

# Latin America's Foreign Policy as the Region Engages China

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## Abstract

This article examines the foreign policy of Latin America and the Caribbean toward the People's Republic of China. It finds that, for those nations recognizing Taiwan, most Latin American nations have had relatively few political differences with the PRC. Exceptions include Brazil's bid for a seat on the UN Security Council and Mexico's receipt of the Dali Lama under the sexenio of Felipe Calderón. Within the region, the most important differences have emerged on issues of foreign economic policy. The article finds that Latin America's heterogeneous orientation toward China on economic issues may be understood in terms of four cross-cutting cleavages, which reflect economic, political, and geographic divisions in the region more broadly: (1) north versus south, (2) populist regimes versus market economies, (3) pure resource exporters versus industrialized exporters versus nonexporting capital recipients versus pure importers, and (4) Pacific versus Atlantic.

## Introduction

As the People's Republic of China (PRC) has reemerged onto the world stage in the first decade of the 21st century, its growing economic and political weight has captured the attention of business and political elites across the globe. Because of China's concentration on expanding and diversifying exports to spearhead the development of a country of more than 1.3 billion people, the primary product consumption, the consumer products, and the financial flows generated by China's reemergence have profoundly impacted every other part of the planet. In this context, Latin America is but one region among many in which the PRC's expanding commercial presence, reinforced by its political engagement, has spawned both hopes and fears and pushed the region to rethink its policy toward the civilization that for thousands of years has defined itself as the "middle kingdom."<sup>1</sup>

It is difficult to speak of a single "Latin American foreign policy" toward the PRC, given the diversity of the region. With the exception of small Chinese communities in Latin American countries and a minor role for Chinese teachings in some Latin American revolutionary movements,<sup>2</sup> the region has had few ties to the PRC beyond the new business relationship. In addition, differences between Latin American countries with respect to economic structure, geographic position, and belief systems lead each to see China differently.

Further complicating matters, the most important aspects of Latin America's relationship with the PRC involve trade and Chinese companies "on the ground" in the region. Although these interactions create imperatives for their respective governments, they are not part of what is traditionally considered "foreign policy."<sup>3</sup>

The purpose of this paper is to characterize Latin America's orientation toward the PRC and, by extension, toward Chinese companies and other actors. The first section focuses on how the relationship has evolved over time from a distant, politically focused interaction, to a more intensive relationship with an agenda principally shaped by economic issues. The second section provides an overview of key issues, contrasting the relative harmony that exists between China and the region in terms of politics with the complex mix of conflict and harmony in the economic sphere. The third section identifies some of the principal divisions that categorize Latin American countries with respect to their orientation toward China, culminating in a discussion of the emerging and important Atlantic-Pacific divide. The fourth section focuses on Latin America's military relationships with China, and the final section looks at the future of Latin America's orientation toward China, including the challenges and consequences created by the increasing presence of Chinese actors "on the ground" in the region.

### **Evolution of Latin America's Diplomatic Posture toward the PRC**

From before the seizure of power in China by Communist revolutionaries in October 1949 to the final collapse of the Soviet Union in 1991, Latin America had very limited interaction with the People's Republic of China beyond occasional political and cultural exchanges.

For the first 11 years after forcibly taking control of mainland China, the new government, led by the father of the revolution, Mao Zedong, was not recognized by any of its counterparts in Latin America. Instead, Latin American governments continued to maintain diplomatic relations with the successors of the prior regime, who had fled to the island of Formosa (Taiwan) and, from there, continued to assert themselves to be the legitimate government for all of China.

