con muchos valores de su cultura y con la tradición política imperial.

El crecimiento económico redujo dramáticamente la pobreza y modernizó la sociedad. Pero las desigualdades sociales, la corrupción institucional y graves problemas de deterioro ambiental se multiplicaron durante los últimos años.

Por ahora, la población privilegia el progreso económico y el reconocimiento que el país está recibiendo en el escenario mundial sobre cualquier otra consideración política. Los recuerdos de un pasado reciente de pobreza extrema y convulsiones políticas, sirve de antídoto al espíritu de protesta.

Pero en un mundo donde la información se ha vuelto porosa, la conjunción de los problemas ya mencionados más el autoritarismo, genera resentimientos en la población, que están siendo canalizados por el Partido Comunista a través de un descarnado nacionalismo.

La profundización de estos problemas y la ocurrencia de una crisis económica podrían generar desequilibrios que amenacen la estabilidad del sistema. El surgimiento de tensiones podría dificultar el margen de maniobra del régimen en el campo internacional. También podría llevarlo a tentarse con aventuras externas para compensar sus dificultades internas.

Los Estados Unidos nunca han aceptado que una potencia competitiva ejerza una hegemonía exclusiva sobre el continente asiático o europeo. Las dos guerras mundiales del siglo XX y la Guerra Fría son la clara muestra de esto.

La transformación de China en una potencia hegemónica regional desequilibrará el balance de poder militar en Asia con consecuencias importantes para los Estados Unidos y Japón. Cuando esto ocurra, las tensiones crecientes podrían desembocar en un conflicto militar localizado y/o una disputa a través de terceros estados, o directamente en un conflicto militar entre las dos grandes potencias.

Nuestra política exterior necesita incorporar en su hoja de cálculo las posibles consecuencias y ramificaciones económicas, políticas y militares de este complejo escenario.

### **3 LA ARGENTINA: ENTRE LOS "CUEENTOS CHINOS" Y LA REALIDAD**

Históricamente, las relaciones entre la Argentina y China fueron poco significativas en razón de pertenecer geográfica y culturalmente a regiones distantes y muy diferentes. Las relaciones diplomáticas se restablecieron en 1972. Durante los últimos veinte años, las relaciones se ampliaron en todos los campos: no solo en lo político y comercial sino también en el cultural, científico y militar.

China apoya la posición argentina sobre las Malvinas y nuestro país a cambio aceptó la posición de Pekín respecto a Taiwán. Los dos países han cooperado provechosamente en diversos foros multilaterales, como en las negociaciones de la Ronda Doha (en la OMC), sobre el cambio climático y el Grupo de los Veinte (G20).

La irrupción de China en el escenario mundial es beneficiosa para nuestro país si sabemos entenderla y aprovecharla. Desafortunadamente, el surgimiento de China ha generado en numerosas comentaristas locales (gobierno, academia y periodismo) exageraciones respecto a la importancia futura de la relación bilateral, que no coinciden con la realidad.

La economía Argentina y la China, en el campo comercial, son mucho menos complementarias que lo que se repite hasta el hartazgo en la prensa y en artículos pseudo académicos que no han analizado en detalle las estructuras productivas de ambos países.

Investigaciones realizadas por Fiel para determinar la complementariedad entre las dos economías – tanto en lo agroalimentario como en las manufacturas – sugieren cautela. El índice de Michaely – utilizado para determinar la complementariedad de los patrones comerciales que tienen las dos economías – muestra un bajo grado de coincidencia entre las exportaciones argentinas y las importaciones chinas en comparación con un centenar de mercados alternativos (Cristini y Bermúdez, 2004).

Si bien la relación con China es relevante, no se compara ni cuantitativamente ni cualitativamente con la densa interdependencia que mantuvimos con Gran Bretaña en el siglo pasado.

Nuestras exportaciones promedio a Gran Bretaña entre 1870 y 1940 representaron alrededor del 35% de nuestras exportaciones totales (*versus* 7,5% en el caso de China) y el stock de la inversión directa británico representaba casi el 40% de la inversión extranjera directa total en el país (menos del 10% en el caso de China).

Dos razones explican esta profunda disparidad. Por un lado, la gran distancia geográfica encarece los costos de transporte y nos descoloca respecto a competidores como Australia, Nueva Zelanda, Estados Unidos y los países del sudeste asiático exportadores de materias primas.

Por otro lado, la complementariedad entre nuestras dos economías es limitada porque China (al revés de Gran Bretaña cien años atrás) es proteccionista en materia agropecuaria.

China es una gran productora de alimentos (produjo 560 millones de toneladas de granos en el 2012), aunque su producción nacional no alcanza para satisfacer todas sus necesidades.

La búsqueda de la autosuficiencia alimentaria es un objetivo permanente de todos los gobiernos chinos. Darle ingresos y empleo a casi 700 millones de chinos que viven en zonas rurales – donde además se concentran los mayores problemas de pobreza y desigualdad – es una prioridad política de primer rango.

El comercio bilateral entre la Argentina y China creció rápidamente durante los últimos quince años (de US\$ 900 millones en 1995 a casi US\$ 15.000 millones en el 2012).

El patrón de comercio bilateral actual es desequilibrado y la balanza comercial es deficitaria para la Argentina desde el año 2008, a pesar de las numerosas restricciones impuestas por la Secretaría de Comercio.

En la actualidad, China es nuestro tercer cliente comercial (7,5% de nuestras exportaciones totales), después de Brasil (20%) y la Unión Europea (17%). La Argentina exporta un número limitado de materias primas. La soja y sus derivados concentran casi el 90% de nuestras exportaciones, aproximadamente US\$ 5.500 millones.<sup>4</sup>

El resto de las exportaciones argentinas al mercado chino son modestas y están representadas por unos cuarenta productos agropecuarios y agroindustriales. Durante el año 2012 se pueden mencionar en orden de importancia el tabaco (US\$ 103 millones), productos aviares (US\$ 80 millones), aceites de maní y girasol (US\$ 71 millones), lácteos (US\$ 60 millones), cebada (US\$ 40 millones), pescados (US\$ 28 millones), vinos y uva (US\$ 26 millones), lana (US\$ 25 millones) y otros de menor cuantía.

Para tener un baño de realidad respecto a las oportunidades agro-exportadoras que nos ofrece el mercado chino sugiero consultar los excelentes trabajos realizados durante los últimos cinco años por la Consejería Agrícola en la Embajada Argentina en Pekín.<sup>5</sup>

Transformada en una formidable fábrica mundial de manufacturas, China le exportó a la Argentina casi US\$ 9.000 millones de productos industriales.

Importamos alrededor de cuatrocientos productos manufacturados de variado tenor, entre otros, computadoras y equipos electrónicos, radios, televisores y electrodomésticos, celulares, maquinaria eléctrica y de transporte, vehículos, motocicletas, glifosato, juguetes, relojes, máquinas de coser, grifería, prendas de vestir y calzado.

China ingresa a nuestro mercado doméstico de manufacturas con pocas restricciones. Esto fue consecuencias de la firma por el gobierno de Néstor Kirchner de un Memorándum de Entendimiento (nov./2004) por el cual Argentina (siguiendo el ejemplo del gobierno brasileiro) reconoció a China como “economía de mercado”

4. Desafortunadamente, las oleaginosas representan solo el 2% de las importaciones totales chinas.

5. Ver en particular Odarda (2013).

y renunció al uso de mecanismos de defensa comercial no autorizados por la OMC, exponiéndonos a represalias comerciales.<sup>6</sup>

Fue lo que sucedió en el 2010 cuando China frenó el ingreso de la soja por supuestos problemas de calidad, en respuesta a las restricciones discrecionales que la Secretaría de Comercio había impuesto al ingreso de ciertas manufacturas chinas (textiles, calzados y rodados). Después de arduas negociaciones y un significativo relajamiento de las restricciones argentinas, los chinos se avinieron a reabrir el mercado de la soja.

Los productos chinos compiten todavía poco con nuestras exportaciones de manufacturas, que están concentradas en América Latina, donde gozamos de preferencias arancelarias, arreglos de comercio administrado (la industria del automóvil) y de menores costos de comercialización y transporte.

Profundizar la integración con nuestros vecinos y practicar un proteccionismo regional moderado y bien administrado (a través de normas aprobadas por la OMC y no con medidas discrecionales) es imprescindible para sostener un desarrollo industrial razonable en nuestro país.

Por su parte, nuestros exportadores agroindustriales al mercado asiático ya compiten con los productos chinos. Nuestras exportaciones de harina de soja a China, que alcanzaron el millón de toneladas a fines de la década de 1990, fueron desplazadas por su producción doméstica a mediados de la década pasada.

Luego, China promovió sus exportaciones de harinas con un generoso régimen de reintegros y beneficios fiscales y crediticios. Esto le permitió competir, cabeza a cabeza, con las nuestras. Lo mismo está ocurriendo en la actualidad con la producción de aceite de soja.

El ascenso de China es provechoso para nuestro futuro más por sus consecuencias indirectas sobre la economía mundial (incremento en los precios de las materias primas y mejora en la *performance* económica de nuestros principales socios comerciales) que por sus efectos directos en nuestro perfil productivo.

China, a través de un “efecto locomotora”, incrementa la demanda y mejora los precios internacionales de la soja que la Argentina exporta al mundo (contrario sensu a lo que se repite en la prensa, menos del 20% de nuestra producción de soja y derivados se vendió al mercado chino durante los últimos cinco años).

Asimismo, el crecimiento chino mejoró los precios de muchas materias primas (como el petróleo, el cobre, el mineral de hierro) lo que beneficia directamente la balanza comercial y la *performance* económica de varios de nuestros

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6. Algunos expertos, inclusive el autor, criticaron dicha decisión por ser prematura y porque no se negoció, como mínimo, el acceso preferencial de alguno de nuestros productos, como por ejemplo la carne bovina o los lácteos, al mercado chino.

vecinos sudamericanos (en particular Brasil, Chile, Perú, Uruguay y Venezuela), que son importantes socios comerciales de Argentina.

Además, la vigorosa demanda asiática liderada por China mejora la *performance* económica de muchos países emergentes importadores de alimentos (principalmente en el Medio Oriente, Asia y África), lo que genera en la actualidad superávits en nuestra balanza comercial con dichas regiones y países.

El surgimiento chino también amplía nuestro margen de maniobra en las negociaciones comerciales internacionales. El proteccionismo agropecuario europeo y una relación comercial poco densa con los Estados Unidos limitaron, durante la segunda parte del siglo XX, las opciones argentinas en materia de inserción internacional.

Afortunadamente para nosotros, China seguirá siendo un importante importador de soja y quizás incrementalmente en el futuro sus importaciones de cereales (maíz, sorgo y cebada), que demandan para su producción grandes extensiones de tierra y disponibilidad de agua, recursos que son relativamente escasos en su territorio.

En materia de productos agroindustriales con mayor valor agregado, China tiene aranceles altos y escalonados. Además, utilizan regularmente requisitos técnicos y sanitarios para impedir selectivamente la competencia extranjera. La necesidad de generar puestos de trabajo empuja a China a sustituir importaciones y a localizar en su territorio las actividades de procesamiento o con mayor valor agregado.

En materia industrial, nuestra presencia es sumamente modesta. La mayoría de las importaciones industriales al mercado chino las realizan empresas multinacionales que invirtieron en China, relocalizando e integrando parte de sus operaciones en una cadena de comercio intra-industrial transnacional. Esta estrategia no es de fácil implementación para la mayoría de nuestras empresas que no tienen el tamaño ni el capital suficiente para intentar dicha solución.

En materia financiera la reciente disposición de China a otorgar préstamos de largo plazo para financiar la venta de bienes de capital (vagones y locomotoras para el Ferrocarril Belgrano) o la construcción de grandes obras civiles en las cuales participan empresas constructoras chinas (represas hidroeléctricas en Santa Cruz) facilita avanzar en la concreción de importantes emprendimientos en un contexto donde el mercado financiero internacional está prácticamente cerrado para el país.

#### **4 LINEAMIENTOS PARA LA POLÍTICA EXTERIOR**

La emergencia de China y Asia nos presentan oportunidades que no debemos desaprovechar. Se trata, en lo esencial, de acceder a nuevos mercados de exportación, atraer inversiones productivas y desarrollar relaciones políticas equilibradas y respetuosas sin penalizar las relaciones fructíferas que mantenemos con nuestros

socios tradicionales (nuestros vecinos sudamericanos, el resto de América Latina, Europa y los Estados Unidos).

Si hacemos las cosas bien, China podría llegar a representar alrededor del 10%-12% de nuestras exportaciones totales (*versus* 7,5% en la actualidad).

El camino más apropiado para incrementar nuestras exportaciones al mercado chino es atrayendo inversiones chinas a los sectores minero, petrolero y agrícola así como a la infraestructura relacionada a la logística de exportación (ferrocarriles, puertos y rutas).

En el campo minero existen varios grandes proyectos en oro, cobre, potasio y litio que podrían transformarse en importantes polos exportadores durante los próximos años. La inversión de grandes empresas mineras chinas en *joint ventures* con empresas estatales provinciales podrían sentar las bases para un desarrollo conjunto provechoso. El estado nacional debiera prestar su apoyo para que las provincias participen como accionistas minoritarios en dichos proyectos.

En el campo energético, la compra de las operaciones locales de Occidental Petroleum por Sinopec y la inversión de la empresa CNOOC en Bidas, así como el interés expresado por estas dos grandes petroleras de participar activamente en los procesos de exploración y desarrollo de Vaca Muerta y de nuestra extensa y poca explorada plataforma marítima, abren un campo significativo a la participación china en nuestra economía.

En el campo agroalimentario – con paciencia y perseverancia para negociar las restricciones sanitarias –, la Argentina tendría algún campo para ampliar sus exportaciones en carnes bovinas y avícolas, cueros, pescados congelados, cítricos, frutas en contra estación, leche en polvo, lana, tabaco y posiblemente quesos, vinos finos, maderas duras.

En el campo de las manufacturas también habría algunas oportunidades en los rubros de químicos orgánicos, plásticos, tubos de acero sin costura, productos farmacéuticos y veterinarios y maquinaria agrícola.

Pero debemos aprovechar la oportunidad que se nos presenta *en el campo económico* con una alta dosis de realismo.

- 1) China está fundamentalmente interesada en la Argentina como proveedora de alimentos, minerales y energía. China no pretende establecer relaciones privilegiadas con la Argentina sino diversificar sus fuentes de aprovisionamiento y mejorar las condiciones de compras respecto a sus proveedores habituales.
- 2) Siguiendo la lógica británica de fines del siglo XIX, China está dispuesta a invertir para producir y transportar con eficiencia las materias primas

que desea importar. Durante los últimos años, las principales inversiones chinas anunciadas en petróleo (Sinopec y CNOOC), mineral de hierro (Sierra Grande), un puerto privado en Santa Fe (Noble) y los créditos otorgados para modernizar el ferrocarril Belgrano, confirman dichas preferencias.

- 3) Debemos atraer a grandes empresas chinas para que inviertan en nuestro país en proyectos de largo plazo que generen un flujo continuo de exportaciones. La inversión en activos fijos crea un interés compartido que asegura un acceso preferencial a los mercados, sobre todo en los momentos de dificultad. Nuestra experiencia histórica con Gran Bretaña es, en ese respecto, aleccionadora. Para ello, debemos ofrecer estabilidad en las reglas del juego. Es esencial para desarrollar una relación sólida de largo plazo, un tratamiento equitativo, respetuoso y no discriminatorio.
- 4) Desafortunadamente, China importa pocos de los productos con mayor valor agregado que nosotros exportamos. La concentración de nuestras exportaciones a China en materias primas, es un dato duro de la realidad que tendremos que aceptar aunque no nos guste. Para favorecer, en la medida de lo posible, el acceso de productos con mayor valor agregado al mercado chino tendremos que: *i)* sortear las restricciones sanitarias y técnicas que son bastante generalizadas; *ii)* invertir en China en plantas procesadoras de materias primas o de insumos industriales exportados desde nuestro país (como ya lo han hecho en una escala limitada empresas metalúrgicas, farmacéuticas y bodegas); *iii)* convencer a empresas multinacionales con inversiones en nuestro país de integrarnos a su cadena de producción transnacional. El gobierno, en conjunto con el sector privado, debería promover en forma organizada todas estas iniciativas.
- 5) La firma de un tratado de libre comercio bilateral con China no ofrece por el momento ventajas sustantivas para la Argentina. China firmó durante los últimos años tratados bilaterales de libre comercio con Chile, Perú y Costa Rica. El acuerdo con Chile asegura el acceso de los productos chilenos tradicionales (cobre y mineral de hierro) al mercado chino, ofrece protección a las inversiones reciprocas y reafirma la apertura del mercado chileno para las manufacturas chinas (Chile concedió poco porque tiene de partida un nivel bajísimo de aranceles, salvo en los productos agropecuarios donde los chinos no compiten). Por su parte, las concesiones arancelarias que otorgó China le costaron poco porque, salvo en algunos productos puntuales (frutas, salmón y madera), los chilenos tienen una capacidad competitiva muy acotada.

*En el campo político*, la inexistencia de potenciales conflictos estratégicos con China es un activo valioso que debemos preservar.

Como China es y será un importante socio económico y comercial durante las próximas décadas, no debemos entrometernos en sus problemas políticos internos ni asociarnos automáticamente a las críticas que algunos países occidentales hacen respecto al funcionamiento de su sociedad.

En el campo estratégico, debemos ser cautelosos y no dejarnos llevar por el entusiasmo de la novedad a establecer arreglos estratégicos o militares que pudieran, en el futuro, involucrarnos en potenciales conflictos.

Por ahora, el negocio de China con la Argentina son los negocios y no la geopolítica. Entre la Argentina y China prima una relación económica y parece poco probable que los chinos intervengan directamente en la política interna de nuestro país.

Probablemente los chinos se comporten más como los británicos que como los norteamericanos. Es improbable que haya un “Braden o Perón” en el horizonte, pero tendremos que acostumbrarnos al vigoroso lobby de los chinos en los temas económicos de su interés (como lo hicieron los británicos con los frigoríficos y los ferrocarriles durante la primera mitad del siglo XX).

El surgimiento de China mejora directa, y sobre todo indirectamente, nuestro posicionamiento económico internacional, pero no reemplaza la hegemonía estratégica y militar de los Estados Unidos en nuestro continente durante las próximas décadas. Tampoco debe reemplazar la relación económica y estratégica privilegiada que tenemos con Brasil y el resto de nuestros vecinos sudamericanos.

No repetamos el error de pensar que podemos ser neutrales en el caso de un conflicto estratégico importante. Ese error ya lo cometimos en 1943 con las consecuencias indeseadas que Carlos Escudé lucidamente analizó en sus trabajos.

Que nos guste o no, la hegemonía hemisférica norteamericana nos pone a resguardo de cualquier amenaza militar china en el futuro, pero también nos impone ciertas límites que debemos respetar.

La Argentina, que por historia, cultura y principios políticos es próxima a los aliados occidentales, debe mantener una sana distancia y prescindencia respecto a la política exterior china en todos los temas que involucren los intereses geopolíticos y militares de los Estados Unidos, Japón y los aliados occidentales.

