

CHINA'S GEOPOLITICAL STRATEGY IN LATIN AMERICA: PURSUING HEGEMONY

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As the People's Republic of China (PRC) increasingly engages with the countries of the global South, the question arises as to what motivates Chinese leaders to involve their nation with much weaker, peripheral states. Utilizing Chris Alden's framework set forth in "China in Africa: Partner, Competitor Or Hegemon?", three major schools of thought underlie this debate: China as a development partner, economic competitor, and aspiring hegemon (Alden 2007). As the 'backyard' of the United States, Latin America and the Caribbean (LAC) provide particularly useful insight into this question. The manner in which China approaches Latin America indirectly reveals China's attitudes and intentions toward the incumbent hegemon and consequently its aspirations toward the liberal democratic world order writ large. In this paper, I argue that China's foray into Latin America reveals its role as predominantly an aspiring hegemon. Beginning in the 1990s, China has exerted influence in the region by means of economic statecraft, soft power projection, and emerging hard power projection. I contend that China's security and military engagement with LAC suggest interests beyond the role of development partner and that the extensive diplomatic and cultural exchanges China has undertaken in Latin America indicate its role is more extensive than that of economic competitor.

INTRODUCTION

Scholars have broadly interpreted China's interactions with the global South in three manners, reflecting differing beliefs on China's foreign policy strategy. The most benign interpretation classifies China as a development partner that seeks to promote 'win-win' relationships with other developing countries. This view posits that China's long-term strategic interests include transmitting its development model and building cooperative partnerships across the globe in conjunction with satisfying domestic, economic needs. The explanation of China as an economic competitor characterizes China's engagement in the global South as a short-term opportunistic and exploitative strategy. Disregarding and undermining local preferences and needs, China siphons resources from nations lacking the economic and political wherewithal to resist. Finally, the categorization of China as an aspiring hegemon stems from a belief that China seeks to undermine the current world order and forge new Sino-centric partnerships with nations on the global periphery. China strategically incorporates weaker countries into its sphere of influence to prepare for competition with the United States. (Alden 2007).

The PRC's interactions with Latin America provide significant insight into the nation's aims because of LAC's strategic importance for the United States. Since

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the United States declared its own hegemonic intentions in the Western Hemisphere through the Monroe Doctrine, Americans have regarded Latin America as an exclusive sphere of influence (Zhu 2013). The US has consistently utilized its military supremacy in addition to its role as a key market and source of capital to LAC countries in order to ensure cooperation with the US political agenda. (Ellis 2016). Thus, Beijing's attempts to exercise influence in LAC hold broader implications on the world stage than China's encroachment into other regions.

China's intent to use Latin America for geostrategic purposes has become progressively more evident under the Xi Jinping presidency. Elevated levels of trade, investment, and aid fosters an interdependence between Latin American and China states that can be leveraged in the event of conflict between Beijing and Washington. Frequent diplomatic and cultural exchanges promote loyalty to the PRC without a need for the coercive measures that have repelled Latin Americans from the United States. Military cooperation and control of strategically significant regions will provide a foundation for potential future Chinese hard power projection.

CHINA AS AN ASPIRING HEGEMON: ECONOMIC STATECRAFT, SOFT POWER, AND EMERGING HARD POWER

1). ECONOMIC STATECRAFT

The PRC has coaxed Latin American countries into its sphere of influence by fostering interdependence between LAC economies and Chinese monetary support. President Xi Jinping has outlined his vision for China-LAC integration in the 1+3+6 framework which uses trade, investment, and financial collaboration to fuel cooperation on crucial elements of Latin American economies. (FMPRC 2016). This plan grounds itself in the explosive growth of economic exchanges between China and LAC. By US estimates, the volume of Chinese-Latin American trade grew 25.5 times larger between 2000 and 2018 (Morrison 2019). Thus far, China has constructed strategic partnerships surrounding trade with Argentina, Brazil, Chile, Costa Rica, Ecuador, Mexico, Peru and Venezuela (Xu 2017). These relationships emphasize an expectation of cooperation across economic and political affairs. Strategic partnerships, albeit below the level of formal military alliances, provide a counterweight to US influence in the Asia-Pacific region and a basis for entering long-term confrontation (Yu 2015). Regarding investment, the China Development Bank and the Export-Import Bank of China currently provide more financial assistance annually to the LAC than the World Bank, Inter-American Development Bank, and Andean Development Corporation combined. China has promised to elevate investment in the region to a staggering \$250 billion by 2025. (Gallagher 2017). China's condition-free economic support is particularly appealing to nations that oppose the current liberal order and perceived US imperialism. As one South American diplomat articulated, "Given the choice between the onerous conditions of the neoliberal Washington consensus and the no-strings-attached largesse of the Chinese, elevating relations with Beijing was a no-brainer" (Piccone 2016, 6). Providing an alternative to the explicit interference