The first "mavericks" in Latin America to recognize the Communist government of Mao Zedong diplomatically were members of the new revolutionary left. In September 1960, the communist regime in Cuba became the first government in Latin America to recognize the PRC, following its own successful seizure of power in January of the previous year. The second to recognize the PRC was Chile, which did so in December 1970, shortly after the inauguration of the country's first socialist president, Salvador Allende.<sup>4</sup>

Subsequent advances in diplomatic recognition of the PRC in Latin America reflected both changes in the broader international posture toward China, as well as political change in Latin America. At the beginning of the 1970s, the U.S. rapprochement with the PRC opened the door for its international "legitimization," including the seating of the communist government, rather than the nationalists, at the United Nations in October 1971. Almost immediately thereafter, Peru established diplomatic relations with the Chinese communist regime, followed by Mexico and Argentina. Jamaica recognized the PRC in November 1972, six

months after the inauguration of the new left-of-center government of Michael Manley and his People's National Party. Similarly, the Republic of Suriname recognized the PRC in May 1976, six months after being granted independence by the Netherlands.

The second major change in international context impacting Latin America's diplomatic posture toward the PRC was the formal diplomatic recognition of the PRC by the United States in January 1979. Following this lead, Ecuador and Colombia established relations with the PRC the next year, followed by the island of Antigua in 1983. In July 1985, Bolivia's lame-duck president Hernán Siles established relations with the PRC one month before the inauguration of his conservative successor, General Hugo Banzer, who chose to maintain the relationship. In October of the same year, Grenada established relations with the PRC. Paralleling diplomatic recognition of the PRC by Suriname a decade earlier, Grenada's change came 10 months after free elections restored democratic governance to the island in the wake of the 1983 U.S.-led takeover. Similarly, in December 1985, 10 months after the installation of Daniel Ortega as president of Nicaragua, that regime also recognized the PRC.<sup>5</sup>

The story of Latin America's changing diplomatic posture toward the PRC also includes an important role by the region's Chinese "Friendship Societies" such as the *Asociación de Amistad Ecuatoriano China*, *Asociación de la Amistad Colombo – China*, and the *Asociación De Amistad Chileno – China*, among others. In the days prior to the diplomatic recognition of the PRC, these organizations, drawing on the modest Chinese communities of their respective countries,<sup>6</sup> played an important role in maintaining unofficial ties with the PRC and working toward diplomatic recognition.<sup>7</sup> With the achievement of such recognition, the friendship societies tended to evolve into social clubs or business organizations that coordinated tours to the PRC or facilitated business contacts.

With the collapse of global communism, marked by the November 1989 fall of the Berlin Wall and the December 1991 dissolution of the Union of Soviet Socialist Republics, the movement to recognize the PRC in Latin America and elsewhere lost momentum, replaced by the question of when the world's "last communist governments," the PRC and Cuba, would fall.<sup>8</sup> Widespread protests against the Chinese communist regime in June 1989 were harshly suppressed by the government. Nonetheless, the drama of Tiananmen Square deepened the isolation of the Chinese communist regime from the international community and for a time pushed the question of diplomatic recognition off the table for those Latin American governments continuing to recognize Taiwan.

In 1997, with the memories of Tiananmen Square fading and the intellectual power of the "Washington Consensus" weakening in Latin America, the PRC began to make new advances in its battle for diplomatic recognition. In this new "post-Cold War" struggle, however, previous ideological considerations were replaced by material incentives in what came to be referred to as "checkbook diplomacy."<sup>9</sup> The smaller nations of Central America and the Caribbean that continued to diplomatically recognize Taiwan were increasingly wooed with financial inducements, including soccer and cricket stadiums, hospitals, and other public

works projects. It was also during this period that the distant Western Hemisphere began to feel China's new economic weight in the international system, following almost 20 years of sustained PRC economic growth that had begun with China's cautious opening to the world in 1978. In 1997, the Caribbean governments of the Bahamas and Saint Lucia recognized the PRC (although Saint Lucia would reverse this position in May 2007),<sup>10</sup> followed by Dominica in March 2004 and (for the second time) Grenada in 2005.