También necesitamos ser cuidadosos en los temas potencialmente conflictivos que involucren los intereses fundamentales de nuestros socios regionales, en particular Brasil.

Debemos ser sumamente escrupulosos en todos los temas relacionados a lo militar, en particular, la compra de armamento y el otorgamiento de bases militares o satelitales a China (que podrían tener un uso dual).

## 5 CONCLUSIONES

El fortalecimiento de la relación entre la Argentina y China nos enfrenta a desafíos internos y externos. En lo interno, se trata de aprovechar este favorable “golpe de fortuna” para modernizar nuestra sociedad, transformando las ganancias que resultan de los aumentos de los volúmenes y precios de nuestras exportaciones, en más inversión, mejor educación, infraestructura y solidez institucional.

El desafío externo es el de aprovechar las consecuencias económicas sin vernos envueltos en innecesarios conflictos geopolíticos que pudieran aflorar en el futuro entre China y otras potencias, en particular con los Estados Unidos y sus aliados occidentales.

Los períodos, como el actual, donde ocurren grandes mutaciones en el orden mundial, representan a la vez una gran oportunidad y un desafío para países como la Argentina.

Hay que comenzar por normalizar *la agenda de temas pendientes*. Se trata de recomponer el crédito público externo, restablecer relaciones comerciales previsibles con nuestros socios y arreglar la larga lista de conflictos mal gestionados con vecinos y otros países.

*La agenda de fondo* requiere decidir sobre el posicionamiento internacional del país en el largo plazo. La preeminencia de consideraciones de corto plazo durante los últimos años postergó la reflexión profunda y el país no tiene una estrategia clara y articulada -mucho menos consensuada- en materia de alianzas, relaciones económicas preferenciales y tácticas diplomáticas.

En mi opinión, debemos definir nuestra política exterior a partir de tres ejes complementarios: integración profunda económica y estratégica con Brasil, Chile, nuestros vecinos sudamericanos y el resto de América Latina; alianza estratégica y económica con Occidente (Estados Unidos y Europa) y una asociación comercial dinámica e intensa con China, la India, Indonesia, el resto de Asia y los países emergentes de África y Medio Oriente.

*A nivel regional*, debemos profundizar el relacionamiento político, económico y estratégico con nuestros vecinos, en particular con Brasil. Necesitamos avanzar en la integración regional completando el proyecto inconcluso de “Unión Aduanera” (un mercado único sin aduanas interiores).

*Al nivel global*, debemos relacionarnos más provechosamente en lo estratégico y económico con los Estados Unidos y con Europa, nuestros socios y aliados tradicionales. El paso más importante sería integrar al Mercosur a la Zona de Libre Comercio Transatlántica, actualmente en negociación entre los Estados Unidos y la Unión Europea.<sup>7</sup>

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7. Para profundizar el tema de la asociación con los Estados Unidos y Europa pueden consultar mis artículos en Balze (2001a) y en *The EU – Southern Cone Link* (Balze, 2001b), donde propone la incorporación del Mercosur a un proyecto de integración transatlántico, como el que se negocia en la actualidad entre Estados Unidos y la Unión Europea.

Finalmente, debiéramos desarrollar una asociación comercial e inversora dinámica con China, la India y el vasto universo de los países emergentes de Asia, Medio Oriente y África. Los dos pilares indispensables para concretar con éxito dicha asociación comercial e inversora son una estrecha cooperación entre los sectores público y privado nacionales y la puesta en marcha de una política de negociaciones comerciales perseverante y ambiciosa.

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# COMPLEX ASYMMETRY: A COMPARATIVE PERSPECTIVE ON CHINA'S RELATIONS WITH AFRICA AND LATIN AMERICA

Zhang Qingmin<sup>1</sup>

The relations of the People's Republic of China (PRC) with developing countries, which has always been emphasized as the corner stone of its overall foreign relations, have witnessed different roads and revealed different features due to the diversity with developing countries. These are remarkably seen in China's relations with Africa and Latin America, the two continents with major developing countries. China's relations with African countries started earlier and had stronger background than its relations with Latin American countries and the two bilateral relations revealed asymmetrical features. Though China's policies toward the two continents are identical today China-Latin American relations are catching up very fast and are becoming more robust and substantial than those with African countries, leading to a new asymmetry. These changes demonstrate the major concern in China's foreign relations are changing. More importantly it indicates the future bilateral relations will not only be shaped by the Chinese side alone but equally by the other sides of these bilateral relations. Sino-Latin American relations seem to enjoy bigger potential than those with African countries.

**Keywords:** China's foreign relations; China's policy toward developing countries; Sino-Latin American relations; Sino-African relations; China's foreign economic relations.

## ASSIMETRIA COMPLEXA: UMA PERSPECTIVA COMPARADA DAS RELAÇÕES DA CHINA COM A ÁFRICA E A AMÉRICA LATINA

As relações da República Popular da China (RPC) com os países em desenvolvimento – que têm sido enfatizadas como a pedra angular de suas relações externas globais – têm percorrido muitos caminhos e assumido distintas características devido à diversidade própria dos países em desenvolvimento. Isso se faz notar particularmente nas relações da China com a África e a América Latina, os dois continentes que abrigam os principais países em desenvolvimento. As relações da China com os países africanos iniciaram-se mais cedo e são mais tradicionais do que as relações com os países latino-americanos, e ambas revelam características assimétricas. Embora as políticas chinesas para com os dois continentes sejam idênticas hoje, verifica-se que as relações com a América Latina têm evoluído rapidamente e se tornado mais robustas e substanciais comparativamente ao que se observa com os países africanos, gerando uma nova assimetria. Tais mudanças demonstram que as preocupações centrais nas relações exteriores da China estão mudando. Mais do que isso, indicam que as futuras relações bilaterais não serão moldadas apenas pelo par chinês, mas igualmente pelos outros pares de tais relações bilaterais. As relações sino-latino-americanas aparentam ter maior potencial comparativamente às relações com países africanos.

**Palavras-chave:** relações exteriores da China; política chinesa para os países em desenvolvimento; relações sino-americanas; relações sino-africanas; relações exteriores econômicas da China.

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## ASIMETRÍA COMPLEJA: UNA PERSPECTIVA COMPARADA SOBRE LAS RELACIONES DE CHINA CON ÁFRICA Y AMÉRICA LATINA

Las relaciones de China (República Popular de China) con los países en desarrollo – las cuales han sido enfatizadas como la piedra angular de sus relaciones exteriores en general – han recurrido muchos caminos y asumido características diferentes debido a la diversidad de los países en desarrollo. Esto se nota sobre todo en las relaciones de China con África y América Latina, los dos continentes que poseen los principales países en desarrollo. Las relaciones de China con los países africanos son más antiguas y tradicionales que las relaciones con los países de América Latina, y ambas presentan características asimétricas. Si bien las políticas chinas hacia los dos continentes son las mismas en la actualidad, las relaciones con América Latina han evolucionado rápidamente y se han cambiado en más robustas y sustanciales en comparación con la observada con los países africanos, originando una nueva asimetría. Estos cambios muestran que las preocupaciones centrales en las relaciones exteriores de China están cambiando. Más que eso, indican que las futuras relaciones bilaterales no serán establecidas sólo desde China, sino también desde otros países. Las relaciones sino-latinoamericanas parecen tener mayor potencial con respecto a las relaciones de China con los países africanos.

**Palabras clave:** relaciones exteriores de China; política china para los países en desarrollo; relaciones sino-americanas; relaciones sino-africanas; relaciones exteriores económicas de China.

JEL: F53; N40.

### 1 INTRODUCTION

Developing countries are those “whose economies are comparatively backward and who are in the transformation from traditional economy to modern economy” (Qian, 2005, p. 560). They were referred to as *xinxiing guojia* (newly emerging countries) in the 1950s-1960s, then as third world countries in the 1970s-1980s, and now more commonly as developing countries in Chinese politics. However referred, they have always been emphasized as the basis or corner stone of the overall foreign relations of the People’s Republic of China (PRC). But developing countries have never been united as an independent political force or a strong economic force due to the differences in their political systems, diverse cultures as well economic development (Zhang, 2001). These countries could be categorized differently according to their economic development, political system, and foreign policy orientation, but geographically can be categorized into three groups: China’s Asian neighbors, African countries, and Latin American countries. In the new patterns of China’s diplomacy, relations with Asian neighbors have been upgraded as the priorities while relations with developing countries, mainly in Latin America and Africa remain as the basis of China’s foreign relations.<sup>2</sup> China’s relations with the two continents developed differently in history and have demonstrated distinct features characterized by a complex asymmetry which has

2. In the new pattern of Chinese foreign policy, relations with developed countries are considered as the key, with neighbors the priority, and with developing countries the basis.

undergone changes. Tracing the asymmetrical development in China's relations with African and Latin American countries, this chapter focuses on the current Chinese relations with Africa and Latin America in a comparative perspective. Though China still attaches great and equal significance to its relations with developing countries politically and diplomatically, its relations with the two continents reveal differences or asymmetry in sustainable economic fields. These differences reveal China's complex global status as well as some new features in its foreign policy.

## **2 ASYMMETRICAL DEVELOPMENT IN CHINA'S RELATIONS WITH AFRICA AND LATIN AMERICA**

### **2.1 Asymmetrical start**

The PRC's foreign policy toward developing countries has been an important part of China's diplomatic strategies which have undergone changes with its policy towards superpowers. After its founding, the new Chinese government of China pursued a policy of leaning to the socialist camp headed by the Soviet Union and opposing the American imperialism. Within such framework, China's policy toward countries in the intermediate zones, the emerging countries, was to support the liberation movements, which were considered as in line with China's strategy against imperialist countries. The starting point of such policy was expounded by Zhou Enlai, premier and foreign minister of China, as that most developing countries "have been subjected to colonial plunder and oppression, and have thus been forced to remain in a stagnant state of poverty and backwardness (...). Suffering from the same cause and struggling for the same aim" (Han, 1987, p. 413), it is easier for China and other developing countries to understand each other. Mao called to its people that China must actively support the movement for national independence and liberation in various Asian, African, and Latin American countries, and said that the peoples in Asia, Africa, and Latin America shall unite and drive the American imperialists back home from Asia, Africa, and Latin America (Zedong, 1994). But such policy was received differently in Africa and Latin America due to the differences in their respective geopolitical position and the fact that countries in African and Latin America were facing different national tasks, and China's relations with them demonstrated periodical asymmetry.

China's policy was welcome in Africa and China's relations with African countries were the most active sections of China's foreign relations in the late 1950s and early 1960s. As most African countries in sub-Saharan area unfolded their armed struggles for their national independence in the 1950s, China established contacts with various national liberation organizations in those countries and China made arms, funds, and training supplies to a lot of liberation movements in Asia and Africa. Groups of admiring "Maoist" intellectuals sprung up in the African continent.

As one studies shows, “by 1965, Beijing endorsed wars of national liberation in twenty-three countries. Many of these revolutionary movements received financial support, arms, or training from Beijing” (Ness, 1971, p. 78, 90, 114; Garver, 1993, p. 144, 146). Newly independent African countries and the PRC recognized each other immediately after they gained independence. Mutual support was the major theme of China’s relations with African countries as demonstrated by the exchange of frequent high level visits between them and large amount of foreign aid from the Chinese side and African countries’ continuous support for PRC’s membership in the United Nations (UN). For instance, China had provided aid to 86 countries from 1950 to 1985, almost all developing countries, among which twenty are in Asia, 46 in Africa, sixteen in Latin America and South Pacific area, and five in Europe according to sources of the Chinese government (Shi, 1989, p. 20-21).

Unlike most African countries which badly needed China’s support for their national liberation struggle against the western imperialists, a common enemy of China, Latin American countries got independence from as early as the beginning of 19<sup>th</sup> century till the mid of the 20<sup>th</sup> century. Latin America was not only too far away to be of real interest to China (Ratliff, 2009, p. 4), but it was so much dominated by the United States as to be considered the “backyard” of the United States. Most of their policies towards the PRC were very much constrained by the United States policy toward China. China’s policy of supporting national liberation movement was scarcely received in Latin America. Considering the situation in Latin America, Zhou Enlai said that China understood the difficulties of Latin American countries in developing relations with China and the bilateral relations should develop in accordance with the principle of *xishui changliu, wenbu qianjin* (go about the relations little by little without a letup to achieve steady advancement), and even the people to people relations should start from the reality and should not hurt the feeling of the friendly Latin American people (Pei, 1994, p. 351). No diplomatic ties were established between China and Latin American countries until Cuba and the PRC did so in 1960, one year after its successful socialist revolution. At the same time China kept a close eye on the political development in Latin America and was ready to extend its utmost support to whoever opposed to the United States. For instance, Mao expressed China’s support to Panama when a demonstration calling for the return of the Panama Canal in Panama City took place in January 1964 (Mao, 1994, p. 510). More than a million Chinese participated in a demonstration in Beijing in support of the Panama though the two countries did not have diplomatic ties. In addition to Cuba, China’s supports were welcome only by a few leftist guerrillas in Latin America, and were not reciprocated by any the national governments as they were in Africa.

## 2.2 Reversed asymmetry

From the 1960s, especially in the 1970s, China's diplomatic strategy changed to one of "opposing the Soviet hegemonism", according to which China drew lines, or decided its relations with other developing countries upon that country's relations with the Soviets, opposing whoever was the friend of the Soviets and supporting whoever was Soviet's enemy. This strategy affected China's relations with Africa and Latin America differently, and gave China's relations with the two continents another asymmetrical feature which was different from that in the 1950s and early 1960s. China's relations with African countries witnessed a setback during the Cultural Revolution when China had diplomatic disputes with nearly thirty of the forty plus countries that have diplomatic relations with China. Many of them are African countries (Xie, 1988, p. 385-387). China's relations with African countries were further straightjacketed by China's one line strategy, which reduced the flexibility of China's foreign policy. After China restored its legitimate rights in the UN with the help of developing countries, no concrete progress was made in Sino-African relations in 1970.

China's zealous support for revolution in Latin America, which was not well received from the very beginning, encountered another setback when the Sino-Soviet split led to the split among the leftist guerrillas in Latin America. Cuba, the only country that maintained diplomatic ties with China, sided with the Soviet Union and condemned China's foreign policy. Economically, Cuba complained that China was not providing enough economic aid, while China criticized Cuban policy in supporting Soviet policy in Africa. There were little substantive contacts between China and Latin American countries from the late 1960s through the early 1980s.

Except for the leftist group (Cuba included), PRC's relations with Latin American countries changed to a different and positive direction in the 1970s. Sino-United States rapprochement, which was possible due to Sino-Soviet split, removed the obstacle of the United States in developing Latin American-China relations. As United States' hostile policy toward China moderated, Chile and China established diplomatic relations in December 1970. After United States president Nixon made his historic visit to Beijing in 1972, major Latin American countries started to change their attitude towards China and gradually normalized their diplomatic relations with China, Peru in 1971, Mexico, Argentina, Guyana, and Jamaica in 1972, Trinidad and Tobago, Venezuela, and Brazil in 1974, Surinam in 1976. As diplomatic relations were normalized, economic relations started to grow. Sino-Latin America trade in 1950 was US\$ 1.9 million and grew to US\$ 31.3 million in 1960, resurged to US\$ 475.7 after a down turn during the Cultural Revolution (Ratliff, 2009, p. 6).

### 2.3 Similar features

When China decided to shift the focus of its domestic focus from class struggle to economic development, its foreign policy was also adjusted to creating a favorable international environment for its domestic economic development. China made it its fundamental policy not to enter into any kind of alliance with any big powers, but to develop omni-directional relations on the basis of five principles of peaceful co-existence with all countries (Tian, 1993, p. 1-7). With such foreign policy adjustment, China's relations with Africa and Latin America began to share common features as China began to emphasize the importance of developing mutually beneficial and friendly cooperative relations with developing countries in accordance with the principles of non-interference with each other's domestic affairs. This principle ushered in a period when China's foreign relations with the two continents share the most commonalities.

The commonality or symmetry in China's relations with the two developing continents was possible first due to the decreasing significance of Sino-African relations. The first few years after China's opening up and reform witnessed a fluctuation in Sino-Africa relations: economic aid was reduced, accompanied by a decline in bilateral trade and a drop in the number of missions of medical teams (Li, 2006). After the Chinese government formally announced its foreign policy adjustment in 1982, premier Zhao Ziyang paid a visit to eleven African countries from December 1982 to January 1983, the first tour abroad after he took premiership, the first Chinese leader to visit the continent eighteen years after Zhou's visit to Africa in 1964. While stressing the common ground shared by China and many third world countries and reaffirming China's firm support for Africa, Zhao explained to his hosts in Africa that China would continue its aid to the best of its ability to other developing countries, some least developing countries in particular, but China would try gradually to shift the focus to developing mutually beneficial economic and technological cooperation. To this end, he put forward four principles on developing economic cooperation with African countries, for example, "equality and mutual benefit, stress on practical results, diversity in form, and attainment of common progress" (Tian, 1993, p. 131-132; Han, 1987, p. 362).

The symmetry was possible also because the fast catching up of Sino-Latin American relations. Diplomatic normalization in the 1970s paved the way for China's relations with major Latin America countries and China pursued a similar line as in its relations with African countries. After his visit to Africa, Zhao paid a visit to four Latin America countries – Columbia, Brazil, Argentina and Venezuela in 1985, the first high level visit to this continent in the history of PRC. During his tour, the premier expressed China's wish to further develop its relations both politically and economically with the countries already having diplomatic relations with China. With countries that were yet to establish diplomatic relations

with China, he expressed that China was also ready to establish and develop relations with them on the basis of the Five Principles of Peaceful-Co-existence. On economic cooperation, Zhao set forth four principles for developing relations between China and Latin American countries: peace and friendship, mutual support, equality and mutual benefit and attainment of common progress, (Han, 1987, p. 368) almost a replication of the principles for China's relations with Africa.

The common features in China's relations with Africa and Latin America from the 1980s were reflected in the fact that the relations were conducted from the perspective of South-South cooperation. Ideology was surpassed; no anti-United States or anti-Soviet lines were drawn in developing relations with these countries. In accordance with the spirit of mutual benefit and attainment of common development, China reduced its aid to developing countries in Asia, Africa and Latin America; and gradually explore diversified forms of economic and technological cooperation, such as contracting projects, providing labor, technological services and spare parts, launching joint or solely Chinese-funded ventures or cooperative enterprises, exchange of needed goods and services, promotion of their respective national economies etc.

### **3 THE SIGNIFICANCE OF AFRICA AND LATIN AMERICA AND POLITICAL SYMMETRY IN CHINA'S RELATIONS WITH BOTH REGIONS**

So long as domestic economic development remains China's central task it would further tilt externally toward developed countries, which played a vital role in sustaining China's export-oriented economic development, and the significance of developing countries would continue to decline in China's overall foreign policy structure. But changes in China's domestic politics and the end of the Cold War stopped China from further tilting toward the developed countries, and China's began to re-emphasize the political significance of developing countries.

