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China in Latin America: International Security Assessment

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**How the strategic balance between
United States of America (USA) and
People's Republic of China (PRC) works
as a predictor variable explaining the
consequences of an increased
role of PRC in Latin America?**

1

PRC Grand Strategy



“This leadership must be willing and able to rise up to the task of providing system-level solutions to the system-level problems left behind by U.S. hegemony. The most severe among these problems is the seemingly unbridgeable gulf between the life-chances of a small minority of world population (between 10 and 20 percent) and the vast majority”.

Arrighi and Silver (1999: 289)

- PRC 13th Five Year Plan (2016-2020)
 - Building the Belt and Road (2017)
 - 19th CCP Congress Report (2018)
- 2030 Agenda for Sustainable Development
 - China's Policy Paper on LAC (2016)
- PRC-CELAC Joint Action Plan (2019-2021)

- Mao's "Three Worlds Theory to unite Asia-Africa-Latin America - YaFeiLa (亚非拉)
- Deng's "hiding one's capacity and biding one's time"
- Xi's "great rejuvenation of the Chinese nation" (中华民族伟大复兴) and the "Chinese dream" (中国梦).
 - 2021 100th anniversary CCP
 - 2049 100th anniversary PRC

- Core national interests (国家的核心利益):
“Big powers are the key; China’s periphery is the priority; developing countries are the foundation; multilateral platforms are the stage.”

International Liaison Department of the Central Committee – CPC (中国共产党中央委员会对外联络部)

Ministry of Foreign Affairs - MFA (外交部)

Ministry of National Defense - MND (国防部)

Ministry of State Security - MSS (国家安全部)

Ministry of Commerce - MOFCOM (商务部)

International Development Cooperation Agency (国家国际发展合作署)

China Investment Promotion Agency - CIPA (商务部投资促进事务局)

People's Bank of China - PBC (中国人民银行)

Export-Import Bank of China (中国进出口银行)

China Development Bank - CDB (国家开发银行)

China Export & Credit Insurance Corporation - SINOSURE (中國出口信用保險公司)

Asian Infrastructure Investment Bank (AIIB)

New Development Bank (NDB-BRICS)

➤ Latin America:
China-CELAC Forum (July 2014)

BRI Summit (May 2017): Xi stressed that Latin American is the “natural extension of the 21st Century Maritime Silk Road” and China is willing to promote common development of the two region by forging a “community of common destiny” within the framework of the BRI...

Panama (June 2017) and Dominican Republic (May 2018) switched their diplomatic ties from Taiwan to China.

Beijing increasingly perceives United States as a revisionist great power trying to encircle the PRC by provoking a new Cold War and a Trade War

2

USA Reaction



“U.S. adjustment and accommodation to the rising economic power of the East Asian region is an essential condition for a non-catastrophic transition to a new world order”.

Arrighi and Silver (1999: 289)

Together, the National Security Strategy (December 2017), the National Defense Strategy (January 2018), and the Nuclear Posture Review (February 2018) signal a much more explicitly confrontation with China and Russia.

The hidden assumption (problematic and seldom seriously questioned by international authorities and analysts) is that Washington acts in defense of the post-World War II world order, while Russia and China seek to overhaul or overthrow the status quo.

In the first Trump's State of the Union address, the strategic choice for confrontation was the backdrop of a rhetoric based upon the notion that the United States and its allies are threatened by "communist dictatorships and socialists like Cuba, Venezuela, Iran and North Korea".

“China will actively carry out military exchanges and cooperation with Latin American and Caribbean countries, increase friendly exchanges between defense and military leaders from the two sides, strengthen policy dialogue and set up working meeting mechanisms, conduct exchanges of visits between delegations and vessels, deepen professional exchanges in such fields as military training, personnel training and UN peacekeeping, expand pragmatic cooperation in humanitarian relief, counter-terrorism and other non-traditional security fields, and enhance cooperation in military trade and military technology.”

CHINA (2016, page 06).

Improving defense and security cooperation with China may be perceived as natural and harmless from a Chinese or even Latin American point of view.

In contrast, it is most certainly viewed with less favorable lenses in the United States.

For instance, in his appearance before the Senate Armed Forces Committee, Admiral Kurt W. Kidd (Commander, SOUTHCOM) has spoken unequivocally about his concerns:

"Mr. Chairman, I'll speak plainly: if we care about what's going on in the South China Sea, Eastern Europe, and the Middle East, it's worth keeping an eye on Chinese, Russian, and Iranian activity in this part of the world, too. For Russia, China, and Iran, Latin America is not an afterthought. These global actors view the Latin American economic, political,

and security arena as an opportunity to achieve their respective long-term objectives and advance interests that may be incompatible with ours and those of our partners.

Their vision for an alternative international order poses a challenge to every nation that values non-aggression, rule of law, and respect for human rights—the very same principles that underlie the Inter-American system of peace and cooperation. Some of what they're doing—while not a direct military threat—does warrant examination. Even seemingly benign activities can be used to build malign influence...

Threatened by Trump to be fired last November for being too diplomatic with North Korea, before even starting his trip to Latin America (Mexico, Jamaica, Colombia, Peru and Argentina) on February 1st, Secretary of State Rex Tillerson was "alerting" the countries of the region against Russia's "arms sales" and the "hidden costs of trade" with China.