attached to Western loans and aid, Chinese money reduces US influence on the region and has strengthened anti-American sentiment in the region.

Despite claims of noninterference, Chinese trade, investment, and aid have often been linked to political cooperation. Studies from the early 2000s demonstrate a strong correlation between trade volume with China and voting alignment in the United Nations. While convergence of voting behavior tended to decline in the following decade, those LAC states most economically linked to Beijing still reliably adopted Chinese positions (Piccone 2016). Much of China's disagreement with the United States on international fora stems from China's devotion to the principles of independence and the sovereign equality of states. Were China to establish a new world order, it would likely center around partnerships with other global South countries in support of these same principles. (Lanxin 2016). Thus, Chinese funds elicit cooperation from developing countries in promoting norms of nonintervention and democracy in international affairs, which feeds into China's long-term bid for hegemony.

China has also used economic support to incentivize diplomatic isolation of Taiwan in an effort to consolidate power domestically. Throughout modern history, an unusually large concentration of governments that support Taipei have been Latin American. Currently, nine of Taiwan's remaining sixteen allies are located in LAC, spurring the PRC to focus both diplomatic and economic resources on the region (Mendez 2019). Chinese loans consistently favor LAC governments that have established diplomatic ties with Beijing over Taipei. China has actively indulged Latin American countries that seek to play Taiwan and PRC against each other to extract the most advantageous aid package (Piccone 2016). Taipei occasionally wins such battles; however, Beijing's vaster pool of resources has allowed it to prevail upon LAC, including states that had withheld recognition for decades. For instance, when Costa Rica recognized the PRC in 2007, the country immediately benefited from Chinese largesse. Rewards ranging from construction of an oil refinery to the purchase of \$300 million worth of bonds demonstrated the perks of cooperation with Beijing (Zhu 2013). Hence, China has used the power of deep-pocket diplomacy to win loyalty and foreign policy convergence. LAC countries and other members of the global South lack the desire and ability to extricate themselves from trade networks with China (Mendez and Alden 2019). This vulnerability to a halt in Chinese economic support provides a subtle means of imposing political cooperation.

China's most recent pursuit of economic statecraft is its push for the Belt and Road Initiative (BRI). Most relevant to the Western Hemisphere is the Maritime Silk Road Initiative (MSRI) arm, an ambitious project that seeks to connect billions of people across the world and hundreds of billions of dollars in trade, investment, and loans through maritime transportation and infrastructure development. (Blanchard 2016). If completed, the MSRI will provide a material basis for a new Chinese world order by shifting global trade to a Sino-centric system.

2). SOFT POWER

Beijing has successfully ingratiated itself to many Latin American governments through cooperative exchanges that treat global South nations as partners vital to the PRC's own rise. China has intensified diplomacy in Latin America significantly over the past three decades. Conducting high-level exchanges in bilateral and multilateral fora, Chinese leaders have demonstrated their commitment to the region. In stark contrast to Washington, which has recently retracted itself from Latin American affairs, Beijing has stated a desire to cooperate in mutually beneficial endeavors due to a sense of South-South solidarity (Mendez and Alden 2019).

China's tendency to operate in settings that exclude the United States, particularly the China-CELAC forum, highlights a desire to isolate America from its historic allies and promote a multipolar world order. A common philosophy included in China's policy statements is 'democracy in international relations,' an idea appealing to global South states that have traditionally been ignored or dominated by the US's liberal international order (Yu 2015). China validates this principle with adherence to a policy of non-intervention, allowing Latin American countries to obtain aid without imposing domestic practices or institutions. Because of China's rapid rise to international prominence, other members of the global South seek to emulate Chinese practices and eagerly accept Chinese offers of cooperation. In its 2016 policy paper on LAC, China flatters the region profusely, calling it 'a land full of vitality and hope.' (FMPRC 2016). By treating LAC countries as invaluable co-equals on the international stage, China has obtained their favor, promoting the multipolar ideology behind its hegemonic bid and increasing the likelihood LAC will cooperate with Beijing on international matters.