#### **3.1 The political importance of Africa and Latin America in China's foreign relations**

The end of the Cold War and the Tiananmen crackdown in 1989 was a disaster for China not only domestically but in China's foreign relations. Most western developed countries condemned China's policies, and major powers imposed economic sanctions and suspended exchange of high level visits with China. Under the pressures from the West, China found different responses from developing countries: none of them followed the suit of developed countries. They showed sympathy with, expressed understanding of, and voiced support for what the Chinese government did, and criticized Western interference in China's internal affairs. Contrary to western countries' while suspended high level contacts with China, developing countries continued the exchange of high level visits

as scheduled. For instance, Chinese foreign minister Qian Qichen made a fourteen countries' tour to Africa; and nine heads of state or government from Africa visited China in 1989, among whom president Compaore of Burkina Faso was the first foreign head of state to visit China after June 4, 1989. A Chinese Foreign Ministry edited book on Chinese foreign policy paid special attention to such a visit in a very difficult time, which would otherwise be negligible (Tian, 1993, p. 146). China realized that developing countries, who came to China when China was in need, are friends indeed.

With the support from developing countries, China has successfully defended itself from western criticism and survived their pressures. The confrontation over human rights offers a good example. For twelve consecutive years since 1989, some developed countries tried to table draft resolutions to "condemn" China's human rights condition at the UN human rights conference in Geneva, but have failed in the end to put the draft resolutions on the agenda because of the support China received from developing countries. Among the 23 countries that supported China at the 2001 conference ten are from Asia, ten are from Africa, and two are from Latin America. With so much support from developing countries China was able argue that the West was not only using human rights to interfere in China's internal affairs, that human right differences manifest a contradiction between developed countries and developing countries as a whole (Liu, 1994; Li, 1998). The Chinese are unequivocal that China would not have succeeded in many of its other political endeavors without the support from developing countries, such as China's successful bidding for and hosting the 28 Beijing Olympics in 2008, China's successful bidding for the world Expo in 2010, the blocking of Taiwan's return to the UN etc. China found a new rationale for emphasizing the role of developing countries.

The rising significance of developing countries also resulted from the Taiwan issue. The Cold War confrontation used to provide some developing countries leverages to maneuver between the two superpowers in order to gain economic aid and other support. Such opportunity went away with the end of the Cold War. The Taipei authorities changed its policy on cross straits relations and began to pursue "flexible diplomacy" in an attempt to seek "Taiwan independence". The diplomatic competition between the two sides of the Taiwan Straits provides some developing countries with the opportunity that the collapse of the Soviet Union has deprived them of. Utilizing the competing dollar diplomacy on the two sides of the Taiwan Straits some countries switched diplomatic recognition between Beijing and Taipei to further their short term goals disregarding their commitments in establishing diplomatic relations with whichever China. Africa and Latin America are the two major theaters of Beijing-Taipei diplomatic competition. Among the 21 countries that recognize Taipei, as the sole legitimate government of China,

twelve are from Latin America, including Paraguay, Belize, Dominican republic, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, Panama, St. Kitts and Nevis, St. Lucia, St. Vincent, and the Grenadines, four are in Africa (the others mainly in Oceania, another area of developing countries). The “diplomatic truce” between the two sides of the Taiwan Strait after Ma Ying-joe took office in Taiwan seems to have removed the issue for the time being, but the Taiwan issue will remain a major concern in China's relations with developing countries. Considering the significance of the Taiwan issue for Chinese politics, no leader in Beijing can afford to neglect the developing countries.

The remaining significance of Africa and Latin America in China's relations also comes from the complementary nature of their economies and the significance of the two continents in sustaining China economic growth. The success of China's opening up and reform has transformed China into a global plant, which needs raw materials to feed its production and markets to consume its products. Both Africa and Latin America, rich in resources and large in population, have what China needs for its rapid economic development. In a strategic perspective, the two continents can also help diversify China's dependence on western powers, which are always politically critical about China. From Africa and Latin America's perspective, China offers an alternative source of power and influence to the western power; new markets to trade, particularly for the sale of raw materials and foodstuffs to promote growth at home and reduce reliance on western powers; increasing foreign investment without strings associated with the Western investments etc. Moreover, China and Africa and Latin America have common interests in solving global economic problems involving such issues as South-South cooperation in the age of globalization (Ratliff, 2009, p. 7-8; Jiang, 2006; He, 2007, p. 26-28, Li, 2007, p. 78-81).

### 3.2 Political symmetry in China's policy toward Africa and Latin America

To fending itself against the pressures from the only super power, the United States, China has pushed for multi-polarization, called for democratization of international relations, and proposed for international multilateralism after the end of the Cold War. In all these campaigns, Africa and Latin America were considered an important and indispensable force (Yang, 2004, p. 12-15). As one Chinese scholar wrote, “after the collapse of the bipolar system and the end of the cold war”, stronger developing countries will play an irreplaceable role in promoting multipolarization process under the “*yichao duoqiang* (one superpower with many strong powers) situation” (He, 1999, p. 28). African was considered as “one pole in the multi-polar world”, and “cannot be neglected” (The..., 1999; When..., 1999). The same could be said about the role of Latin American countries.

China speaks on behalf of developing countries in many multilateral organizations and on many global issues though it declines to be the head of developing countries.<sup>3</sup> For instance, China published a policy paper on UN reform to elaborate its policy, which states that the UN reform should fully consider the concerns and interests of developing nations, listen more to their voices and increase their representation in the UN (China, 2010). In order to know their demands and viewpoints on various important issues views the Chinese ambassador to the World Trade Organization (WTO) always maintains close communication with developing members of the WTO. In the International Monetary Fund (IMF), “China’s consistent position has been supporting the righteous and correct policies of developing countries”, and criticizing the “proposals that harm the interests of developing countries” (Dai, 2001). On environment issue, Chinese president Jiang Zemin called in the International Conference on Protection of the Ozone layer in December 1999 that developed countries should fully realized the historical effects their development has had on environment in the long past, take more responsibilities, and “actively help developing countries solve their environmental problems” (President..., 1999).

Presently, Africa and Latin America stand together and are always treated equally in China’s foreign policy. Their relations with China are again regarded as the basis of China’s overall foreign relations. To make clear and emphasize the importance of China’s relations with and policies toward Africa and Latin America, the Ministry of Foreign Affairs published a policy paper on Africa in the beginning of 2005, and a parallel policy paper on Latin America and Caribbean was published three years later (China, 2009a; 2009b). The two papers, identical in length and with the same structure and logic, elaborated the significant position and roles of the two continents in the world in similar terms. Both reiterated the similar areas of potential bilateral and multilateral cooperation, and both expounded that China would establish and develop a new type of strategic partnership with them which features political equality and mutual trust, economic win-win cooperation and cultural exchange. The only difference between the two papers is the one more section (three lines) on the Forum on China-Africa Cooperation and Its Follow-up Actions in China’s policy paper on Africa.

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3. As early as in 1982, Deng Xiao-ping told general secretary of the UN, “a lot of friends said China is the head of the Third World. But we say we cannot be so, it is not feasible to be the head, it would be bad for being the head. The reputation for hegemony is very bad, and so is the fame for being the head of Third World. This is not for politeness but a true political consideration” (Deng, 1994a, p. 415). In December 1990, Deng Xiao-ping, in his talk with leading members of the Communist Party of China (CPC) Central Committee, said: “some developing countries would like China to become the leader of the Third World. We absolutely cannot do that – this is one of our basic state policies (...). China will always side with the Third World countries, but we shall never seek hegemony over them and or serve as their leader” (Deng, 1994b, p. 363). From then on the Chinese leaders have insisted that it is and it will continue to be a developing country by the mid of this century when China becomes a mid-developed country.

In multilateral areas similarities also exist. China has established partnerships with several African and Latin American countries. China supported and cooperated closely with Africa Union, has become an observer to several African sub-regional economic integration organizations. Responding the calls from some African countries China initiated and spearheaded the Forum on China-Africa Cooperation, which has become a major multilateral platform for China African cooperation. Latin America is catching up in this regard. China has held seventeen rounds of dialogue with the Rio Group and established multi-lateral mechanism with Latin American countries including China-Mercosur Dialogue, China-Andean Community Consultation, China-Caribbean Economic and Commercial Forum, China and Latin American Conference among others.

The identical features in political area are also reflected in the equal frequency of exchanges of high level visits between Chinese leaders and their counterpart in the two continents. The director general of the African Affairs Department with the Chinese Foreign Ministry wrote that in the first five years of the new century, there have been more than two hundred exchanges of visits above the rank of foreign minister between China and African countries (Xu, 2006). The 2006 China African summit in Beijing was participated by forty-eight countries that have diplomatic ties with China with 42 delegations headed by head of state or head of government.

Latin America enjoys a similar kind of intimate political relations with China from the perspective of high level visits. More than thirty heads of state or heads of government from Latin America visited China in the 1990s, while in the first nine year of the new century, the heads of state, heads of government, and speakers of parliament from Latin America paid nearly ninety visits to China. This was reciprocated by Chinese leaders' visits to twenty countries in the continent during the same time span (Zheng, Sun and Yue, 2009). Taken into account the number of countries that have diplomatic relations with China and the total visits Chinese leaders paid to the two continents, each African country has received 1.27 visit from Chinese leaders, and each Latin American country has received 1.7 visit from 1992 to 2006 (Zhang and Liu, 2008).

#### **4 NEW ASYMMETRY: DIFFERENT SITUATION IN CHINA'S ECONOMIC RELATIONS WITH AFRICA AND LATIN AMERICA**

Both Africa and Latin America are crucial to China's assumption and exercise of global role as well as economic development and both are considered equally important in Chinese foreign policy. Yet Latin America has loomed much larger than Africa in more substantive economic relations with China, even though the latter was late to start. Asymmetry remains a remarkable feature in China's economic relations with African and Latin America.

If the bilateral trade is seen separately and chronologically, parallel increase and remarkable progresses are discernable. For instance China-Africa trade volume, which was US\$ 10 million in 1950, increased to US\$ 100 million in 1960, to US\$ 1 billion in 1980, to more than US\$ 10 billion in 2000, to US\$ 55.5 billion in 2006. China's trade with Africa countries are mainly with the resource rich countries. Oil accounts for most of Africa exports to China. All Angola's exports, 98.8% of Sudan's, 88.9% of Nigeria's, 85.9% of Congo's, 54.8 % of Gabon's exports to China is oil in 2005 (Meibo and Xiuli, 2009). China's top ten trade partners in Africa take up 78% of China's total trade with the continent, and China's trade with the first five trade partners account for 61% of China's total trade with this continent. By the end of 2005 China's accumulated investment in Africa amounted to US\$ 6.27 billion with more than eight hundred enterprises invested in 49 countries, covering trade, production and processing, resource development, communications and agriculture (Sino-African..., 2007).

Parallel progress could be seen in Sino-Latin American economic relations. In 1950 the two-way trade between China and Latin America was only US\$ 1.9 million, which rose to more than US\$ 30 million in 1960, to more than US\$ 1 billion in 1978. China's opening up has given Sino-Latin American economic relations new momentum, and bilateral trade expanded impressively to US\$ 12.6 billion in 2000, US\$ 50 billion in 2005, US\$ 102.6 billion in 2007, three years ahead of the goal proposed by Chinese president Hu Jintao (Jian, 2006). The figure further jumped to US\$ 143.3 billion in 2008 with the top ten trade partners in the region being Brazil, Mexico, Chile, Argentina, Peru, Venezuela, Panama, Columbia, Costa Rica, and Cuba. China's main exports are computers, telecommunications equipment, clothing, shoes, electronics, motorcycles and cars, while most imports are in raw material commodities – iron ore, copper, tin, tungsten, molybdenum, aluminum, nickel. Venezuela is the seventh largest source of Beijing's external oil supplies (Shambaugh, 2008).

If the two economic relations are approached from a comparative perspective, impressive asymmetry becomes remarkable. For instance, China-Africa trade volume was US\$ 10 million while Sino-Latin American trade was only US\$ 1.9 million in 1950, one fifth of Sino-African trade. In 1960, Sino-Africa reached US\$ 100 million while Sino-Latin America trade was only US\$ 30 million. But by the time China launched reform and opening up Sino-Latin American trade surpassed Sino-African trade, reaching US\$ 1 billion in 1978, two years ahead of Sino-African trade to that figure. Ever since then Sino-African trade has lagged far behind Sino-Latin American trade. For instance, in the year of 1991 when Cold War ended, China's trade with Africa was US\$ 1.4 billion, while its trade with Latin America reached US\$ 2.43 billion, almost doubling the former. These figures reached US\$ 10.6 billion and US\$ 12.6 billion respectively by 2000 and further

to US\$ 73.6 billion and US\$ 102.6 billion in 2007. It seems unlikely from the current situation that Sino-African trade will come closer to that between China and Latin American since the latter relations are a lot more dynamic than the former. China has signed Free Trade Agreement with Chile in 2005, with Peru in 2009 and has conducted several rounds of negotiation on similar agreement with Costa Rica, and fifteen bilateral trade agreements, twelve investment protection agreements, seven agreements on exemption of double taxation, and formed twelve joint bilateral economic and trade commissions with Latin American countries (Liming, 2005).

The asymmetry in Sino-African and Sino-Latin America economic relations is further revealed in the field of investment. China's economic activities in Africa has caught a lot more global attention than it received in Latin America which accounts for a large portion of China's external investment. The statistics of China's investment in Latin America range from almost half to a quarter, to 15% of China's total external investment (Piao, 2006; 1/4 investments..., 2008; Zheng, Sun and Yue, 2009). Whichever figure is correct it takes a large portion of China's external investment. Relevant scholars doubt about the figures due to the "round-tripping" of Chinese "investment" in Latin America. Some Chinese capitals are believed to have gone to the three British dependencies in the region, the Cayman Islands, the British Virgin Islands, and Bermuda, that have served as tax havens, then come back to China to "take advantage of preferences given to foreign firms" (United States, 2008, p. 22). But even after a large reduction, China's investment in Latin America still leads far ahead of its investment in Africa. Chinese investment in Latin America is US\$ 24.8 billion in 2008 and it attracted US\$ 112.6 billion investment from Latin America the same year, both are next only to the figures that China invested in Asia and the investment China received from Asia (Zheng, Sun and Yue, 2009). Comparatively, China's investment in Africa was only US\$ 4.5 billion in 2007 (Meibo and Xiuli, 2009).

Because China's economic relations with Africa lacks impetus, foreign aid remains an efficient and most welcome means for China to enhance its relations with African countries from mid 1990s, and the Forum on China Africa Cooperation has become a successful platform in this regard since its inauguration. In the first summit of the Forum in October 2000, China committed to reduce or cancel RMB10 billion loans owned by less developed countries in Africa and a totaling RMB10.9 billion loan owned by 31 African countries was written off in the following years (China..., 2006).

At the Beijing Summit of the Forum on China-Africa Cooperation in November 2006, China made eight more commitments, including doubling its 2006 assistance to Africa by 2009, providing US\$ 3 billion of preferential loans and US\$ 2 billion of preferential buyer's credits to Africa in the next three years,

writing off debt in the form of all the interest-free government loans that matured at the end of 2005 owed by the heavily indebted poor countries etc. (Hu, 2006).

Chinese premier Wen Jiabao further pledged at the Forum's Forth Ministerial Meeting at Sharm el-Sheikh, Egypt in 2009 that China would give African countries US\$ 10 billion in concessional loans to help Africa build up its financing capabilities, phase in zero-tariff treatment to 95% of the products from the least developed African countries, train 2 thousand agricultural technology personnel for Africa, providing medical equipment and anti-malaria materials worth 500 million yuan (US\$ 73.2 million), and training 3 thousand doctors and nurses for Africa etc. (Wen, 2009).

These Chinese assistance towards Africa consist of a mix of grants, interest-free loans, concessional low-interest loans. Estimates of China's aid toward Africa in 2005 accounts for a third to half of China's total foreign aid, while the estimated Chinese aid towards Latin America only account for a tenth of China's total foreign aid (Brautigam, 2008; Glosny, 2006, p. 15).

Unlike the situation during the Cold War when political and strategic concern overshadowed economic relations, economic frictions aroused and increased quickly as economic relations become stronger. For instance, some Latin America countries tend to blame the rising unemployment rate on the expansion of Chinese exports; some African countries complained about the quality of Chinese goods. Chinese investment in Africa has caused concerns about the environment degradation; anti-dumping tariffs in Latin America have been on the rise.<sup>4</sup> Chinese aid has been criticized for neglecting the human rights situation, especially in Africa. What is abnormal with the situation in China's economic relations with the two areas compared with China's relations with western countries is that Sino-European Union or Sino-United States trade frictions seem to be normal while the frictions in China's economic relations with developing Africa and Latin America are always amplified globally.

The complaints and concerns resulting from, or about the frictions in China's relations with and active involvement in Africa and Latin America are less visible in developing countries than those among the Western countries. In the political realm criticism on China's policy toward the two continents, include China's support of pariah regimes, China's negligence on human rights abuses, fiscal transparency, and clean governance while cementing relations with them. In a broader sense criticism on China's policy in Africa and Latin America are generally the same in Europe and America, but more specifically the concerns from the two developed areas differ in their focus. China's policy in Africa has been criticized as

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4. Starting with Mexico in 1993, many Latin American countries have been using antidumping tariffs to limit Chinese exports, and there are over 4 thousand Chinese products on Mexico's anti-dumping list. See IBA (2010).

“new imperialism” in Africa, (Wrong, 2006) China's demands for resources have been referred to as “insatiable appetite for energy and raw materials”, China's investment in Africa as “extracting resources rather than helping to create employment” just like the imperial powers of the nineteenth century, or “China is trying to colonize Africa” (Blair, 2007). Such criticism is mainly from Europe who used to exercise colonial rule in that continent and most of these references to China's role in Africa are reminiscent of the languages used to describe 19<sup>th</sup> century European colonialism in Africa.

While China's proactive diplomacy in Africa caused more concern in Europe, China's coming to Latin America has caused comparatively more concerns from the United States who enjoyed dominant influence in that continent. The general response from the United States government has been calm because the United States is confident that its economic influence in Latin America dwarfs that of China due to their historical relations and geopolitical proximity nonetheless China's growing linkage with Latin America (United States, 2008, p. 30). United States Assistant Secretary for Western Hemisphere Affairs Roger Noriega's testimony at a congressional hearing has been quoted in many places as reflecting the United States view on China's enhancing relations with Latin America, saying “it is safe to say the United States has been and will continue to be the long-term partner of preference” in Latin America though China's influence in this Area has been growing (Dunbaugh and Sullivan, 2005, p. 6). But concerns do exist among congressmen, media, and some think tanks that view China as representing the most serious challenges to Washington in Latin America by pointing out Beijing's presence in the Panama Canal, political support for Fidel Castro, growing interactions with oil abundant Venezuela, and China's possible political and military relations with countries in this area (Johnson, 2005). Hearings in United States Congress, seminars organized by think tanks, and columns in newspapers on China's coming to Latin America have been popular, especially when Chinese leaders visited Latin America, or major events happened or big steps were taken in Sino-Latin American relations.