This progression culminated in the change in diplomatic recognition by Costa Rica in June 2007, arguably a strategically significant event. That nation was the most economically developed state in Latin America, and its president at the time, Dr. Oscar Arias, was the broker of the November 1987 Central American peace accords and one of the most respected political leaders in the region.<sup>11</sup> The "fall" of Costa Rica was expected to lead to changes in diplomatic recognition by a number of other Central American states. Indeed, during this period, leading figures in a number of the states continuing to recognize Taiwan, including Mauricio Funes (while candidate for the presidency of El Salvador); Richard Martenelli in Panama, Fernando Lugo in Paraguay, and later, Porfirio Lobo in Honduras, signaled their interest in changing position.

The principal factor preventing the PRC from making further diplomatic advances in the region following the change by Costa Rica was arguably the election of a nationalist (KMT) government in Taiwan the following January and an agreement between the new Taiwanese president Ma Jeng Jeou and his PRC counterpart Hu Jintao to suspend the competition for diplomatic recognition while the "two Chinas" sought to improve relations with each other.<sup>12</sup>

The "freezing" of the diplomatic status quo in 2008, however, did not block the advance of commercial relations. By the end of the first decade of the 21st century, virtually every state in the region was conducting a full spectrum of economic interactions with the PRC. This included Honduras, which in 2011 signed a contract with the mainland Chinese company Sinohydro for a major new hydroelectric plant,<sup>13</sup> and Nicaragua, which contracted Chinese companies for the launch of a new telecommunications satellite<sup>14</sup> as well as the possible construction of its own transcontinental canal.<sup>15</sup>

In January 2012, the reelection of the nationalist KMT government in Taiwan enabled the continuation of the "rapprochement" underlining the freezing of the diplomatic status quo in the Latin America, even though Central American and Caribbean presidents such as Porfirio Lobo of Honduras continued to express interest in changing diplomatic recognition.<sup>16</sup>

Beyond questions of diplomatic recognition, the PRC has created a hierarchy of sorts for its relations with countries of the region. Five Latin American nations have been designated by the PRC as "strategic partners" of the PRC: Brazil, Argentina, Mexico, Venezuela, and Chile.<sup>17</sup> The designation, however, is only a recognition of the importance that both parties afford each other and not an indication that the relationship is positive. Mexico, Brazil, and Argentina, for instance, each have significant bilateral disputes with the PRC despite their designation as "strategic partner."

Finally, Latin America's foreign policy toward the PRC also has an important multilateral dimension. The Organization of American States has afforded the PRC formal observer status, to include hosting a member of the People's Liberation Army at the Inter-American Defense College (IADC) in Washington, D.C. Although the PRC is not an observer in UNASUR, the organization has sought cooperation with the PRC for the financing of regional development projects.<sup>18</sup> Similarly, the Community of Latin American and Caribbean State (CELAC) has conducted formal political interactions with the PRC, including a visit by the CELAC leadership to the PRC in August 2012.<sup>19</sup> On the economic front, both the Inter-American Development Bank<sup>20</sup> and the Caribbean Development Bank<sup>21</sup> have made the PRC a member.

### **Relative Harmony on Political Issues versus Diversity on Economic Ones**

Latin American countries that diplomatically recognize the PRC generally have few strong conflicts with it on political matters. Their economic orientations toward the PRC, however, run the gamut from harmonious to highly conflicted, depending on the sector and the domestic coalition affected.

On noneconomic issues, Latin American governments generally emphasize areas of agreement with the PRC and play down points of contention. Such consensus is made easier because few countries in the region are actively pursuing extraregional political agendas. Thus, issues such as PRC sovereignty over Tibet—of great importance to the PRC but of little relevance to Latin American states—is commonly conceded by Latin American regimes in bilateral communiqués following meetings with senior PRC officials. This harmonious orientation is arguably reinforced by the PRC's promotion of nonintervention in internal affairs of each partner by the other,<sup>22</sup> effectively confining interactions to material issues rather than political ones. Although expressions of concern over issues such as censorship or alleged human rights violations appear in the public debate in Latin America,<sup>23</sup> Latin American governments have rarely pressed such issues in their interactions with the PRC to the point of adversely affecting their trade with or investment from the PRC.