As the Financial Times also noted in the same address given at the University of Texas, Tillerson extolled the Monroe Doctrine (1823) as a model for relations between the two Americas. In fact, indicating that he was even closer to the Roosevelt corollary (1904), in Mexico the secretary suggested that President Nicolás Maduro could be overthrown by the Venezuelan armed forces "to ensure a peaceful regime transition."

... Now the region's number two trading partner, China has courted Latin America through economic diplomacy, importing more and more raw materials, offering loans, and pledging billions in investments in infrastructure development. It sees its own development as contingent on the development of other countries, including those in Latin America and the Caribbean. Beijing cooperates with Latin America on space, potential nuclear power projects, and telecommunications networks, which could pose security concerns to the United States. China's military soft power lies in its ability to engage through offers of all-expenses-paid training, no-strings-attached defense sales and financing to regional militaries, and donations of equipment and humanitarian aid. China prioritizes engagement with regional organizations like the Community of Latin American and Caribbean States (CELAC) that exclude the United States, and seeks to leverage regional relationships to reshape international economic and financial institutions to its advantage." USA (2017, page 09).

- Extended life of “populist” regimes
- Changing relations between LA and PRC
- Expanded arms market options
- PLA military education and training activities
- Expanded PLA military presence
- The disposition of Chinese-US relations

Ellis (2016: 291-301)

The Trump presidency has taken a confrontational stance against most of Latin America's recent past. Issues as diverse as immigration, commerce, drug policy, environment, diplomatic relations with Cuba, the Venezuelan crisis, or even the peace process in Colombia have been turned around by the current U.S. government.

In this context, the Trump government alerts against the "malign influence of China" is also very telling about the fears of relative declining power.



3

LAC Challenges



Brazil

Article 4th of the Federal Constitution: Cooperation and Integration with Latin American countries

“Bipolarity or tripolarity: in this scenario, the competition and coordination between two or few powers will determine the actions of all other actors in the system. From a strategic viewpoint, **it seems unlikely** that this scenario, which occurred in the 20th century, will again determine the international system for the next decades...”

Brazilian White Paper (LBDN), 2012, p. 34.

It is generally accepted that Latin America is not as decisive to global security affairs as East Asia or the Middle East (IISS, 2018).

Similarly, it is common sense to observe that China's role in Latin America is mainly restricted to the commercial, financial, and the diplomatic fields (a land "full of vitality and hope").

Therefore, China's present and future involvement in Latin America should not upset the strategic balance in the region, characterized by Mearsheimer (2001) as a US regional hegemony.

However, due to three main reasons, USA – PRC relations in Latin America will be an important test bed for what Graham Allison (2017) has called the “Thucydides’ trap” between the two great powers.

First, if security relations between United States and China deteriorate in global terms, Latin America will matter dearly in logistical and geopolitical terms due its abundant natural resources and its bioceanic routes (Bagley; Horwitz; 2016).

Henceforth, how USA and PRC manage their relations with Latin America will be an indicator of the level of global polarization between the two great powers (Keersmaeker, 2017).

Second, capabilities help to shape intentions, mutual perceptions, and regional institutions. Various observers have acknowledged that will be difficult for China to refrain from upgrade its diplomatic and military ties with the region once the economic exchanges reach a certain level of density (Cui, 2016; Ellis, 2009; Ellis, 2014; Fornes; Philip, 2012; Jenkins; Peter, 2009;).

Third, in order to explain what Barbara Stallings (2008) and Kevin Gallagher (2016) have called a **triangular relationship**, the agency of Latin American countries, both individually and collectively, do matter.

Organization of American States (OAS), the Community of Latin American and Caribbean States (CELAC), the Union of South American Nations (UNASUR), the Pacific Alliance, and the Bolivarian Alliance for the Peoples of Our America (ALBA). (Ziccardi, 2015; Villa, 2017; Herz; Siman; Telles, 2017; Bagley; Defort, 2015).

How to Assess China?

Latin America as a whole is to emerge from recession?
Argentina and Brazil will change the expected regional GDP
growth of 2.4% by 2018?

In this sense, could not be greater the contrast between the declarations of the current Washington government and the recent results of the second ministerial meeting of the China-CELAC Forum, concluded on January 22, 2018 in Santiago, Chile.

Wang Yi, China's foreign minister, conveyed the message of President Xi Jinping, which included support for the peace process in Colombia, the invitation to Latin American countries to join the Belt and Route Initiative (BIR) and the strengthening of common aspirations for peace, development and happiness.

Future International System?

Scale: global already, but how about oceans and outer space?

Interaction Capacity: hypersonic transportation and digital convergence

Kapital: asianization, concentration, six fold GDP (2050)

Macht: regional multinational States, terrorism, major war risk

Knowledge: diffusion, exponential growth, AI

Main Units: regional states, TNCorporations, UN for climate change

Structure: unbalanced multipolarity, systemic chaos, and the end of Anarchy

1. LAC bet on Hillary, ending up unprepared for Trump
2. Negotiate the terms of our new China dependency is crucial
3. Brazil has entered since 2015 in a prolonged national crisis
4. To be semi-peripheral is fine for us elites, and for the rest?
5. Venezuela: litmus test of our maelstrom, up to them to solve?
6. CELAC is now the best forum for “minimal coordination”
7. OAS can play a role, but USA and China lay the cards, not us
8. PKO and Antiterrorism are not enough as Defense Policies
9. UN Development Goals provide enough utopia to unite us
10. Rodrik: globalization, popular sovereignty, equality?
11. Avoid nuclear war is *sine qua non* to sustainable development

**THANKS
OBRIGADO**

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