## 5 CONCLUSION

China's policy towards and its relations with Africa and Latin America along with the international repercussion of such relations reflect China's paradoxical global status and some fundamental changes in China's foreign policy making in general and China's policy towards Africa and Latin America in particular.

Historically China's relations with developing countries were emphasized for political reasons. The shift from politics in command to economy in command in Chinese domestic politics after its opening up has redefined China's foreign policy priorities. The fast growing trade with developed countries has become the

driving force for China's sustained economic development. While joining the rank of big powers, China has become increasingly interdependent with them. The accusation about China on the ways and scales of its engagement with Africa and Latin America as a colonialist obviously position China no longer as a developing country or at least not a developing country in the conventional sense. "China threat" and the expectation for China to be a "responsible stakeholder" or shoulder more international responsibility are the two sides of the same coin that China is a big power rather than a developing country.

To maintain stable relations with developed countries has been vital in propping up China's domestic economic growth. But at the same time China has found itself always at odds with the Western developed countries on many political issues and many economic issues are always politicized. When finding itself in a very difficult position with developed countries, China had to turn to developing countries for support. The principles over which China differs from Western developed countries over developing countries are the very principles over which China conflicts with the developed countries, such as providing aid with no strings attached, non-interference in internal affairs, and the concept of human rights by developing countries etc. The disputes between China and the Western developed countries in Africa and Latin America can be understood as the spillover of China's political disputes with the Western developed countries about their bilateral relations and to how domestic politics should be governed and how World affairs should be addressed. The paradoxical global status of China, which is becoming an economically developed country but politically and diplomatically a self-styled developing country, demonstrates that China has to cling to its traditional position as a developing country in its competition with western powers.

The asymmetrical features of the two bilateral economic relations also demonstrates the base of China's relations with developing countries has shifted from the politically opposing colonialism, imperialism, and hegemonism to economically mutual benefit. During the Cold War, economic considerations were always overshadowed by political and strategic considerations. It has been a tradition that China was always ready to suffer economic costs for political gains. For instance it had exported to Africa Chinese goods at a price lower than the global market prize, and even purchased merchandises for which no demand existed on the Chinese market just to help the strategically friendly countries to overcome their economic problems, or simply to address their trade imbalance with China (Snow, 1997, p. 287-288). Today's economic relations are more complex and the two sides may gain in one area but loose in other areas, or some sectors in one side suffer while others benefit. Take China's relations with Latin American as example. Countries with strong natural resources exporting sector, such as Argentina, Bolivia, Brazil, Chile, Paraguay, Peru, Uruguay, Venezuela, benefited more than Mexico,

Central America, the Caribbean countries whose export economy are highly integrated into North America industrial zone in their trade relations with China.

The reasons for the asymmetry in China's relations with the two continents are not confined on the Chinese side. One reason for the faster growing economic ties between China and Latin America lays in the growing economic power of Latin America in world economy in comparison with that of Africa. China's equal policy or equal efforts are not equally reciprocated due to reasons not depending on China's side. For instance Sino-African relations lack the locomotive that Sino-Brazilian relations play in Sino-Latin American relations. The rise of China and Brazil has made Sino-Brazilian relations strategic in nature because both seek stronger and more influential international status as member of emerging "Golden BRICS" (Brazil, Russia, India, China and South Africa), and both encompass fast growing trade, cross country investment, and technological cooperation. Brazil has surpassed India in 2009 to become China's ninth in the world and the first trade partner among the BRICS members. The agreement in 2009 for China to invest US\$ 10 billion in Brazil's national energy company Petrobras over the next five years to support its exploration in the Atlantic will definitely propel the economic relation between China and Brazil in particular and Latin America in general (Chinese..., 2009). China's relations with Mexico, Argentina, Venezuela, Chile and traditionally Cuba followed Sino-Brazilian relations in China's overall relations with Latin America.

However, no parallel bilateral relations in Sino-African relations could be found. Among the 53 African countries, few countries followed South Africa whose relations with China are overall reciprocal and healthy either in trade terms or in terms of investment. Major Chinese trade partners in Africa are resources rich countries because other countries do not have what China needs and even the resources rich countries have nothing else but resources to export to China, to say nothing of investment in China. In a world of globalization you cannot expect China to buy finished products from these African countries with no demand in the Chinese market as China's did during the Cold War. The future Sino-African and Sino-Latin American relations are not only contingent upon the rise of China but also the rise of Africa and Latin America.

Another reason for the slow growth in Sino-African relations is the traditional friendship, which could be acclaimed as valuable assets as well as historical burdens. Many Africans still miss the revolutionary China who supported them in opposition to big powers regardless of cost; they still expect China to provide them what China did during the Cold War as they see China become economically more powerful. China's foreign aid from the 1950s-1970s were unconditionally awarded based on ideological motivations and political expediency, and economic effectiveness was largely disregarded. While today China's aid is channeled through market oriented means with an emphasis on efficiency and mutual benefits within China's

financial capability. China is no longer in such a position as to meet their expectations and disappointment easily changes to complaints. Sino-Latin American relations did not have a long history and a new kind of relations is easier to start under current international environment. The current momentum foretells that Sino-Latin American relations are more promising than Sino-African relations and the asymmetry will continue though in different ways.

The complex asymmetry, especially the accusation that China faces in its relations with Africa and Latin America also reflects the changing situation in China's foreign policy making. The Chinese party-state system has appeared a strong unitary actor in world politics. Chinese foreign policy making has been undergoing historical changes as Lampton has characterized. Professionalization, cooperation, pluralization, decentralization, and globalization have made of Chinese foreign policy a bureaucratic coordinating process during which where you stand depend upon where you sit (Lampton, 2001). For instance, the following up commission of the China-Africa Cooperation Forum is composed of 22 ministerial level agencies of the Chinese Government with the Ministry of Foreign Ministry and the Ministry of Commerce jointly taking the lead (Zhang, 2006).

Not only are more bureaucracies getting involved in China's foreign policy making toward Africa and Latin America. Many initiatives are taken by business sectors without the involvement of the state. The Chinese-state affiliated companies are always considered as the representatives of the Chinese state if not the state itself, and any connection of the enterprises with the Chinese People's Liberation Army is always highlighted globally. But among the 8 hundred plus Chinese enterprises that invested in Africa only one hundred are state-owned big or medium-sized enterprises and the majority are private enterprises (Chinese..., 2007). As it goes business is business, they are all profit driven regardless state-owned or private enterprises. The state could exercise control over major and sensitive issues but could not scrutinize the concrete and discrete policies. The Chinese central government always credited itself for any good behaviors, so it should be blamed for any wrong or disgraceful actions. Beijing is facing many policy and management challenges and the deficiencies in Chinese government's policy making apparatus put China's internally strong party-state on the defensive in its international image or soft power. Such tendencies, which have been realized by some keen China watchers (Gill and Reilly, 2007; Downs, 2006), should not be overlooked by the correct generalization that China is domestically fragile while externally powerful (Shirk, 2007). A comparative study of China's policy toward Africa and Latin America present a more complex and paradoxical China. A less powerful Chinese state or more active private sectors, a situation many westerners expect to see and even taken measure to facilitate, would not necessarily promise a more responsible China which could be easy to deal with.

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## NUEVAS DIRECTRICES EN LA ASOCIACIÓN VENEZUELA-CHINA

Carlos A. Romero<sup>1</sup>

China es junto con los países Brasil, India, Rusia y África del Sur (BRICS), los miembros de Asociación de las Naciones del Suroeste Asiático (Asean) y Turquía un claro ejemplo de *soft balancing policy*. Venezuela, es por el contrario, una potencia revisionista que apoya sin reservas la presencia de China en América Latina y el Caribe. Las inversiones y el comercio exterior de Venezuela están caracterizadas por la presencia del petróleo y derivados y el gas natural. La oferta exportable venezolana se basa en más del 95% en esas materias primas. Por ello, la discusión sobre la pérdida del carácter industrial y de servicios de las economías de los países de América Latina y el Caribe, dada la magnitud de sus exportaciones primarias e importaciones de manufacturas chinas, no es un problema importante para Venezuela ya que no tiene una planta industrial que pueda competir con las importaciones de bienes y servicios provenientes de la potencia asiática.

**Palabras clave:** Venezuela; China; multipolaridad; cooperación económica; petróleo; EEUU; América Latina.

## NOVAS DIRETRIZES NA ASSOCIAÇÃO VENEZUELA-CHINA

A China, juntamente aos países Brasil, Índia, Rússia e África do Sul (BRICS), membros da Associação das Nações do Sudeste Asiático (Asean) e Turquia, é um claro exemplo de *soft balancing policy*. A Venezuela, entretanto, é uma potência revisionista que apoia, sem reservas, a presença da China na América Latina e no Caribe. Os investimentos e o comércio exterior da Venezuela são caracterizados pela presença de petróleo e derivados e gás natural. A oferta venezuelana de exportações consiste, em mais de 95%, dessas *commodities*. Assim, a discussão sobre a perda do caráter industrial e de serviços das economias dos países da América Latina e do Caribe, dada a magnitude das exportações primárias e das importações de manufaturas chinesas, não é um grande problema para a Venezuela, uma vez que esta já não possui uma planta industrial que possa competir com as importações de bens e serviços da potência asiática.

**Palavras-chave:** Venezuela; China; multipolaridade; cooperação econômica; petróleo; Estados Unidos; América Latina.

## NEW DIRECTIONS IN VENEZUELA-CHINA PARTNERSHIP

China, similarly to the Brazil, India, Russia and South Africa (BRICS), members of Association of Southwest Asian Nations (Asean) and Turkey, is a clear example of soft balancing policy. Venezuela, by contrast is a revisionist power that has supported the presence of China in Latin America and the Caribbean. Venezuela's investment and foreign trade are characterized by the presence of petroleum, petroleum products and natural gas. More than 95% of Venezuelan exportable offer is based such commodities. Therefore, the discussion about the cutback of industry and services of the Latin America and the Caribbean economies, given the magnitude of primary exports and imports of Chinese goods, is not a major problem for Venezuela since it does not have an industrial plant that could compete with imports of goods and services from the Asian power.

**Keywords:** Venezuela; China; multipolarity; economic cooperation; oil; USA; Latin American.

JEL: F02; F10; F15; F34; F50; F63; H63; H81.

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## 1 INTRODUCCIÓN

China busca consolidarse en América Latina como un *soft power* y no aspira a tener una injerencia directa en la región. Su interés primordial es el de fomentar el comercio y la inversión en varias áreas productivas, principalmente en el plano de las materias primas, de las *commodities* y recientemente en la industria y en el sector financiero.

Por otra parte, la potencia mundial se niega a responder a los llamados de un compromiso ideológico por parte de algún gobierno latinoamericano. Eso no quiere decir que en su proyección en Asia, China tenga sus intereses radicados en algunos temas geopolíticos tradicionales, tales como las áreas de influencia, los reclamos territoriales y la carrera armamentista (Yopo Herrera, 2011).

Dado que la oferta exportable venezolana se basa en más del 95% en esas materias primas, la discusión sobre la pérdida del carácter industrial y de servicios de las economías de los países de América Latina y el Caribe debido a la magnitud de las importaciones chinas desde la región, no es un problema fundamental para el caso venezolano.

Venezuela y China han coincidido en términos generales en algunos temas globales, pero sus respectivas aproximaciones a la seguridad mundial no son idénticas. China es junto con los países BRICS, los miembros de la Asean y Turquía un claro ejemplo de *soft balancing policy*. Venezuela por el contrario, es una potencia revisionista (Yopo Herrera, 2011).

Venezuela ha confrontado serias diferencias con Estados Unidos en algunos *hot issues* de la agenda mundial como lo son los temas de Irak, Libia, Siria e Irán y la problemática del Medio Oriente y ha apoyado incondicionalmente a Rusia en su política exterior y en particular, en las crisis de Georgia y Ucrania.

China es el segundo importador de petróleo mundial. Su consumo está sobre los 11 millones de barriles diarios, de los cuales 6.2 millones de barriles diarios (un 60%) son importados de Rusia, Arabia Saudita, Angola, Omán, Irak, Irán, Sudán, Sudán del Sur, Libia y Venezuela. China está interesada en mantener los precios del barril de petróleo bajos. Venezuela busca lo contrario (Dávila, 2014).

## 2 EL ESTADO DE LAS RELACIONES ENTRE VENEZUELA Y CHINA (2013-2014)

Las relaciones entre Venezuela y China presentan varias dimensiones. Se observa en primer término, el comercio exterior que está caracterizado por las *exportaciones petroleras venezolanas* a ese país y que se encuentran por el orden de los 524 mil barriles diarios (cifra que se proyectó para el año 2015 en un millón de barriles diarios), lo que significa alrededor del 10% del total del petróleo importado de China.

En segundo lugar, está el *financiamiento chino a Venezuela* a través de los llamados “Fondos Chinos”, tanto el Fondo Chino Venezolano como el Fondo de Gran Volumen y Largo Plazo, que ya acumulan unos préstamos y financiamientos para Venezuela por el orden de los US\$ 65 mil millones, (US\$ 45 mil millones procedentes del Banco de Desarrollo de China (BDC) y US\$ 20 mil millones del Fondo Gran Volumen a Largo Plazo), monto que ha servido a China para el pago de las exportaciones petroleras y para cancelar las importaciones de Venezuela desde China, incluyendo tecnología, equipamiento y servicios militares, calculándose que para el mes de julio de 2014 Venezuela había pagado US\$ 24 mil millones de ese monto total ya mencionado (Dávila, 2014).

Y en tercer lugar se tiene la *cooperación en infraestructura y en la agricultura* que va desde el respaldo tecnológico y crediticio chino hasta obras de ingeniería de envergadura como son la construcción de carreteras, vías férreas y de viviendas, dentro de los planes de la Gran Misión Vivienda Venezuela y planes conjuntos de producción agropecuaria (Dávila, 2014).

En la literatura especializada se comenta que Venezuela ha proyectado su política exterior “retadora” con base en tres alianzas estratégicas: de Cuba recibe un respaldo ideológico y una plataforma mediática; Rusia es un proveedor seguro de armamento y tecnología militar y de China obtiene un seguro financiamiento (Ballesteros, 2014).

Cuando el presidente Maduro visitó Beijing en septiembre de 2013, se firmaron 27 convenios y se obtuvo un empréstito chino de US\$ 5 mil millones, lo que dio lugar a que el mismo presidente Maduro comentara en esa ocasión sobre la posibilidad de implementar un plan de desarrollo conjunto entre ambos gobiernos (Dávila, 2014).

China es el segundo socio comercial de Venezuela y Venezuela el quinto socio de China en la región. Venezuela es el destino principal de las inversiones chinas en América Latina.

El intercambio comercial en el año 2012 entre los dos países llegó a los US\$ 23.000 millones y en el año 2013 a US\$ 19.200 millones – véase el anexo A correspondiente (Corrales, 2010; Romero, 2013).

Para el primer semestre de 2014 se observa una reducción de las importaciones venezolanas desde China, dada la caída de las compras por Venezuela de aparatos eléctricos, línea blanca y doméstica, aparatos electrónicos, vestido y calzado, productos metalúrgicos y provenientes del yeso, cemento, piedra, plástico, papel, cartón y materiales educativos, bisutería, madera y fuegos artificiales (Pastrán, 2014).

A su vez, se tiene una compañía de motocicletas, una compañía de telefonía, una *joint venture* para el desarrollo agrícola, especialmente para la producción de soya,

la dotación de artefactos del hogar a través de las importaciones de artefactos eléctricos a bajos precios o en forma gratuita de la marca china Haier (con el programa social Mi Casa Bien Equipada), el programa de dotación de automóviles chinos Venezuela Móvil y unas compañías relacionadas con la industria del ferrocarril – ferrocarriles, vías, locomotoras y vagones para carga (Rojas, 2014).

En materia de las industrias básicas de hierro y aluminio, se cuenta con la inversión china en Venalum (industria estatal venezolana transformadora de la alúmina) a través de un convenio con la empresa china Chalieco, cuyo monto asciende a US\$ 500 millones y se contempla adecuar la planta de licuados para elevar la producción de las celdas a 500 mil toneladas métricas en Sidor (industria estatal venezolana transformadora del hierro). También se firmó un acuerdo entre Sidor y China Minmetals Engineering y se inyectarán US\$ 250 millones a fin de instalar una nueva línea para la fabricación de palanquillas y así generar más cabillas para la industria de la construcción.

Se tiene además, la venta ya efectuada de 24 aviones militares chinos Karakorum 8 (K-8), cuatro radares de tierra, 140 vehículos armados (tanquetas) VN24, doce aviones de transporte de mediano alcance Shaanxi Y-8 y los dos satélites que Venezuela ha puesto en órbita, el Simón Bolívar en 2008 y el Francisco de Miranda en 2012, que cuentan con tecnología de otro conglomerado chino, la Great Wall Industry Corp – se comenta en círculos chinos que Venezuela adquirirá un tercer satélite (Dávila, 2014).

También se acordó con China, a través del Banco de Importación y Exportación de China (Eximbank), un financiamiento por US\$ 391 millones para la construcción de un terminal marítimo de Pequiven – una compañía subsidiaria de Petróleos de Venezuela (PDVSA) en Morón (Ballesteros, 2014).

También hay que agregar la producción conjunta de petróleo por PDVSA y la China National Petroleum Corporation (CNPC) en el Bloque Junín 4, y en el Bloque Junín 8 con la compañía china Sinopec, dentro de la Faja Petrolera del Orinoco y en proceso, en el Bloque Junín 10 con la CNPC. El financiamiento para el Bloque Junín 4 se dirigirá a la empresa mixta Petrourica, constituida con 60% de las acciones para Pdvs y el restante 40% por la empresa china CNPC. Petrourica deberá producir hasta 400 mil barriles por día de crudo extrapesado en una primera fase y un millón de barriles diarios a mediano plazo, de 8,5 a 9 grados API (Romero, 2013).

En el caso de los acuerdos de financiamiento efectivamente suscritos en 2013, se contaba en noviembre del año pasado con US\$ 9.975 millones en préstamos para las empresas mixtas Petrosinovensa, Petroboscán, Petrojunín, Petrozamora y Petroquiriquire. Los planes de ampliación de la producción en éstas áreas energéticas comprenden llevar de 365 mil a unos 678 mil barriles diarios la extracción de crudo

(86% más). Petrosinovensa obtuvo un préstamo por US\$ 4.015 de la empresa china CNPC (Romero, 2013).

El proyecto de ampliación de la refinería de Cienfuegos (Cuba) administrada por la empresa mixta cubano-venezolana, Cubven Petrol S.A. ha sido adjudicado a la compañía china Haunqui Corp, perteneciente a CNPC, con la colaboración de la empresa de ingeniería francesa-italiana Technip Itali, el financiamiento del banco Eximbank de China, y con la garantía de envío de petróleo venezolano – incluye la construcción de una unidad de producción de gas natural licuado (Ellis, 2011; Dávila, 2014).