China has demonstrated a commitment to the people of LAC beyond rhetoric. After six years in office, President Xi has visited thirteen LAC countries, more than U.S. Presidents Obama and Trump combined. (Mendez 2019). Unlike the United States, the PRC has erected an embassy in every LAC country that recognizes Beijing. China has also advanced people-to-people contact by means of tourism, sports contests, artistic exchanges, cooperation on scientific and technological research, scholarships for Latin American students to study in China, and the construction of Confucius Institutes in several LAC countries (Zhu 2013).

Of course, the Chinese government and associated firms have employed some exploitative measures, resulting in consequences that range from environmental damage and labor abuses to mercantilism resulting in deindustrialization. (Ellis 2016). As a regime with legitimacy predicated on continued domestic economic growth, the Communist Party of China cannot neglect its own economic interests in the global South. Such profiteering works to undermine China's soft power and bolsters the argument that China acts as an economic competitor in the region. However, this economic competitor argument fails to account for how extensively China has participated in diplomatic activities superfluous to gaining economic control. The expenditure of significant resources on winning the hearts and minds of Latin Americans cannot

be explained entirely by any short-term or opportunistic strategy.

3). HARD POWER

Although China claims its military presence in LAC exclusively serves to protect assets and citizens, recent expansions of hard power projection indicate more perfidious intentions. The PRC has rapidly expanded engagement from its closest allies to most countries that recognize Beijing. China has cultivated military-to-military relationships in the form of joint exercises and trainings. Both the People's Liberation Army (PLA) and myriad Latin American militaries have sent officers to education programs in each other's homelands. (Ellis 2017). Arms sales in the region have progressed to advanced equipment such as aircraft, radar, and air-to-air missiles. Sales from 2000 to 2015 reached an average of \$100 million among several South American states (Piccone 2016). In 2015, China progressed to a new stage of hard power projection by announcing a defense cooperation agreement with Argentina that included co-production of highly sophisticated military and space hardware as well as enhanced military-to-military engagement. The U.S.- China Economic and Security Review Commission described this action as "a new regional security hazard," warning that regional actors might "use Chinese arms in ways unfavorable to U.S. interests" (Wilson 2015, 13). Beyond projecting hard power into LAC, China can leverage its presence in the region to support its activities in the Asia-Pacific, directly threatening the US and its allies through area-denial capabilities (Morgan 2015).

In spite of mounting U.S. concerns over China-LAC collaboration on security, China has announced plans to continue such activity. China's 2016 policy paper on LAC declares Beijing will enhance military cooperation in exchanges ranging from policy dialogues and state visits to personnel training and arms trades. (FMPRC 2016). Developing footholds in Latin America will allow China to prepare for confrontation in the long term. While conflict appears highly unlikely, balancing U.S. encroachments into the Asia-Pacific region will prove vital to Chinese hegemonic competition (Yu 2015). The MSRI promises to provide China more potential bases in LAC. Many, especially within the West, view the BRI as a project to construct a Sino-centric world order that leverages Chinese control of trade and investment to alter the maritime status quo (Lee 2015. (Chellaney 2016).

While China's military activity in Latin America remains relatively modest, its pursuit of security cooperation indicates intentions beyond the economic and social development. LAC's position as America's 'backyard' suggests that any maneuvering in the region is calculated. China's reticence to act more boldly can be attributed to fear of invoking retaliation from America. In accordance with Deng Xiaoping's mantra of "hide your strength, bide your time," China is strengthening its position while avoiding direct conflict. (Heydarian 2014).

PANAMA: GEOPOLITICAL NODE

Th China's interactions with Panama, the most geopolitically significant country in

Latin America, expose China's hegemonic pursuit as a motivation for engagement in LAC. Panama's strategic importance derives from its 'nodality' (Mendez and Alden 2019). Panama connects both the Atlantic and Pacific Oceans through the Panama Canal as well as the Northern and Southern regions of Latin America. As a node, Panama controls the flows of commodities, people, and information (Nystuen and Dacey 1961). Hence, access and control over this potential chokepoint is crucial for China as it uses the BRI to create a Sino-centric network of global South states.