To the extent that political differences with the PRC are expressed by Latin American governments, it is more commonly done by the larger countries of the region. Brazil, for example, has been frustrated by what it perceives as a lack of support from the PRC for its bid for a permanent seat on the United Nations Security Council, while Mexico has incurred the ire of the PRC leadership by meeting with the Dalai Lama.<sup>24</sup>

In select instances, Latin American states have also sought the PRC's "political" support for their positions on specific international issues. The Argentine government of Cristina Fernandez has actively sought Chinese backing in its dispute with Great Britain over "ownership" of the Falklands/Malvinas islands.<sup>25</sup> Colombia and Ecuador have solicited PRC support for their bids to join the Asia-Pacific Economic Cooperation Forum (APEC).<sup>26</sup> Former Venezuelan leader Hugo Chávez repeatedly sought to "associate" the PRC with his crusade against global forces of "imperialism," although the Chinese have politely demurred.<sup>27</sup>

## Latin America Military Collaboration with the PRC

As documented in greater detail elsewhere,<sup>28</sup> Latin America's military engagement with the PRC generally falls within four categories: visits by senior leaders, professional military education and training exchanges, military equipment purchases concentrated in the ALBA states, and participation by the PRC in humanitarian activities and exercises in the region.

Although Latin America's interactions with the PRC are much more extensive than is generally recognized, none of the countries of the region have publicly pursued exclusive military alliances with the PRC,<sup>29</sup> and all sides have proceeded with caution, albeit for different reasons. Although Venezuela under the leadership of Hugo Chávez spearheaded the introduction of Chinese arms into the region, the attempts of the late leader, through his rhetoric, to draw the PRC into his "anti-imperialistic" crusade were delicately rejected by the PRC.<sup>30</sup>

Virtually every country in Latin America has sent senior defense officials to the PRC on visits and most maintain a permanent defense attaché in the PRC.<sup>31</sup> Between early 2010 and late 2012, there were more than 30 visits at the Minister of Defense or Chief of Staff levels between senior Chinese military officials and their Latin American counterparts, including Venezuela, Ecuador, Chile, Brazil, Bolivia, Mexico, Colombia, Cuba, Uruguay, and Peru.<sup>32</sup> While the specific content of discussions that occur during these visits is seldom reported, the meetings may be understood as opening the door for or moving forward other forms of military cooperation between the countries involved. Additional forms of potential military cooperation include agreements on specific professional military exchanges and training programs between the two countries, procurement of Chinese military goods, or in-progress, associated training and maintenance, as well as a range of other topics.

As with leadership visits, virtually all of the countries maintaining diplomatic relationships with the PRC have also sent personnel to China for training. Latin American personnel have attended the strategic-level institute for foreigners within the PLA National Defense University in Changping in the greater Beijing area,<sup>33</sup> as well as more operational-level schools, such as the Chinese equivalent of command and general staff colleges for ground forces and naval personnel near Nanjing, and a special forces institute near Shijiazhuang.<sup>34</sup>

In the domain of acquisitions, Latin American military purchases of major Chinese end items, to date, have been concentrated in the countries of ALBA. With the exception of the purchase of Chinese-manufactured small arms, anti-aircraft munitions, and a handful of transport aircraft acquired in the pre-2000 period, Venezuela was the first to purchase significant military hardware from the PRC, acquiring Chinese air defense radars and 18 K-8 combat aircraft in 2008. Subsequent acquisitions included Chinese Y-12 and K-8 military transport aircraft and riot control vehicles. Venezuela also publicly announced plans to acquire Chinese armored amphibious vehicles. Although not strictly military, it also contracted with the Chinese space services provider Great Wall Industrial Corporation for the development and launch of two satellites: a communication relay satellite launched in 2009, and an imaging satellite launched in 2012.