También se tienen otros acuerdos para la dotación y la fabricación en Venezuela de taladros para la perforación de los pozos petroleros, plataformas petroleras, mejoradores petroleros, para convertir por vía industrial el petróleo pesado venezolano en petróleo ligero; unos acuerdos alimentarios, una planta termoeléctrica en el estado Carabobo y la constitución de unas zonas económicas especiales (ZES) en Venezuela bajo el modelo chino aplicado en ese país. PDVSA también está participando en el desarrollo de la refinería de Guandong en la provincia china de Cantón (Romero, 2013).

Desde el año 1999 se han firmado más de quinientos acuerdos económicos entre Venezuela y China y más de 213 proyectos estratégicos, todo lo cual nos lleva a considerar la importancia de estas relaciones bilaterales.

El vicepresidente de de China visitó Caracas en el mes de mayo de 2013. El 21 de abril de 2014 llegó a Caracas el ministro de Relaciones Exteriores de China, en el marco de una gira que lo llevo también a Cuba, Argentina y Brasil. El canciller Wang Yi revisó con las autoridades venezolanas el estado actual de la cooperación bilateral, enfatizando el análisis de los 33 acuerdos de cooperación firmados en el año 2013, la posibilidad de Venezuela de obtener nuevos crédito chinos, la revisión de los Fondos Chinos, el desarrollo de un mapa minero de Venezuela por parte de expertos chinos y la intención de Venezuela de obtener el apoyo de China para ocupar un puesto no permanente en el Consejo de Seguridad de Naciones Unidas para el período 2015-2016 (Ballesteros, 2014).

El presidente Maduro participó en la reunión extraordinaria entre los líderes de los países BRICS y algunos líderes de la Comunidad de Estados Latinoamericanos y Caribeños (Celac) y Unión de Naciones Suramericanas (Unasur) en Brasilia el pasado 16 de julio de 2014. En dicha ocasión, el presidente Maduro se pronunció a favor de un trabajo conjunto entre el Banco del Sur y el nuevo Banco de Desarrollo de los países BRICS. De igual modo, el presidente Maduro asistió el 17 de julio en Brasilia a la reunión conjunta entre China y algunos jefes de Estado y de gobierno de los países miembros de la Celac en donde se discutió sobre la posibilidad de la creación de un foro permanente entre China y la Celac (Dávila, 2014).

En la víspera de la visita a Venezuela del presidente de China, Xi Jinping, se inauguró en Caracas el 18 de julio de 2014, la oficina de representación comercial del BDC, la segunda en América Latina. El BDC le ha otorgado a Venezuela alrededor de US\$ 50 mil millones en varios tipos de financiamiento. El Banco Venezolano de Desarrollo Económico y Social (Bandes) abrirá una oficina de representación en Beijing en el año 2015. De igual forma se instaló el 19 de julio de 2014 la XIII Reunión de la Comisión Mixta de Alto Nivel China-Venezuela, en donde se analizaron los diversos acuerdos entre ambos gobiernos (Hernández, 2014a).

El presidente de China, Xi Jinping llegó de visita a Caracas por 24 horas, el día 20 de julio de 2014, ocasión en la cual, el presidente Maduro se refirió a que se había decidido elevar las relaciones entre los dos países “a un nivel superior y declarar una asociación estratégica de carácter integral entre China y Venezuela” (Hernández, 2014b).

Dentro de las negociaciones y acuerdos alcanzados entre los dos gobiernos en la ocasión de la visita del presidente chino se anunció la apertura para el próximo año de una fábrica de autobuses marca Yutong en el estado Yaracuy, la compra este año por Venezuela de 10 mil vehículos Chery de pasajeros, 5 mil camiones pesados de la compañía Jac Motors y 1,5 mil autobuses Yutong chinos que se añaden a 2 mil unidades ya en circulación.

Ambos presidentes asistieron al acto de clausura de la XIII Reunión de la Comisión Mixta de Alto Nivel Venezuela-China, ocasión en la cual el presidente Maduro manifestó que “China es el hermano mayor de la revolución socialista”. En ese marco, se firmaron 38 acuerdos de cooperación entre los cuales están una operación de crédito por US\$ 5.691 millones, 4.000 millones de ellos para el Fondo Chino, 1.000 de ellos para PDVSA y US\$ 691 millones para la exploración y explotación mineras como el proyecto Sifontes Sur (mina de oro y de cobre), más otros acuerdos de cooperación en el área petrolera y gasífera relacionado con los seguros de exportación, resguardo tecnológico y de equipos, un acuerdo para la creación de empresas binacionales para la producción de cemento, fertilizantes, agroquímicos y materiales de construcción y un acuerdo para el intercambio de formación de recursos humanos (Hernández, 2014a).

Desde un punto de vista político, China le ha prestado un apoyo incondicional al gobierno de Maduro, en cuanto a que ha promovido un diálogo entre Venezuela y Estados Unidos y a su vez ha apoyado la creación y desarrollo de la Celac y de Unasur. Específicamente en el caso venezolano, el gobierno chino ha reiterado que está interesado en la estabilidad del país y en el manejo doméstico de los asuntos internos de Venezuela (Dávila, 2014).

A su vez, el gobierno y las empresas chinas con intereses en Venezuela han manifestado su preocupación por las deficiencias encontradas en Venezuela en materia de seguridad política y jurídica, así como también en cuanto a la eficacia y eficiencia (falta de financiamiento, atrasos en las metas fijadas, corrupción

financiera, reducción de la producción, compromiso laborales y problemas con el flujo de caja) en los programas sociales y económicos conjuntos.

Un ejemplo de ello es el contenido de un informe de Dagong Global Credit a la más importante agencia calificadora de riesgos de China fundada conjuntamente por The People's Bank of China y The State Economic and Trade Commission, en donde se notifica que ha rebajado la calificación crediticia de Venezuela de BB+ a BB. En el informe de Dagong se afirma que:

serios desbalances macroeconómicos van a arrastrar a Venezuela en el corto plazo a una recesión y a exacerbar el riesgo de tensiones sociales. Su elevado déficit fiscal, sus insuficientes reservas internacionales y las presiones hacia significativas devaluaciones de su moneda local, contribuyen a una evidente tendencia de deterioro en los niveles de solvencia – tanto en moneda local como en moneda extranjera – del gobierno (Toro Hardy, 2014).

### 3 CONSECUENCIAS GEOPOLÍTICAS

Si bien China es un factor fundamental en el mundo multipolar actual, no es menos cierto que no es un país que pueda ser considerado atractivo para la opinión pública internacional, en cuanto a su modelo político autoritario y poco amigable con el tema de los derechos humanos (Katz, 2014).

En verdad, China es con criterio objetivo una potencia económica, que evita tener un compromiso militar fuera de su área de influencia y ejerce su política exterior con pragmatismo. Venezuela busca ser una potencia regional con un modelo político autoritario excluyente que tampoco es atractivo. Pero para Venezuela, el modelo político y económico chino sí es atractivo (Katz, 2014).

Cabe destacar como un éxito alcanzado que la política exterior sirvió junto con la utilización del resguardo institucional democrático-electoral, para que la mayoría de los gobiernos del mundo aceptaran en estos diez y siete años, la gestión gubernamental y el proceso iniciado en 1999, a pesar de las reiteradas advertencias de algunos opositores al régimen sobre la tentación autoritaria del gobierno y sobre la violación sistemática de los derechos humanos.

Otro logro internacional fue el de mantener la política de cooperación petrolera así como la política de expansión del socialismo bolivariano a través de la Alianza Bolivariana para los Pueblos de Nuestra América (Alba) y Petrocaribe, utilizando el recurso petrolero como un arma política, tanto a nivel de la cooperación económica como en materia de comercio exterior.

De hecho, para Caracas ha sido un éxito enviarle casi un millón de barriles diarios a Estados Unidos y al mismo tiempo mantener una relación “esquizofrénica” con ese país cuyo gobierno ha sido satanizado por el gobierno venezolano (Corrales y Romero, 2013).

A pesar de las críticas que han hecho observadores del campo multilateral y transnacional, el régimen venezolano no ha sido cuestionado en cuanto a los resultados electorales por ningún gobierno, salvo Estados Unidos, a pesar de las serias deficiencias encontradas en cuanto al ventajismo procedimental, el uso parcializado de los recursos públicos por parte del Estado y la manipulación de las elecciones presidenciales de 2013 (Gratius y Romero, 2013).

Pero la ambigüedad es la conducta que más beneficio le ha traído al gobierno venezolano. La combinación de un proyecto político radical y un comportamiento más pragmático han ubicado a la diplomacia venezolana en un terreno equidistante entre la toma de posiciones principistas – tales como el anti-imperialismo, la promoción del socialismo del siglo XXI, la búsqueda de un mundo multipolar – y el mantenimiento de un espacio de maniobra internacional favorable (Romero, 2013).

El gobierno chino no quiere ni contempla la posibilidad de un cambio de régimen en Venezuela, pero no apoya la política de confrontación de Caracas con Washington. A las palabras del presidente Maduro sobre que Estados Unidos utiliza “a Venezuela para ganar una ventaja estratégica en lo económico contra China”, los gobernantes chinos contestaron en un comunicado las palabras de Maduro diciendo que ellos “creen que el gobierno de Venezuela y su pueblo tienen la habilidad para manejar apropiadamente sus asuntos internos, mantener la estabilidad nacional y promover el desarrollo social y económico” (Dávila, 2014).

#### 4 CONCLUSIONES

La mayoría de los estudios sobre las relaciones entre China y América Latina están dirigidos a mostrar el crecimiento exponencial chino en la región y el papel cada día más importante de la potencia asiática en el mundo. Sin embargo, estas aseveraciones dejan de lado algunas particularidades y excepciones a la regla (Toklatian, 2013; Trinkunas, 2013).

En primer término, la presencia de China en nuestra región no es arrolladora. No lo es ni en lo político ni en lo socio económico. Sólo Cuba y de algún modo Venezuela sostienen un modelo político que pueda ser tildado de autoritario y no liberal, en donde prevalecen el control político del Estado sobre la sociedad y el estatismo económico.

En segundo lugar, muy al contrario de lo que pueda observarse superficialmente, Estados Unidos han expandido su rol en la región. En lo militar, multiplicando su presencia en relación a ventas de armamento, planes conjuntos de inteligencia y maniobras militares; en lo económico, firmando acuerdos de libre comercio y aumentando sus inversiones y el intercambio comercial, incluyendo la cooperación energética; en lo migratorio, dada la cada día más compleja presencia de inmigrantes latinoamericanos y caribeños en el territorio estadounidense;

y en lo político, por el equilibrio hemisférico que se ha logrado entre Washington y los gobiernos de la región, inclusive con algunos de tendencia política de izquierda (Borda, 2013; Toklatian, 2013; Trinkunas, 2013).

Por lo tanto, no puede hablarse de un cambio estratégico en América Latina y el Caribe que indique el desplazamiento sustancial de Estados Unidos por China, como si ese país fuera ahora el nuevo eje geopolítico regional, en el marco de un escenario multipolar en la región (Root, 2013).

Venezuela y China comparten una misma etiqueta a la hora en que se estudian sus sistemas políticos. Ambos sistemas no son liberales, ambos ponen en duda la legitimidad del internacionalismo liberal y sus principales conceptos – democracia, y derechos humanos y laborales – y ambos gobiernos rechazan la tesis de la intervención humanitaria y de otras normas occidentales. De igual forma, ambos países han cuestionado en la práctica las bases de la teoría de la modernización: de que no puede haber un crecimiento económico sin democracia y que ese crecimiento inexorablemente lleva a la democracia (Root, 2013). Finalmente, ambos tienen unos “régimenes extractivos”, en cuanto que las elites tienen el poder cuasi-monopólico de los ingresos y la renta y a su vez de la distribución de bienes y servicios (Colgan, 2008; Root, 2013).

Desde un cierto punto, Venezuela tiene una “fe ciega” en China tal como se desprende de unas palabras del propio presidente Maduro el 5 de agosto de 2014:

Si ustedes revisan la historia de los 7.000 últimos años de civilización, siempre toda potencia que surgió, surgió como potencia imperialista, imperial, colonial; con China se están rompiendo los moldes, ha surgido una gran potencia sin vocación imperialista, por el contrario con una vocación de cooperación, de trabajo conjunto, de desarrollo compartido que nosotros conocemos muy bien (Maduro, 2014).

Sin embargo, Caracas y Beijing no van de “manos agarradas todo el tiempo”. China es una gran potencia que busca posicionarse mundialmente con base en un criterio de *soft-policy*. Venezuela es un país revisionista que rechaza el *status quo* internacional y que mantiene una conducta retardadora ante la estructura mundial contemporánea (Colgan, 2008; Dávila, 2014; Fernández, 2014).

El interés geo-político y el interés geo-económico fundamentales de China es el de asegurarse sus proveedores y el acceso a los recursos naturales y a las *commodities* a nivel mundial que requiere su economía. En el caso de Venezuela, el interés primordial es el de asegurarse los clientes y el acceso al mercado internacional de las importaciones petroleras.

A su vez China no contempla a corto plazo aumentar su presencia petrolera en Venezuela, dados los altos costos de producción, refinación y transporte del petróleo venezolano.

Si una mira hacia los intereses globales de China se puede observar que hay un mayor interés en el Medio Oriente y en algunas regiones de Asia y de África para buscar fuentes seguras de energía petrolera y gasífera (Romero, 2013).

Se plantean tres escenarios en donde se pudieran desarrollar las relaciones bilaterales en un futuro cercano.

- 1) Que Caracas y Beijing estrechen sus relaciones bilaterales y que Venezuela deje ser un socio comercial para convertirse en un aliado estratégico.
- 2) Que las relaciones se mantengan en el nivel actual, bajo una perspectiva de socio comercial privilegiado pero no como un aliado estratégico.
- 3) Que estas vinculaciones se reduzcan, dada una posible reorientación de los objetivos internacionales de Venezuela por el actual gobierno, por un cambio de régimen en Venezuela o por un cambio de política de China hacia América Latina y el Caribe.

En cualquiera de estos casos, estas son unas relaciones importantes que hay que analizar constantemente dada su singularidad.

## ANEXO A

TABLA A.1  
**Balanza comercial Venezuela-China**  
(En US\$ millones)

| Año  | Exportaciones | Importaciones | Total         |
|------|---------------|---------------|---------------|
| 2005 | 759           | 1.381         | <b>2.140</b>  |
| 2006 | 2.103         | 2.210         | <b>4.313</b>  |
| 2007 | 2.279         | 4.018         | <b>6.297</b>  |
| 2008 | 4.723         | 4.221         | <b>8.944</b>  |
| 2009 | 4.562         | 4.289         | <b>8.851</b>  |
| 2010 | 6.000         | 3.118         | <b>9.118</b>  |
| 2011 | 13.868        | 4.132         | <b>18.000</b> |
| 2012 | 14.539        | 9.304         | <b>23.843</b> |
| 2013 | 13.996        | 5.128         | <b>19.124</b> |

Fuente: Ríos (2009; 2013), Zhongguo (2013) y Bancoex (2014), disponible en: <[www.bancoex.gob.ve/](http://www.bancoex.gob.ve/)>.

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# CHINA IN LATIN AMERICA: ENVIRONMENT AND DEVELOPMENT DIMENSIONS

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China's rise as an important market partner for Latin America and the Caribbean (LAC) brings to the forefront the importance of environmental and social safeguards in the region. China is now the most important export destination for South America, and the second destination of Latin America overall. But China's demand is heavily concentrated in just a few primary commodities: over two-thirds of LAC-China exports since 2009 were in just five categories: iron, oilseeds, copper (refined and unrefined), and crude petroleum. This concentration in commodities means that the LAC exports to China are much more environmentally intensive and prone to social conflicts than other LAC exports. On average, LAC exports to China generate about 15% more net greenhouse gas emissions, use about twice as much water, and support fewer jobs than other LAC exports, per million dollars of export revenue. In this context, it is extremely important for LAC governments and civil society groups to enforce and bolster their environmental and social safeguards. Fortunately, LAC has significant market power in the raw commodities it exports to China. So the region has room to prioritize the environmental and social protections around mining, or deforestation enforcement around soy production, without risk of losing China altogether in these items.

**Keywords:** China; Latin America; environment; social protection.

## A CHINA NA AMÉRICA LATINA: DIMENSÕES AMBIENTAL E DE DESENVOLVIMENTO

A ascensão da China como um importante mercado parceiro para a América Latina e o Caribe (ALC) traz à tona a importância de salvaguardas ambientais e sociais na região. A China é hoje o destino mais importante das exportações da América do Sul, e o segundo da América Latina em geral. Contudo, a demanda chinesa está fortemente concentrada em poucos produtos primários: desde 2009, mais de dois terços das exportações ALC-China corresponderam a cinco categorias: ferro, sementes oleaginosas, cobre (refinado e não refinado) e petróleo bruto. Esta concentração em *commodities* significa que a pauta de exportações da ALC para a China é muito mais ambientalmente intensiva e propensa a conflitos sociais do que outras exportações da região. Em média, as exportações latinas para a China geram 15% a mais de emissões líquidas de gases de efeito estufa, cerca do dobro de água, e empregam menos pessoas comparativamente a outras exportações da região (em milhão de dólares em receitas de exportação). Neste contexto, é extremamente importante que governos da ALC e grupos da sociedade civil reforcem e façam cumprir salvaguardas ambientais e sociais. Felizmente, a ALC tem poder de mercado significativo nas *commodities* que exporta para a China. Assim, a região tem espaço para reforçar proteções ambientais e sociais no setor de mineração, ou contra o desmatamento, no caso da produção de soja, sem risco de minar a demanda China por estes itens.

**Palavras-chave:** China; América Latina; ambiente; proteção social.

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## CHINA EN LATINOAMÉRICA: DIMENSIONES DEL AMBIENTE Y DEL DESARROLLO

El ascenso de China como un mercado importante socio para América Latina y el Caribe (ALC) pone de manifiesto la importancia de las salvaguardias ambientales y sociales en la región. China es ahora el destino más importante de exportación para América del Sur y la segunda en América Latina en general. Sin embargo, la demanda china está muy concentrada en unos pocos productos primarios: desde el año 2009, más de dos tercios de las exportaciones de China y ALC fueron cinco categorías: hierro, semillas oleaginosas, cobre (refinado y sin refinar) y petróleo bruto. Esta concentración en materias primas significa que la agenda de las exportaciones de ALC hacia China es mucho más ambientalmente intensa y con tendencia a conflictos sociales que otras exportaciones de la región. En promedio, las exportaciones Latinas hacia China generan emisiones netas de 15% más de gases de efecto invernadero, sobre el agua dos veces, y emplean a menos personas en comparación con otras exportaciones de la región (en millones de dólares en ingresos de exportación). En este contexto, es muy importante que los gobiernos de ALC y los grupos de la sociedad civil fortalezcan y hagan cumplir las salvaguardas ambientales y sociales. Afortunadamente, ALC tiene un poder de mercado significativo en *commodities* que exporta a China. Por lo tanto, la región tiene margen para reforzar las salvaguardias ambientales y sociales en el sector de la minería, o estar en contra de la deforestación en el caso de la producción de soja, sin riesgo de socavar la demanda china por estos artículos.

**Palabras clave:** China; Latinoamérica; ambiente; protección social.

JEL: F18; N50; O13.