After Panama's sudden shift to recognizing Beijing in 2017, China-Panama bilateral relations exploded. China has utilized economic statecraft and soft power projection in efforts to win Panamanian loyalty. Alden and Mendez posit that Chinese collaboration with Panama demonstrates a two-track grand strategy: a zero-sum realist contest with the United States supported by liberal internationalist co-prosperity with peripheral states (2019). As a node, Panama is crucial to China's commercial and strategic priorities in unifying a coalition of the global South (Mendez and Alden 2019).

Agreements between the two nations have encompassed a broad agenda including open trade, infrastructure development, tourism, and cultural exchange. Discussions of a free trade agreement (FTA) have yet to produce results, but the reason behind the delay highlights the geopolitical underpinnings of the negotiations. Fears of stoking alarm in Washington amid the trade war between China and the U.S. have prevented China from more aggressive hard power projection (Mendez 2018).

Control over Panama will play a key role in China's challenge to U.S. predominance. China's ownership of the ports on both sides of the Panama Canal has sparked concern among U.S. officials (Zhu 2013). It is no coincidence that the first condemnation of China to a Latin American audience by an American official occurred in Panama. After meeting with Panamanian President Juan Carlos Varela, U.S. Secretary of State Mike Pompeo cautioned, "when China comes calling, it's not always to the good of your citizens." (Churchill 2018).

VENEZUELA: A BID FOR HEGEMONY GONE WRONG

Venezuela's importance to China arises from both economic and political considerations. The socialist government has eagerly pursued trade and investment from the PRC because of the West's refusal to fund a repressive narco-regime that has frequently abused lending. China has complied, providing Venezuela billions in loans, millions in arms sales, and diplomatic legitimacy (Piccone 2016). This money has proven crucial in prolonging Maduro's failing model of government. In spite of Chinese economic interests, Beijing has furnished highly risky loans to Venezuela during political and economic crises. (Ellis 2016). China grounds its support for Maduro in claims of nonintervention, but propping up an unpopular, coercive regime is clearly not value neutral (Piccone 2016).

Although the ongoing crisis in Venezuela has forced China to diminish its assistance, Beijing continues to support Maduro in stark contrast to a broad consensus of nations. U.S. officials including Secretary of State Pompeo have accused

China of both precipitating and prolonging Venezuela's ongoing strife. (Carlos 2019). Some economic considerations underlie this position, as Venezuela has failed to repay billions in loans to the PRC. This precarious situation for China demonstrates how economic statecraft based upon debt-trap diplomacy can backfire.

Several political explanations also exist to explain China's continued involvement in Venezuela. China values the presence of an anti-American government in the Western hemisphere, and fears losing its reputation as a 'no-strings-attached' lender by siding with U.S.-backed opposition. (Carlos 2019). Venezuela has proven an ally to China in international fora, supporting Chinese conceptions of human rights and state sovereignty (Piccone 2016). Thus, China's entanglement in Venezuela reflects a long-term strategy of undermining LAC reliance on Western backing in effort to garner support for its own vision of a multipolar world order. However, this cautionary tale demonstrates the risk of creating economic relations that are too intractable and investing in unpopular regimes.

CONCLUSION

A study of Chinese engagement in LAC reveals a use of economic statecraft, soft power projection, and emerging hard power to incorporate Latin American states into Beijing's sphere of influence. The preponderance of evidence suggests that China holds intentions in the global South beyond those of a development partner or economic competitor. Significant diplomatic and security exchanges on top of economic interdependence provide the groundwork for a hegemonic bid against the United States. China's involvement in Venezuela demonstrates its divergence from the current liberal world order and desire to promote anti-American regimes. The case study of Panama reveals China's interest in controlling geographic nodes to support a Sino-centric world order based on a coalition of global South states.

While China has not yet achieved a position by which it can successfully challenge US supremacy in Latin America, the mounting concern among American officials is justified. If the US hopes to maintain hegemony in the Western Hemisphere, it must reverse its recent turn to isolationism. Otherwise, China will utilize its cooperative agreements with the global South to establish a multipolar global system that centers around Beijing, not Washington.

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