Venezuela's ally Ecuador, which had previously leased MA-60 military transport aircraft from the Chinese, followed Venezuela's lead and acquired four air defense radars from the Chinese company CATIC. The Ecuadoran military subsequently suspended the procurement, alleging that the Chinese supplier had not complied with its contractual obligations to prepare the equipment for the wet jungle conditions into which it was deployed.

Bolivia, which had previously acquired Chinese HN-5 anti-aircraft missiles, also followed Venezuela's lead in acquiring K-8 fighter aircraft. Bolivia also purchased Chinese H-425 military transport helicopters, as well as military engineering equipment. Since 2006, the Bolivian military has also received a number of Chinese trucks, buses, and nonlethal gear, and has followed Venezuela's lead in contracting for the development and launch of a telecommunications relay satellite.

Beyond ALBA, Argentina and Peru have been the primary countries to explore the acquisition of Chinese military equipment, although Guyana, Suriname, Jamaica, and even Colombia have received some Chinese military goods. The experience of Argentina with such equipment to date has arguably been mixed. Its military began acquiring WMV-551 armored personnel carriers in 2008, but subsequently suspended the procurement over quality issues. It also announced an interest in acquiring the Chinese X-11 helicopter, but was forced to cancel the deal when the French, a key equipment and technology provider to the Argentine military, threatened to suspend cooperation with Argentina over the issue, claiming the Chinese helicopter was a copy of their own. A plan to develop and produce a new helicopter in Argentina jointly was announced by the Argentine Ministry of Defense in October 2011, but to date has not moved forward.

In 2009 Peru almost became the first nation in the Hemisphere to acquire Chinese armored vehicles, but its plans to acquire the MBT-2000 tank, politically controversial within Peru itself, was abandoned when the Ukrainian engine manufacturer could not supply engine spares required as part of the deal.

Beyond military hardware, Latin America has also cautiously accepted PRC military activities of a humanitarian nature in the region, concentrated in three symbolic deployments. In 2004, the PLA sent a contingent of 126 military police to participate in the UN Mission in Haiti (MINUSTAH)<sup>35</sup> and maintained a presence there until October 2012. In November 2010, the PLA conducted a bilateral exercise in Peru jointly exercising the capabilities of a mobile field hospital that it had just provided to the Peruvian armed forces. Lastly, in December 2011, the recently commissioned PLA hospital ship "Peace Ark" sailed to the Caribbean where it made port calls, providing medical services in four Latin American countries: Jamaica, Cuba, Trinidad and Tobago, and Costa Rica.

The general absence of controversy within Latin America regarding such deployments is significant but does not indicate that Latin America welcomes a PRC military presence. In the case of MINUSTAH, the composition of the force was a United Nations question, not a Latin American one, although the force came under Brazilian command. In the case of the "Angel de Paz" exercise, the "exercise" was arguably part of the military's acceptance of the Chinese field hospital. With respect to the voyage of the "Peace Ark" to the Caribbean, no nation was in the po-

sition to oppose entry of an unarmed medical ship to the region, or to refuse to take advantage of the humanitarian services that it was offering to provide once there.

### **Multiple Cross-Cutting Cleavages in the Region's Orientation toward the PRC**

Differences in the policies and style of Latin American governments toward the PRC on economic matters are far more apparent than in the political arena. Such differences tend to manifest themselves in the approach toward trade with the PRC, the style of soliciting and incorporating investment from China, and the way that Chinese interest in public works projects is managed.

Latin America's heterogeneous orientation toward China on economic issues may be understood in terms of four crosscutting cleavages, which reflect economic, political, and geographic divisions in the region more broadly: (1) north versus south, (2) populist regimes versus market economies, (3) pure resource exporters versus industrialized exporters versus nonexporting capital recipients versus pure importers, and (4) Pacific versus Atlantic.