### 1 INTRODUCTION

In the 1990s China was barely a topic of economic conversation in Latin America but by the middle of the 2000s China became the number one trading partner with many of the region's largest economies. This new trend has sparked a significant policy discourse on the impact on the Latin American economies, on Latin American politics, and on the broader geopolitical implications especially those with the United States (Jenkins and Dussel-Peters, 2009; Gallagher and Porzecanski, 2010; Ahearn, 2011). On the economic front, in recent years much attention has focused on the fact that Chinese economic activity in the region tends to be concentrated in primary commodities sectors. Thus, subsequent analyses concerned the extent to which such concentration would be able to maintain long-run growth by threatening the economic diversification process. Relatively less attention has focused on the environmental and social implications of Chinese trade and investment in Latin American and the Caribbean (LAC).

This chapter aims to contribute to a new conversation on the environmental and social implications of Chinese trade and investment in LAC. To what extent is China a driver of environmental change in LAC? To what extent is Chinese economic activity contributing to employment growth in the region? How are these trends impacting local livelihoods, identities, and domestic politics? What might be the long-run implications for economic prosperity? This chapter provides an aggregate level analysis of the overall trends in LAC-China economic activity,

and provides analyses of the environmental and employment aspects of the relationship. China is a welcome new major economic partner for LAC, providing a new and strong market for LAC goods, especially when LAC's main markets had begun to wane. However, it is also clear that the nature of Chinese demand in LAC is in sectors that are of little value added, employment level, and that are endemically degrading to the environment. Moreover, natural resource based growth can accentuate long-standing tensions between rural and indigenous populations over livelihoods, land rights, and identity.

This chapter has six parts. Part two examines trends in LAC-China trade. Part three focuses on investment. Part four presents an aggregate-level analysis on the environmental aspects of China-LAC trade and investment. Part five conducts a similar analysis for employment growth. Part six summarizes the main findings and provides general lessons for future research and for policy-makers.

## **2 LAC EXPORTS TO CHINA IN CONTEXT**

Latin America and the Caribbean (LAC) sent US\$ 130.9 billion in exports to China in 2012 and have been growing significantly faster than LAC's exports to the world and than gross domestic product (GDP) in the 2000s. The vast majority of LAC exports to China are in primary commodities sectors. In turn, LAC has become a major destination for Chinese exports as well. Chinese exports are largely in industry and manufacturing, and are diversified across a variety of products.

Over half of LAC exports to China are in four major commodity groups. Table 1 shows that each of these four groups (refined copper, copper ores and concentrates, iron ore and concentrates, and soybeans and other oilseeds) saw substantial growth in 2012 between six and 37% by weight. Considered as a single group, they grew by 11.4%: nearly identical to their average annual growth rate over the five-year period of 2007-2012, of 11.7%. But the revenue from their sale grew by much less than the quantity exported, and actually declined for iron and copper ores and concentrates. Export revenue for all four groups combined was essentially flat, growing only 1.8%. This is a huge drop from the 18.9% average annual growth rate over the last five years. Behind the increase in export quantity and flat export revenue is a drop in the price of each kilogram exported. Three of the four groups saw a price decline, and together they fell by nearly 11%. In effect, LAC exporters were running in place in 2012: selling more goods but not seeing more revenue from the sales.<sup>3</sup>

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3. Another possibility is worth mentioning: since each of these commodity groups contains several individual commodities, exports could also have shifted from more to less expensive items within each group.

TABLE 1

**LAC-China exports: annual growth in weight and value – top commodities**  
(In %)

|                                       | Total weight (kg) | Growth in            |       |
|---------------------------------------|-------------------|----------------------|-------|
|                                       |                   | Total value          |       |
|                                       |                   | Annual growth (2012) |       |
| <i>Four major categories combined</i> | 11.4              | 1.8                  | -10.7 |
| Copper (refined)                      | 8.8               | -2.0                 | -10.0 |
| Copper (ores, concentrates)           | 36.9              | 23.5                 | -9.8  |
| Iron (ores, concentrates)             | 11.9              | -13.6                | -22.8 |
| Soybeans, other oilseeds              | 6.2               | 13.1                 | 6.5   |
| Average annual growth (2007-2012)     |                   |                      |       |
| <i>Four major categories combined</i> | 11.7              | 18.9                 | 6.4   |
| Copper (refined)                      | 15.2              | 18.3                 | 2.7   |
| Copper (ores, concentrates)           | 10.3              | 12.7                 | 2.2   |
| Iron (ores, concentrates)             | 11.9              | 20.0                 | 7.2   |
| Soybeans, other oilseeds              | 10.5              | 21.5                 | 10.0  |

Source: Undesa (2013).

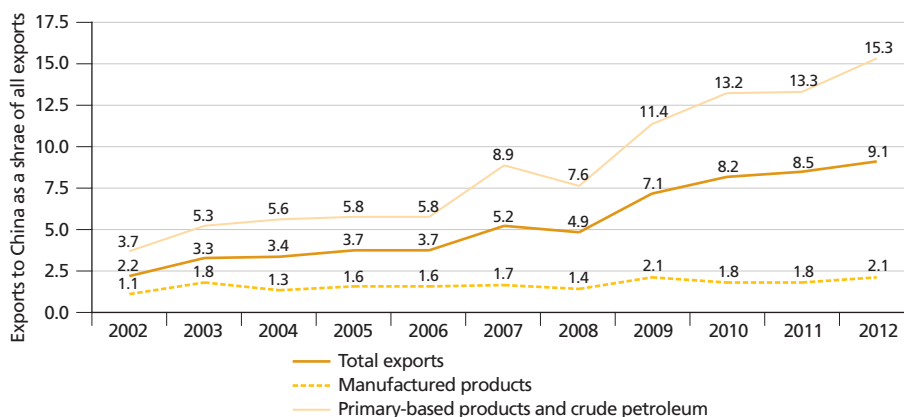
Elaborated by the author.

Note: Price data are the change in weighted average price of LAC exports to China in a particular commodity category. They are not global commodity price changes.

China continues to grow in importance as an export market for LAC, even as LAC exports to China are slowing in absolute terms. Five years ago, China consumed about 5% of LAC exports, but by 2012 that figure nearly doubled to 9.1%. As figure 1 shows, that increase is due almost entirely to China's increased demand for raw materials from LAC. Since 2008, China has more than doubled its share of LAC exports of primary-based products, from 7.6% to 15.3%.<sup>4</sup>

FIGURE 1

**Importance of China as an export destination for LAC exports, by category**  
(In %)



Source: Undesa (2013).

Elaborated by the author.

Note: Categories are defined using Sanjaya Lall's Technological Classification of Exports developed in Lall (2000).

4. Categories are defined using Sanjaya Lall's Technological Classification of Exports developed in Lall (2000). In addition to Lall's definition of primary-based products (processed and unprocessed mining and agricultural products) we have included crude petroleum oil.

China's increasing importance as an export market for primary-based products is particularly visible for the region's major exporters of metals: Brazil, Chile, and Peru. China imported about one-fourth of each of these countries' total primary-based exports in 2012, up from between 14% and 17% in 2008. Because the primary-based category represents over half of each of these countries' exports, China has become a particularly important overall export market for them.

TABLE 2  
China's share of LAC primary-based and petroleum exports (2008-2012)  
(In %)

|                  | 2008 | 2009 | 2010 | 2011 | 2012 |
|------------------|------|------|------|------|------|
| LAC region       |      |      |      |      |      |
| All exports      | 4.9  | 7.1  | 8.2  | 8.5  | 9.1  |
| PRBP + crude oil | 7.6  | 11.4 | 13.2 | 13.3 | 15.3 |
| Brazil           |      |      |      |      |      |
| All exports      | 14.4 | 16.5 | 18.2 | 18.0 | 14.4 |
| PRBP + crude oil | 14.2 | 20.3 | 22.9 | 25.2 | 25.0 |
| Chile            |      |      |      |      |      |
| All exports      | 13.5 | 24.2 | 24.8 | 23.3 | 23.6 |
| PRBP + crude oil | 15.1 | 26.9 | 27.3 | 25.9 | 26.3 |
| Peru             |      |      |      |      |      |
| All exports      | 12.1 | 15.5 | 15.7 | 15.5 | 17.3 |
| PRBP + crude oil | 17.0 | 24.1 | 22.5 | 22.1 | 24.9 |

Source: Undesa (2013).

Elaborated by the author.

Note: Categories are defined using Sanjaya Lall's Technological Classification of Exports developed in Lall (2000).

As noted above, a few commodities dominate LAC exports to China. In turn, a few countries dominate the export market to China for each of these commodities. Table 3 shows that since 2008, 70% of LAC exports to China have come from just six sectors in two or three countries each. This concentration in a few, mostly unrefined exports, exposes the region to global commodity price swings like the ones mentioned above.

TABLE 3  
LAC exports to China by commodity (2008-2012)

| Sector                    | Share (%)   | Country share of LAC-exports in sector         |
|---------------------------|-------------|------------------------------------------------|
| Iron ore, concentrates    | 22.1        | Brazil (86%).                                  |
| Soybeans, other oilseeds  | 14.7        | Brazil (67%), Argentina (28%).                 |
| Crude petroleum           | 11.9        | Venezuela (46%), Brazil (29%), Colombia (10%). |
| Refined copper            | 10.9        | Chile (92%).                                   |
| Copper ores, concentrates | 6.9         | Chile (51%), Peru (32%), Mexico (13%).         |
| Transistors and valves    | 5.1         | Costa Rica (82%), Mexico (17%).                |
| <b>Total</b>              | <b>71.6</b> | -                                              |

Source: Undesa (2013).

Elaborated by the author.

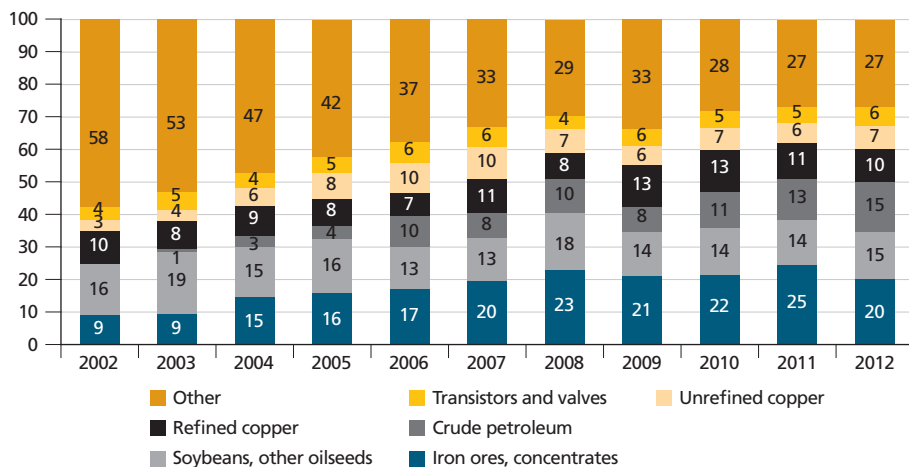
Over the last ten years, these six commodities have grown in importance among LAC-China exports. As figure 2 shows, they have expanded from less than

half of regional exports to China in 2002 to nearly three-fourths in 2012. They have made up over 70% of total exports to China for four of the past five years.

FIGURE 2

**Distribution of LAC-China exports among major commodities (2002-2012)**

(In %)

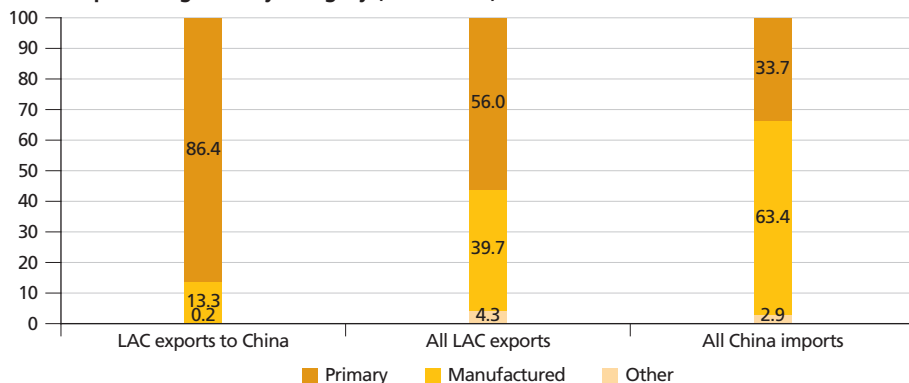


Source: Undesa (2013).

Elaborated by the author.

This heavy emphasis on primary materials is not reflected in LAC exports overall. In fact, from 2008 to 2012 manufactured goods made up about 40% of LAC's exports to the world, as figure 3 shows. Nor is it reflected in China's overall imports, which are mostly manufactured. So the importance of primary materials in LAC exports to China is especially notable, because it is unique for both parties.

FIGURE 3

**LAC exports of goods to China compared to all LAC exports of goods and all China imports of goods, by category (2008-2012)**

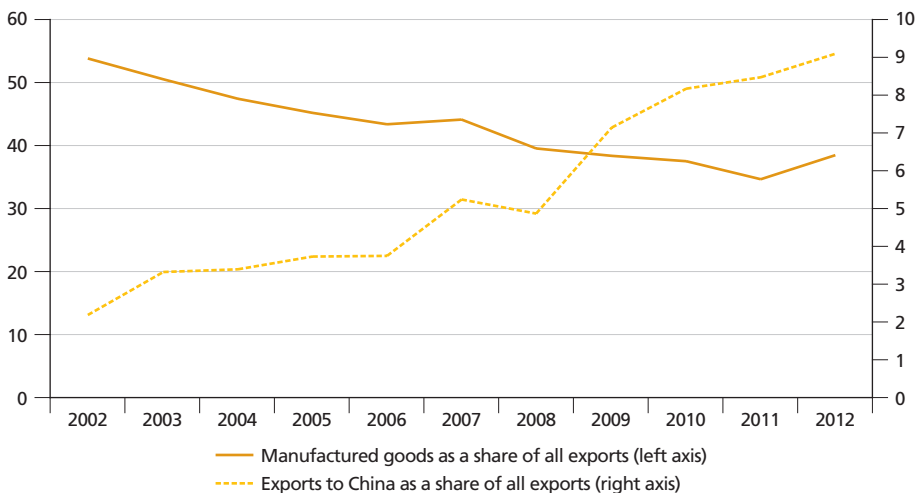
Source: Undesa (2013).

Elaborated by the author.

In fact, as China has grown in importance as an LAC export market, manufactured goods have fallen in importance, as shown in figure 4. LAC exports have gone increasingly to China, from 3.3% of LAC exports in 2002 to 9.1% in 2012, and have simultaneously become more concentrated in primary goods. In 2002, manufactured goods made up a small majority of LAC exports; by 2011 they had fallen to about one-third, before rising slightly in 2012 to 38%.

FIGURE 4

**Manufactured exports and exports to China as a share of total LAC exports**  
(In %)



Source: Undesa (2013).

Elaborated by the author.

Note: Manufactured exports are defined using Sanjaya Lall's Technological Classification of Exports developed in Lall (2000).

Significant attention has been paid to these latter trends. Since the 1930s LAC has tried various means to diversify its economies from primary commodities. By the turn of the century more than half of all LAC exports were in the manufacturing sector. By 2012 however the share of manufacturing exports to total exports dipped to less than 40% as China's share of all LAC exports increased. There is pressure on two levels. Chinese manufacturing producers are outcompeting LAC producers in LAC markets and in markets across the world (Gallagher and Porzecanski, 2010).

### 3 FOREIGN INVESTMENT: FIRMS AND FINANCE

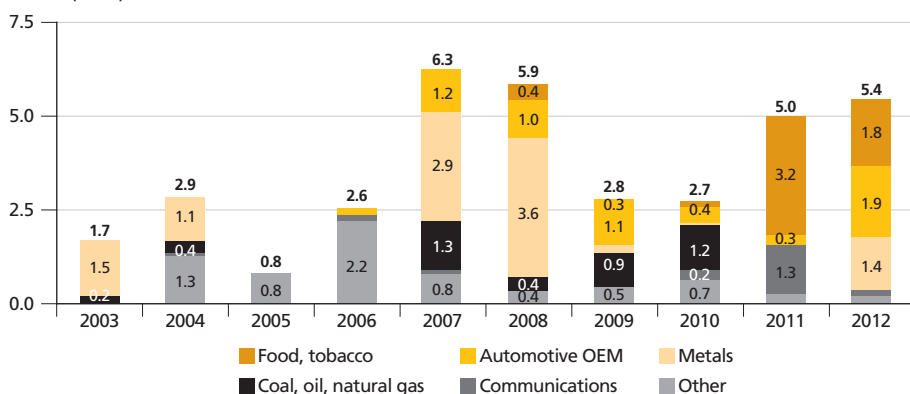
LAC is also a growing recipient of investment and finance from China, and such investment tends to track similar sectors as LAC exports to China. While Chinese investment in the region is still relatively small, it appears to be growing fast. The LAC region received US\$ 174.5 billion in foreign direct investment (FDI) flows in 2012; of that,

China accounted for US\$ 9.2 billion, or 5.3% of the total.<sup>5</sup> FDI contains two major components: new “greenfield” projects and mergers and acquisitions (M&A) flows. Greenfield projects make up slightly less than half of total FDI flows, but are arguably more important, as they involve growing the region’s capital stock. Both types of Chinese investment in LAC, discussed in detail below, show the same concentration among sectors and countries as LAC exports to China.

Greenfield FDI flows from China to LAC have grown recently, but remain relatively small and are very concentrated. They amounted to US\$ 3.7 billion in 2012, or about 5.4% of all greenfield inflows (US\$ 68.3 billion). As figure 5 shows, their distribution across sectors changed dramatically between 2010 and 2012. Between 2010 and 2011 agriculture went from a minor category to the most important FDI target, due to a US\$ 2.5 billion project by the Chongqing Grain Group growing and processing soybeans in Bahia, Brazil and a separate agreement of over US\$ 1 billion by Heilongjiang Beidahuang raising grain and oilseeds in Rio Negro, Argentina. In 2012 automotive replacement parts (OEM, for original equipment manufacturer) took the top place, spread across five smaller projects in Brazil and Paraguay. Nonetheless, agriculture continued to be an important sector in 2012, with another deal by the Chongqing Grain Group of over US\$ 1 billion in Argentina. Of course, it is still too early to determine whether either of these changes will become a trend. But the suddenness with which Chinese food and tobacco investments overtook other sectors is certainly noteworthy and capable of changing the FDI landscape.<sup>6</sup>

FIGURE 5

**Chinese greenfield FDI in LAC, by sector, as a share of total LAC greenfield inflows (ln %)**



Source: FDI Markets (2013).  
Elaborated by the author.

5. These figures come from Eclac (2013a; 2013b).

6. For more on the developing importance of agricultural FDI from China to LAC, see Myers (2013).

This new Chinese investment in the food and tobacco sector has all gone to two countries: Argentina and Brazil. China has invested nearly the same amount of money in the sector in both Argentina and Brazil (49% and 51% of the total, respectively) since 2008, though this figure is a much larger portion of Argentina's total FDI. In fact, China has been responsible for over three-fourths of all agricultural greenfields inflows into Argentina since 2008, and in Brazil it has been responsible for slightly less than half.