Such divisions generally do not reflect a debate within the region about *whether* to engage with China—viewed as almost inevitable given China's omnipresence in global commerce and finance. Rather, they map out differences regarding *how* to engage with China, including the level of importance and confidence to give to the PRC in those interactions.

**North versus South.** The relationship of Latin American states with the PRC manifests a distinct north-south divide, with a border that can be drawn roughly at Nicaragua. The distinction reflects the persistent close integration of the economies of Mexico and Central America with those of the United States and Canada.

Such integration is reinforced by trade accords, including the North American Free Trade Agreement (NAFTA) in the case of Mexico and the Dominican Republic–Central America Free Trade Agreement (CAFTA-DR) for the states of Central America. These bonds are also reinforced by human ties, with many immigrants from Mexico, El Salvador, Guatemala, and Honduras living in the United States sending remittances to family in their countries of origin.<sup>36</sup> Costa Rica and Panama are special cases in this division, linked through free trade agreements and strong commercial relationships to the U.S., but with increasingly important commercial interactions with the PRC.

There is also significant variability in the pattern. Mexico has long had an independent foreign policy and was one of the early countries in the region to diplomatically recognize the PRC. However, such relations have been troubled by persistent large trade deficits with the PRC, as well as Mexico's hosting of the Dalai Lama on various occasions. Mexico is also one of Latin America's largest and earliest investors in the PRC, and, reciprocally, has worked hard at federal, state, and local levels to attract Chinese investors in sectors such as autos, computers, and telecommunications. Similarly, Honduras, which does not maintain diplomatic relations with the PRC, has contracted with a Chinese company for a major hydroelectric project, the Patuca III dam, and has been in talks with Chi-



nese companies regarding the possible sale of the state telecommunications firm Hondutel, as well as a biofuels project encompassing 2.7 million hectares of forest in the country.<sup>37</sup>

In contrast with countries of the north, those of the south have generally pursued more significant economic and political engagement with the PRC for a longer period of time, although the style of that engagement has differed greatly, as noted in subsequent sections.

**Populist Regimes versus Market Economies.** The regimes represented by the Bolivarian Alliance of the Americas (ALBA) have differed markedly from other Latin American governments in their approach to engaging the PRC. In the economic realm, the ALBA regimes have been more likely than others to contract Chinese companies without formal competition, often leveraging financing by Chinese banks, based on government-to-government negotiations. Isolated from traditional financial markets, countries like Venezuela, Ecuador, and Bolivia have been more willing to turn to the PRC as an alternative source of financing for both infrastructure projects and consumer goods, creating massive revolving credit financing vehicles with loans secured by parallel contracts for the delivery of commodities.

Although the rhetoric of populist leaders such as Hugo Chávez of Venezuela and Evo Morales of Bolivia has been characterized by enthusiasm that at times borders on exuberance,<sup>38</sup> the relationships have had difficulties, including Nicaragua's continuing recognition of Taiwan and public disputes between Ecuador and Chinese companies regarding the concession for the Port of Manta and the loan for the Coca-Coda-Sinclair hydroelectric project.

In "market economies," in contrast to ALBA states, the pursuit of an expanded commercial relationship with the PRC seeks to complement, not replace, a continuing engagement with the United States, Europe, and Western institutions. The approach to doing business is also different, with Chinese companies more likely to have to participate in competitive bids for infrastructure projects and for rights to mines and oilfields.<sup>39</sup>

In this dichotomy, Argentina is arguably a "mixed case." As in Venezuela, Argentina under Cristina Fernandez has depended on primary product sales to China to sustain its economy—soy in the Argentine case. As the role of the state in Argentina has expanded, in contrast to Venezuela, its interventions such as currency controls and the seizure of control of the Belgrano-Cargas railway system<sup>40</sup> have been as likely to hurt Chinese interests than to help them. Protectionism in Argentina has harmed Chinese manufactures<sup>41</sup> and impeded Chinese infrastructure projects, blocking the entry into the country of Chinese goods and laborers for the PRC-financed Urea plant in Tierra del Fuego.<sup>42</sup>