Overall, Chinese greenfield FDI has become increasingly concentrated among the five major industries shown in figure 5 (food and tobacco; automotive OEM; metals; coal, oil and natural gas; and communications), regardless of shifts between them. These five sectors made up over 95% of all Chinese greenfield inflows in 2012, up from an average of 89% over the previous five years and 83% since 2003.<sup>7</sup> In contrast, global greenfield inflows to the LAC region has gotten slightly more diversified over the same period. The five major industries in figure 6 represented 65% of total FDI inflows in 2012, down from an average of 68% during the previous five years and 70% since 2003.

Like export revenue, greenfield flows from China to LAC are highly concentrated among countries as well as sectors. Table 5 shows the geographical distribution since 2008 for the five major industries of greenfield flows listed above: food and tobacco; automotive OEM; metals; coal, oil and natural gas; and communications. These five sectors have comprised over 90% of flows for the last five years, and are focused in a handful of countries each. Most of the information in table 4 will not be surprising to Latin America observers, but a few points merit highlighting. Among metals investment, the Chinese firm Bosai Minerals has invested US\$ 1.3 billion in Guyana's aluminum industry since 2008 – about twice as much as Chinese inflows to Brazil's metals sectors (US\$ 650 million from the Anshan Iron and Steel Group), even though the latter may be better known. Second, China's oil and natural gas investments in the LAC region are all under the auspices of the China National Petroleum Corporation (CNPC), but are differentiated by country: petroleum extraction in Venezuela and refining in Costa Rica, and natural, liquefied, and compressed gas manufacturing in Cuba. Finally, the automotive sector has a strong showing as Chery, Changan, and other Chinese companies have begun vying for the South American market.

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7. These findings are largely in line with those by Dussel-Peters (2012), who finds that from 2000 to 2011, roughly two-thirds of Chinese OFDI (greenfields and M&A together) were in raw materials sectors.

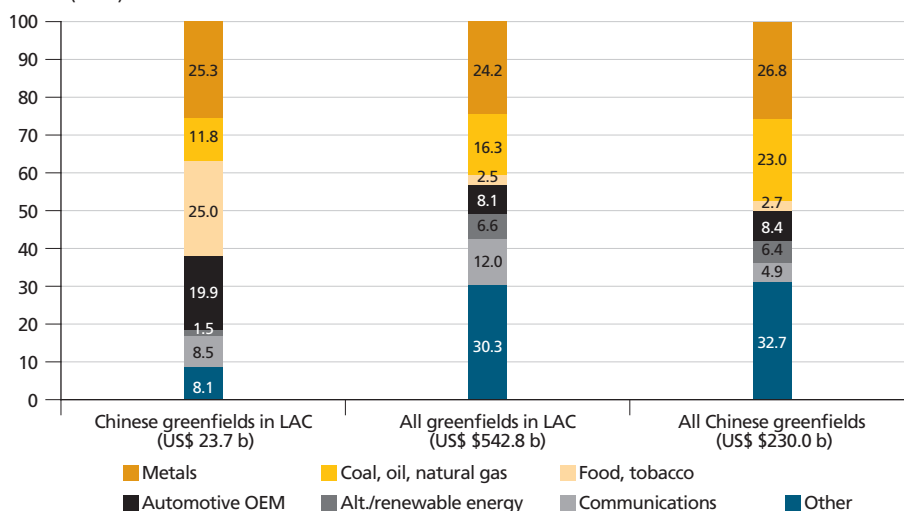
TABLE 4  
Distribution of China-LAC greenfield FDI flows among industries (2008-2012)

| Industry               | China-LAC FDI (%) | Country share of industry FDI                  |
|------------------------|-------------------|------------------------------------------------|
| Metals                 | 25.3              | Peru (65%), Guyana (22%), Brazil (11%).        |
| Food & tobacco         | 25.0              | Argentina (50%), Brazil (50%).                 |
| Automotive OEM         | 19.9              | Brazil (56%), Mexico (18%), Argentina (14%).   |
| Coal, oil, natural gas | 11.8              | Cuba (47%), Costa Rica (36%), Venezuela (17%). |
| Communications         | 8.5               | Brazil (84%), Colombia (10%).                  |
| <b>Total</b>           | <b>90.4</b>       | -                                              |

Source: FDI Markets (2013).  
Elaborated by the author.

As with exports, the concentration of Chinese greenfield investment is unique to the China-LAC relationship. Overall greenfield inflows to LAC are much more diverse, as are overall greenfield *outflows* from China. Specifically, Chinese LAC investment is notable for its concentration in agriculture and automotive OEM. In other words, Chinese investors approach LAC not only as a potential provider of resources (as in agriculture) or as a potential market (as in the automotive sector), but as a more complex mix of the two.

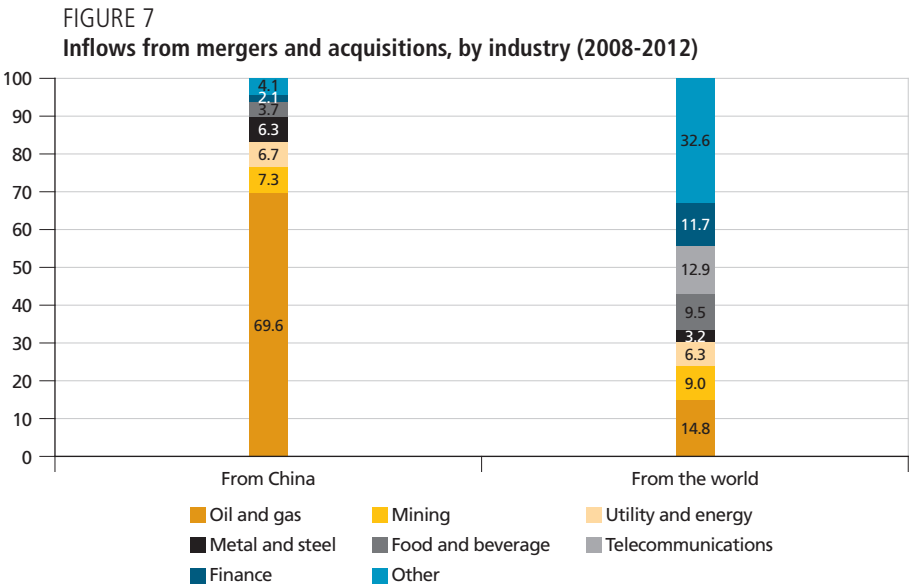
FIGURE 6  
Sector shares of Chinese greenfields in LAC, all greenfields in LAC, and all Chinese greenfields (2008-2012)  
(In %)



Source: FDI Markets (2013).  
Elaborated by the author.

The other major component of FDI, mergers and acquisitions, are notoriously difficult to measure in total scope (as many of the agreements occur in private, and payments can be made over several years) but it is still possible to look at the sector composition.

Mergers and acquisitions (M&A) inflows are distributed among the same major industries as greenfield FDI, but with an even greater concentration in the production of a few commodities. In this regard, Chinese M&A inflows are strikingly different from other M&A inflows to LAC, as figure 7 shows. While five sectors comprise over 95% of M&A inflows from China (and the overwhelming majority is concentrated in oil and gas), the same is not true of overall inbound M&A flows, in which the top seven industries make up only about two-thirds of the total.



Source: Dealogic (2013).  
Elaborated by the author.

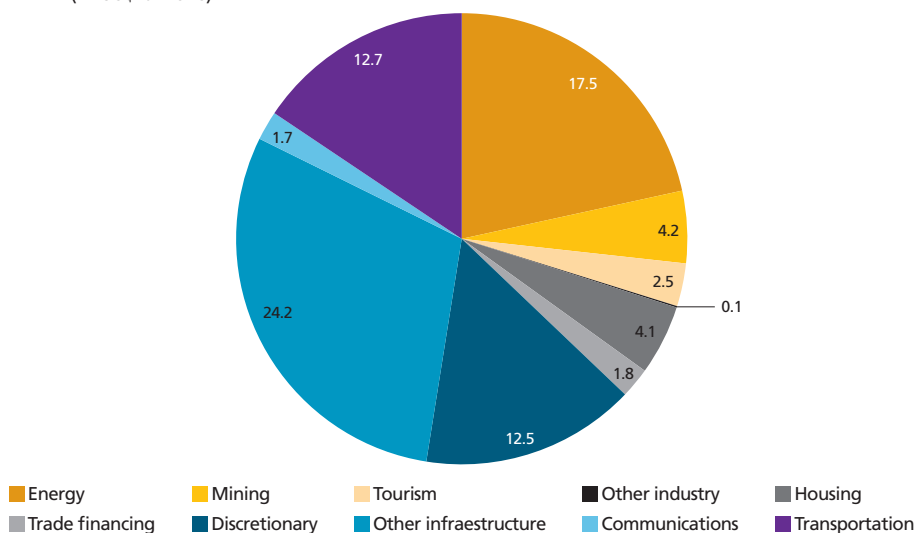
3.1 Financing

Another major aspect of China-LAC Economic Relations is that China continues to provide sovereign lending to Latin American governments. Boston University’s Global Economic Governance Initiative and the Inter-American Dialogue (IAD) publish the annual China-Latin America Finance Database (IAD, 2013) that seeks to estimate annual inflows of Chinese sovereign lending to LAC governments on an annual basis. Largely provided by the China Development Bank (CDB) and the China Export-Import Bank (Ex-Im), estimates of 2012 lending

are US\$ 6.8 billion in 2012, down from over twice that amount in 2011. It has fallen by over 80% since their peak in 2010, when it hit US\$ 37 billion. However, CDB and Ex-Im loans to LAC governments tend to be lines of credit and thus a fall in new lines or loans may not necessarily represent a slowdown in new debt but rather that nations may need time to draw on existing lines of credit.

Because of the importance of multi-year lines of credit, it is more useful to look at the sector concentrations of earmarked lending over the entire five-year period rather than year-to-year changes. Figure 8 shows that infrastructure (shown in shades of tan) has accounted for nearly half of Chinese lending to the LAC region since 2008: US\$ 38.6 billion. Energy and mining-related lending may have received more attention, but it represents a much smaller amount: just over a quarter of the total. Finally, discretionary finance has grown in importance, as will be discussed in more detail below.

FIGURE 8  
**Chinese lending to LAC, by target sector (2008-2012)**  
(In US\$ billions)



Source: IAD (2013).  
Elaborated by the author.

A few countries, and a few sectors, dominate the picture. Most importantly, Venezuelan infrastructure loans amounted to US\$ 24 billion: nearly two-thirds of the all infrastructure financing from China to LAC. Argentina also saw important infrastructure funding, with four loans totaling US\$ 11.8 billion for train systems, including high-speed rail and the Buenos Aires subway system. Among energy loans, Brazil borrowed much more than any other LAC country: two loans totaling

US\$ 10.4 billion, both for pre-salt oil projects. Ecuador is next in the energy sector, borrowing US\$ 5.1 billion, split nearly evenly between oil and hydropower projects.<sup>8</sup>

As mentioned above, the most recent agreements have shown a trend toward discretionary loans borrowers can use as they see fit, rather than earmarking the money specifically for infrastructure or industrial development. Of US\$ 6.8 billion lent in 2012, US\$ 6.0 billion was discretionary. In contrast, China has not made any loans specifically for mining since 2010.

However, Chinese loans are increasingly concentrated among borrowers. The only countries to take out more than US\$ 1 billion in new Chinese loans in 2012 were Venezuela and Ecuador. They were also the most heavily represented among 2011 borrowers. This concentration is to be expected, given that these countries enjoy lower interest rates and more favorable terms in borrowing from China than from global bond markets.<sup>9</sup> China is increasingly providing Ecuador with public finance for its annual budget. Interestingly, citing this finance, Moody's has upgraded Ecuador's bond ratings two times and Ecuador may re-enter global capital markets in 2014. Another characteristic of Chinese finance is fairly unique: more than half of Chinese financing to LAC is to be repaid in oil, even if the funds themselves are not earmarked for that sector's development. However, in 2012 there does not appear to be any commodity-backed financing.

#### **4 THE ENVIRONMENTAL DIMENSION OF CHINA AND LAC**

Economic activity between LAC and China is more environmentally intensive than domestic economic activity in LAC and with LAC's trade with the rest of the world. Given that trade and investment with China have been among the fastest growing areas of economic activity in recent years, the environmental dimension of the LAC-China relationship deserves more attention.

Comprehensive and comparable environmental indicators are notoriously scarce in LAC and across emerging market and developing countries in general. However, since the 1990s, those nations that are signatories of the United Nations Framework Convention on Climate Change (UNFCCC) submit regular emissions inventories to enhance the global monitoring of climate change.

The UNFCCC governs and monitors carbon dioxide, methane, nitrous oxide, hydro fluorocarbons, perfluorocarbons, and other cases known to cause global climate change. While global climate change is certainly not the only or even the first

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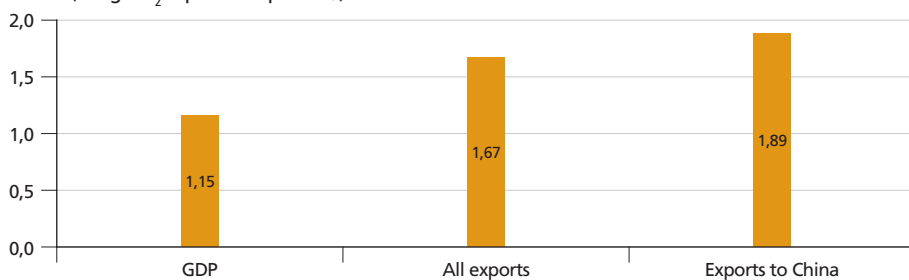
8. It bears noting that Ecuador and Venezuela both took out loans in which part was earmarked for oil and the remainder was discretionary. Only the earmarked portion is listed as energy-related here. As a result, these category distributions differ from those in IAD (2013).

9. For more on China's interest rate advantage for countries with less access to private bond markets, see Gallagher, Irwin and Koleski (2012).

priority environmental concern in LAC, indicators measuring greenhouse gas (GHG) emissions are useful for broader environmental analysis. First, the Inter-governmental Panel on Climate Change has introduced a methodology to convert the emissions of all GHG into one indicator, referred to as GHG emissions or their “carbon equivalent” (IPCC, 2006). Moreover, these gases are together emitted from a variety of types of economic activity such as energy use (carbon dioxide), industrial processes (carbon dioxide, nitrous oxides etc.), farming and forestry (carbon dioxide, methane, nitrous oxides). Therefore, GHG emissions data picks up the environmental impacts of energy, extraction, agriculture and forestry activities that not only cause climate change but also have many more localized environmental impacts such as toxic air and water pollution, land degradation, and so forth.

Extrapolating from the United Nations Environment Program (Unep), GHG emissions per dollar of GDP in LAC were 1.15 kg per dollar in 2005. This stands in contrast to OECD nations, where the GHG gas intensity for that year was 0.48 kg per dollar (Unep, 2010). Peters *et al.* (2011) undertook the laborious task of calibrating IPCC emissions intensities with world export data. According to Peters *et al.* (2011), data, the GHG emissions intensity of LAC exports is approximately 1.67 kg/dollar for LAC. For this chapter we calculated the GHG emissions intensity of LAC exports to China (see appendix for methodology), which is 1.89 kg/dollar. These data are exhibited in figure 9, and show that the GHG intensity of LAC exports to China are larger than the GHG intensity of the LAC economy as a whole and LAC exports as a whole and to the rest of the world.

FIGURE 9  
**LAC exports to China more GHG intensive**  
(In kg CO<sub>2</sub> equivalent per US\$)



Source: Peters *et al.* (2011) and Undesa (2013).

Elaborated by the author.

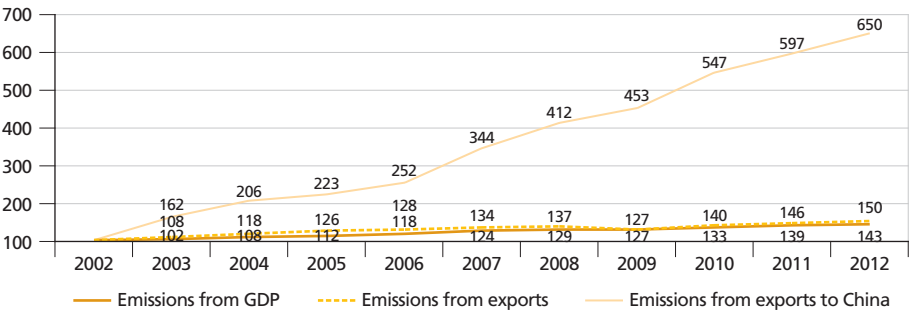
Note: Data for GDP are for 2005, and those for exports are from 2004.

We estimate that in 2004, the LAC region emitted a total of 3,617 million metric tons of CO<sub>2</sub> equivalent, with 780 MMT of that amount emitted in

the production of exports, and 40 MMT from producing exports specifically for China. In other words, exports to China were responsible for 4.0% of LAC's export-related GHG emissions. This may seem like a modest portion, but it is disproportionately high relative to China's share of LAC exports (3.5%). Given that LAC exports are growing faster than GDP and that LAC exports are growing much faster than LAC exports as a whole, China is clearly demanding a more environmentally degrading basket of LAC exports than is the rest of the world. If such trends continue, Chinese demand will certainly be a driver of environmental degradation into the future.

Peters has estimated GHG emissions intensities for two years in our sample: 2004 and 2007. Applying the average intensity of all exports in those years to the levels of exports from 2002 to 2012, we estimate the growth in total emissions over that time period. Figure 10 shows the results: emissions from exports to China rose more than six-fold, while those from other exports and from overall economic activity both rose by about 50%. Of course, total exports to China grew tremendously in value during this time, but by much less. The real value of LAC-China exports grew by 398% from 2002 to 2012, while emissions from those exports grew at a rate roughly 60% higher.

FIGURE 10  
**Total GHG emissions (in CO2 equivalent) from various sources in LAC (2002-2012): indexed (2002 = 100)**



Source: Ray *et al.* (2016).  
Elaborated by the author.

After calculating the GHG intensity of LAC exports to the world, to China, and to the rest of the world, table 5 shows the share of the most GHG intensive economic activities in LAC for 2002 and 2012. The average GHG intensity in 2004 and 2007 is listed next to each sector. Since the average GHG intensity of all exports (shown in figure 7, above) was 1.67 kilogram of CO<sub>2</sub> equivalent per US\$ 1, sectors with intensity levels above 1.67 exert upward pressure on the overall GHG intensity of exports. Those sectors are included in the last line of table 5.

TABLE 5

**Distribution of LAC exports among Major Commodity Groups (with average CO<sub>2</sub>/US\$ intensities) by export market and year (ln %)**

| Sector (CO <sub>2</sub> /US\$)          | All exports |             | Exports to China |             | Exports to RoW |             |
|-----------------------------------------|-------------|-------------|------------------|-------------|----------------|-------------|
|                                         | 2002        | 2012        | 2002             | 2012        | 2002           | 2012        |
| Ranching (10.3)                         | 1.8         | 4.1         | 4.4              | 5.3         | 1.8            | 4.0         |
| Fossil fuel refining/distribution (3.6) | 4.7         | 4.0         | 0.4              | 2.9         | 4.8            | 4.1         |
| Farming, forestry, fishing (2.0)        | 14.9        | 22.3        | 33.9             | 27.4        | 14.5           | 21.9        |
| Metal/mineral mining (1.9)              | 11.0        | 14.2        | 30.5             | 35.7        | 10.6           | 12.5        |
| Fossil fuel extraction (1.5)            | 14.2        | 14.6        | 0.1              | 14.4        | 14.5           | 14.6        |
| Manufacturing (0.8)                     | 52.1        | 39.3        | 30.3             | 14.0        | 52.5           | 41.3        |
| Not specified                           | 1.2         | 1.5         | 0.5              | 0.3         | 1.3            | 1.6         |
| <i>Most GHG – intensive</i>             | <i>32.5</i> | <i>44.6</i> | <i>69.1</i>      | <i>71.3</i> | <i>31.7</i>    | <i>42.5</i> |

Source: Ray *et al.* (2016).

Elaborated by the author.

Note: Fossil fuel extraction includes coal, oil, and natural gas; fossil fuel refining/distribution includes refined and manufactured petroleum, natural gas, and coal products; ranching includes meat, livestock, dairy products, and wool.

Five sectors have GHG emissions intensities above the emissions intensity of the LAC economies as a whole. Ranching is the most GHG gas intensive because of both the de-forestation and methane emissions, as is agriculture. Fossil Fuel refining is also significantly GHG intensive, at 3.6 kg/dollar, mining is fairly GHG intensive at 1.9 kg/dollar. Fossil fuel extraction is not as GHG intensive in LAC because it may not always include large amounts of deforestation and the energy intensity of extraction is not relatively large. Manufacturing is the least GHG intensive in LAC because LAC does not produce relatively large amounts of heavy goods, but rather lighter manufacturing.

Table 5 shows that in both 2002 and 2012 the share of Chinese exports in GHG intensive sectors has been significantly larger than the share of exports to the rest of the world. In 2012, just over 71% of LAC exports to China were in the more GHG intensive sectors, whereas just 42.5% of exports to the rest of the world were concentrated in the most GHG intensive sectors. This is largely driven by the fact that LAC's biggest exports to the rest of the world are largely in crude petroleum (fossil fuel extraction) and in manufacturing. Table 6 shows that crude petroleum's GHG intensity is 1.5 kg/dollar and LAC's biggest manufacturing export sectors are all less than 1 kg/dollar.

Ranching (including production meat, dairy, livestock, and wool) is by far the highest GHG-intensity export sector. While it represents a small minority of total exports, demand from China was extremely important in its growth from 2002 to 2012, and concentrated in just a few exporting countries. Ranching grew from 1.8% to 4.0% of the LAC export basket from 2002 to 2012, and China accounted for 87.6% of the increase. In fact, over half of the total increase in ranching exports from LAC (53.4%) can be traced to Brazilian exports to China. Exports from Argentina and Uruguay to China each contributed an additional 8% of the total growth of this sector among all LAC exports.

China also accounted for the overwhelming majority (85.2%) of the increase in farming exports, which grew from 14.9% to 22.3% of all LAC exports between 2002 and 2012. As with ranching, Brazilian exports to China were the driving factor, accounting for 41.6% of the total increase in LAC farming exports. Argentine exports to China were also very important in this sector, contributing an additional 13.6% of its total growth.

The sector that is most clearly over-represented among LAC-China exports is mining. While it accounted for just 11% of all LAC exports in 2002, it accounted for nearly one-third of LAC exports to China. By 2012, mining had risen to 14% of all LAC exports, but 35.7% of exports to China. In fact, China accounted for over half (56.7%) of the increase in LAC mining exports from 2002 to 2012. This jump in Chinese demand for LAC mining exports was somewhat more diverse among exporting countries than ranching and farming, but Chile, Peru, and Mexico were all important in driving this overall increase. Chile (which supplies over 90% of LAC copper exports to China) saw its mining exports to China more than quadruple in real terms, accounting for 29.6% of the increase in overall LAC mining exports. Peru and Mexico (which supply China with less-refined copper ores and concentrates) also saw large jumps in mining exports to China, accounting together for about one-third of the entire growth in LAC mining exports over the decade. Finally, Brazil (which sells China nearly 90% of its imports of LAC iron ore and concentrates) saw its mining exports to China more than triple, accounting for an additional 14% of the region's mining export growth.

TABLE 6  
GHG intensity of top LAC exports to world and China

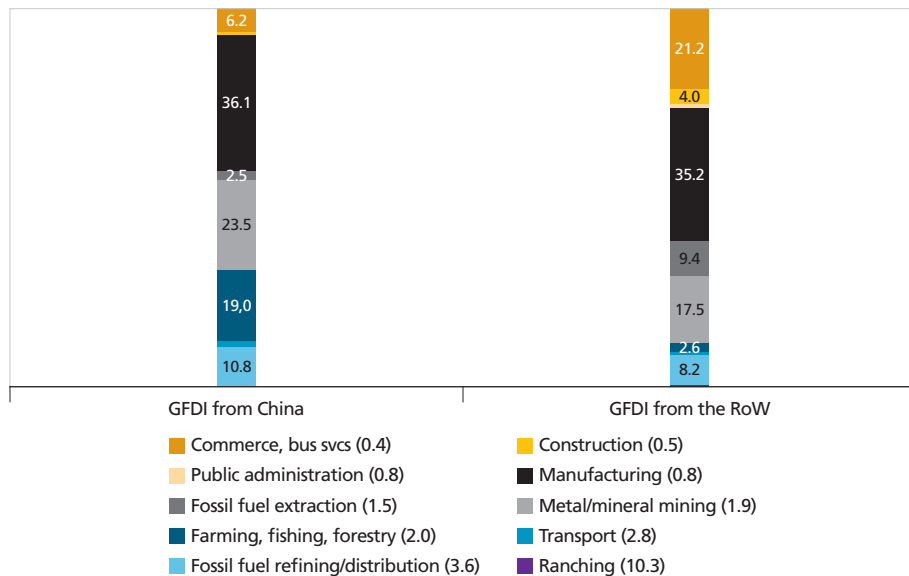
| 2002             |                      |                             |                       | 2012                 |                          |                       |
|------------------|----------------------|-----------------------------|-----------------------|----------------------|--------------------------|-----------------------|
|                  | Share of exports (%) | Industry                    | Average GHG (kg/US\$) | Share of exports (%) | Industry                 | Average GHG (kg/US\$) |
| Exports to China |                      |                             |                       |                      |                          |                       |
| 1                | 17.9                 | Oilseeds                    | 1.3                   | 23.9                 | Non-ferrous metals       | 1.4                   |
| 2                | 15.4                 | Non-ferrous metals          | 1.4                   | 18.6                 | Ferrous metals           | 2.6                   |
| 3                | 13.9                 | Ferrous metals              | 2.6                   | 18.5                 | Crude petroleum          | 1.5                   |
| 4                | 7.0                  | Electronic equipment        | 0.6                   | 14.6                 | Oilseeds                 | 1.3                   |
| 5                | 5.7                  | Miscellaneous food products | 1.4                   | 3.2                  | Petroleum, coal products | 3.6                   |
| Sum:             | 59.8                 |                             |                       | 78.7                 |                          |                       |
| All exports      |                      |                             |                       |                      |                          |                       |
| 1                | 13.9                 | Crude petroleum             | 1.5                   | 20.6                 | Crude petroleum          | 1.5                   |
| 2                | 12.2                 | Electronic equipment        | 0.6                   | 10.8                 | Non-ferrous metals       | 1.4                   |
| 3                | 11.1                 | Machinery, equipment        | 0.7                   | 8.3                  | Motor vehicles, parts    | 0.6                   |
| 4                | 9.5                  | Motor vehicles, parts       | 0.6                   | 8.1                  | Machinery, equipment     | 0.7                   |
| 5                | 6.1                  | Chemicals, plastics, rubber | 1.6                   | 7.4                  | Electronic equipment     | 0.6                   |
| Sum:             | 52.8                 |                             |                       | 55.1                 |                          |                       |

Source: Ray *et al.* (2016).  
Elaborated by the author.

Chinese FDI also tends to concentrate in more GHG intensive sectors. As indicated earlier, data on Chinese FDI to LAC is relatively scarce and difficult to obtain on an annual level. Figure 11 below shows the sector breakdown for inbound greenfield FDI flows from 2003 to 2012. It includes four service sectors that are relevant to investment but not commodity exports: commerce and business services, construction, public administration, and transportation. Greenfield flows from China are clearly more heavily concentrated among high GHG-intensity sectors, especially agriculture.

FIGURE 11

**Inbound greenfield FDI: distribution among major sectors (with average CO<sub>2</sub>/US\$ intensities), by source country (2003-2012)**  
(In %)



Source: Ray *et al.* (2016).

Elaborated by the author.

Note: Fossil fuel extraction includes coal, oil, and natural gas; fossil fuel refining/distribution includes refined and manufactured petroleum, natural gas, and coal products; ranching includes meat, livestock, dairy products, and wool; public administration includes health, education, defense, water, and sanitation.

## 5 CHINA AND LATIN AMERICAN EMPLOYMENT PROSPECTS

This chapter has documented the rise in China-LAC economic activity, and has provided an aggregate analysis of the environmental impacts of China-LAC economic activity relative to LAC's engagement with the rest of the world. Analogous to the environmental analysis, how labor intensive are LAC exports relative to the labor

intensity of the LAC economies and their export baskets? In addition, how much of the total change in jobs in LAC can be attributed to China?

We find that LAC's exports to China is significantly less labor intensive than economic activity as a whole in LAC and has recently become less labor intensive than the general LAC export basket. We estimate that roughly 6.75 new jobs were supported in the LAC export sector between 2002 and 2012. China accounted for 12% of those jobs, almost totally in the agriculture and mining sectors.

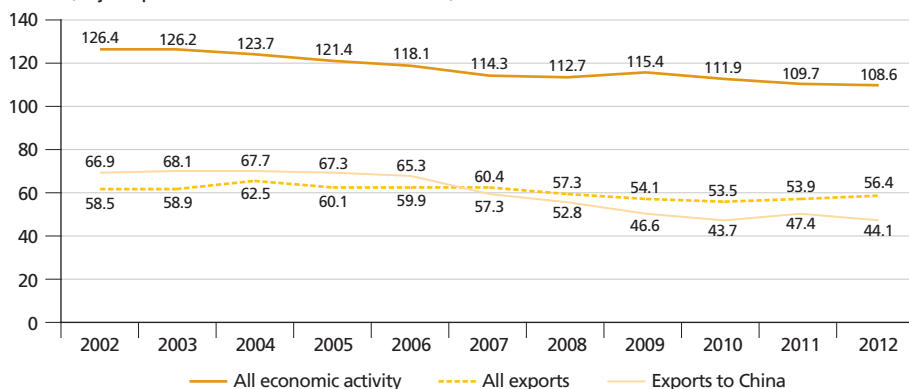
From household survey data on employment and from sectorial national accounts, we estimate the average number of jobs supported by each country's agriculture, extraction, manufacturing, and other sectors, shown in figure 12, below. It is important to note that national accounts are an inadequate source on employment in agriculture, however, LAC export agriculture is strongly concentrated among a few products, including oilseeds and beef, which are much smaller shares of agriculture for the domestic market. To overcome this obstacle, we applied data on the labor intensity of each crop separately. This level of precise employment data was available only for Argentina, the largest source of agricultural exports from the LAC region. By applying Argentina's crop-specific labor intensity values to the appropriate exports from each country, we can reflect the differences in each country's agricultural export basket.

The environmental section of this chapter compared the average emissions intensity of all economic activity, all exports, and exports to China for 2005. This exercise merits repeating for labor, but in more detail in order to highlight changes during the decade. Figure 12 traces these values for every year from 2002 to 2012. LAC exports supported far fewer jobs per US\$ 1 million of output than overall economic activity. Interestingly, exports to China began the period at a higher level of labor intensity than exports in general, but ended the period well below other exports. While exports in general supported between 56 and 61 jobs per US\$ 1 million of output, exports to China lost over one fourth of their labor intensity, from supporting 66.9 to only 44.1 jobs per US\$ 1 million of output. This result is not surprising given the shift in the LAC-China export basket toward a greater emphasis on extraction, which supports very few jobs. If China's importance as an LAC export market continues to grow, it will continue to exert downward pressure on the number of jobs supported by each US\$ 1 million of exports. This decline in labor intensity creates a "running in place" effect, in which LAC must sell more exports in order to support the same number of jobs.

FIGURE 12

**Labor intensity of GDP, exports, and exports to China (2002-2012)**

(In jobs per US\$ 1 million real – 2002 US\$)

Source: Ray *et al.* (2016).

Elaborated by the author.

Of course, the amount of exports to China rose precipitously during this time, offsetting the fall in labor intensity. Figure 12 shows that total jobs supported by exports to China rose significantly from 2002 to 2012. As large as these gains may seem, however, it is important to note that they are dwarfed by the increase in their value. LAC-China exports nearly quadrupled in real terms from 2002 to 2012, rising by 398%. The number of jobs created by these exports, however, rose by 263%.

As the table below shows, extraction is by far the least labor-intensive of the three major economic sectors. Manufacturing is the highest on a regional level and in most countries, although in Mexico agricultural exports actually support more jobs per US\$ 1 million.

TABLE 6

**Average labor intensity of Latin American exports by country and sector**

(In jobs per US\$ 1 million real – 2002 US\$)

|                      | Jobs supported by each real (2002) US\$ 1 million in exports |             |               |
|----------------------|--------------------------------------------------------------|-------------|---------------|
|                      | Agriculture                                                  | Extraction  | Manufacturing |
| Argentina            | 30.3                                                         | 9.8         | 66.8          |
| Bolivia              | 153.2                                                        | 89.2        | 366.5         |
| Brazil               | 76.1                                                         | 0.0         | 146.6         |
| Chile                | 57.5                                                         | 30.0        | 59.7          |
| Colombia             | 48.6                                                         | 33.9        | 142.4         |
| Ecuador              | 48.8                                                         | 21.8        | 110.9         |
| Mexico               | 70.6                                                         | 1.5         | 54.2          |
| Peru                 | 80.3                                                         | 36.7        | 113.7         |
| <b>Latin America</b> | <b>60.1</b>                                                  | <b>11.6</b> | <b>71.8</b>   |

Source: Ray *et al.* (2016).

Elaborated by the author.

From table 6, we see that Latin American exports to China have become increasingly concentrated in extraction, and much less concentrated in manufacturing, over the past decade. This trend explains the steep drop in labor intensity of Latin American exports to China shown in figure 12.

As table 7 shows, exports to China accounted for about 12% of all new export-related jobs in LAC between 2002 and 2012. These new jobs were also distributed differently from jobs associated with other exports. Among all exports, manufacturing created over five times as many jobs as agriculture, although exports to China created about the same number of jobs in each sector.

TABLE 7  
New jobs arising from LAC exports, by sector and export market (2002-2012)

|                             | World        | China       | Rest of world |
|-----------------------------|--------------|-------------|---------------|
| Millions of jobs            |              |             |               |
| Agriculture                 | 0.96         | 0.33        | 0.64          |
| Mining, extraction          | 0.63         | 0.19        | 0.44          |
| Manufacturing               | 5.18         | 0.29        | 4.88          |
| Other                       | -0.02        | 0.00        | -0.02         |
| <b>Total</b>                | <b>6.75</b>  | <b>0.81</b> | <b>5.95</b>   |
| New export-related jobs (%) |              |             |               |
| Agriculture                 | 14.3         | 4.8         | 9.5           |
| Mining, extraction          | 9.3          | 2.7         | 6.6           |
| Manufacturing               | 76.7         | 4.4         | 72.3          |
| Other                       | -0.3         | 0.0         | -0.3          |
| <b>Total</b>                | <b>100.0</b> | <b>11.9</b> | <b>88.1</b>   |

Source: Ray *et al.* (2016).  
Elaborated by the author.

The bottom half of table 7 shows the percentage of new export-related jobs in LAC during the period under examination. The largest area of job growth was in manufacturing, even though manufacturing is a declining share of LAC exports. The areas of relatively weaker job growth were in mining, extraction and agriculture. This is concerning given the enormous rise in the value of exports in those sectors relative to the rest of LAC's export basket and given that such sectors are what drives LAC-China trade.

Figure 9, which shows the distribution of inbound greenfield FDI flows by sector according to source, shows a somewhat different story. FDI flows occur in fewer, larger, increments than trade flows, so the data do not support analysis of annual trends. However, over the entire decade, it is clear that Chinese greenfield FDI inflows to Latin America actually emphasize manufacturing *more* than FDI inflows from

other countries, as Chinese companies have established facilities aimed at domestic sales rather than exports. So FDI flows do not show the same stark difference between low-labor-intensity Chinese flows and higher-labor-intensity flows from elsewhere. However, it is important to note that China accounts for only about 5% of all greenfield FDI inflows to Latin America, whereas Chinese trade flows account for nearly twice that share of all inflows from exports. So the optimistic results from FDI flows are still far outweighed by the more pessimistic results from trade.

## 6 SUMMARY AND CONCLUSIONS

This chapter has shown that economic engagement with China is increasingly important for LAC. LAC exports to China are surging relative to exports to the rest of the world. Chinese finance in Latin America is also on the rise, but still relatively small. In the cases of both exports and finance, Chinese economic activity tends to be concentrated in the mining, extraction, and agricultural sectors. Economic activity in such sectors is endemically degrading to the environment in a number of ways. Indeed, using GHG emissions as a proxy for such degradation we find that LAC exports to China are more GHG intensive than exports to the rest of the world. FDI from China into LAC is also more concentrated in GHG intensive sectors. We also find that Chinese trade and investment is less job creating than general economic activity in LAC and also less than LAC's total export basket. Coupled with earlier evidence on the general decline in industry in Latin America, if not managed properly Chinese economic engagement in LAC can create incentives toward de-industrialization, environmental degradation, and a lack of job growth.

To ensure the long-run sustainability of trade-led growth, Latin America will need to orient some of the newfound economic benefits from the China-Latin America economic relationship toward environmental protection. While China may be a driver of environmental change and a lack of robust employment growth in LAC, China cannot be blamed for the (mis)management of resources and environmental policy in LAC. Erten and Ocampo (2013) have shown that commodities go through price "super cycles" of surges in demand that are coupled with rising prices – yet the long run price level is in overall decline. Over centuries each of these surges has been a function of a related boom in economic activity that leads to increased demand for primary commodities – industrial revolution, world wars all the way up to now with the rise of China. What needs to be done if for LAC to capture the benefits of these booms and use them to mitigate some of the costs of these booms themselves. That would mean channeling some of the benefits into resource conservation, economic stabilization, employment-led economic diversification, and environmental protection. That said, it will also be important for China to upgrade its environmental standards for its overseas operations in order to maintain global market share and maintain good relations with host nations.

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