**Pure Resource Exporters versus Industrialized Exporters versus Non-Exporting Capital Recipients versus Pure Importers.** A third way to examine Latin America's economic orientation toward the PRC is according to the potential economic costs and benefits that accrue from the relation: "pure resource exporters," "industrialized exporters," "nonexporters," and "small-state capital recipients."

“Pure resource exporters” are those whose economies are focused around primary-product exports, while lacking a politically significant manufacturing sector. This category includes both market-oriented states such as Chile and Peru, as well as populist states, such as Venezuela. In such countries, the orientation toward commercial engagement with the PRC has been very positive because the benefits of such engagement are significant, while the industries and others harmed are either few or politically voiceless.<sup>43</sup>

“Industrialized exporters” encompasses states such as Brazil, Argentina, and Colombia, with both significant export-oriented primary product sectors selling goods to the PRC, as well as politically important industries and labor unions that are damaged by competition from Chinese products in their own country and third markets. The results of such divided political imperatives have been particularly evident in Argentina, which by 2012 was exporting almost 90 percent of its soy production to the PRC, relying on it for over \$10 billion in loans for infrastructure projects and looking to China to be a key player in its petroleum sector following the nationalization of Repsol YPF. At the same time, reflecting concerns over domestic industries and workers, Argentina had imposed 38 protectionist measures against the PRC, including restrictions on Chinese tires<sup>44</sup> and toys,<sup>45</sup> as well as textiles and computer equipment.<sup>46</sup>

Similarly for Brazil, the PRC is the nation’s number one trading partner, principal purchaser of its soy and iron, and increasingly a key investor in the mining and petroleum sectors. Yet, as with Argentina, the protection of domestic industries has led Brazil to impose an increasing array of protectionist measures on the PRC, from tariffs on shoes and tires,<sup>47</sup> to a 30-percentage point increase in the industrial products tax announced in September 2011.<sup>48</sup>

The third category encompasses states that, while not exporting significant quantities of goods to the PRC, benefit from major Chinese loans and investments. These are generally states in Central America and the Caribbean that initially received sports stadiums, roads, and other benefits for switching their diplomatic recognition to the PRC, but now have transitioned into being recipients of major loan-backed infrastructure projects. These include such projects as the Jamaica Development Infrastructure Program (JDIP), commercial investments such as the port of Freeport in the Bahamas and the North-South toll road in Jamaica, or resort projects such as Baha Mar and Blackwood Pointe in the Bahamas and Bacolet Bay Resort in Grenada.

Costa Rica, Honduras, Nicaragua, and Panama are special cases in this category. Costa Rica has received major Chinese investments such as a new stadium and the expansion of its refinery at Moin, yet is also tied to the PRC via the export of semiconductors to the PRC from the Intel plant near San José. In the case of Honduras, Nicaragua, and Panama, although none diplomatically recognize the PRC, each has benefitted from Chinese loans and investments, including the Patucha III dam in Honduras, work on a major new canal<sup>49</sup> and refinery<sup>50</sup> in Nicaragua, and the presence of Hutchison-Whampoa<sup>51</sup> and various smaller Chinese manufacturers in the Panama Canal zone.

The benefits provided by the relationship with the PRC has arguably fostered

a strong pro-PRC sentiment in these countries, yet has also generated significant discussions within their societies, with opponents to China-funded public works projects raising questions about the use of large numbers of Chinese workers to build them, the associated expansion of Chinese communities, and the accumulation of debts to the PRC to pay for the infrastructure being built.

The final category is Latin American states with neither substantial exports to the PRC, nor significant loans, investments, or gifts from it. This category includes Guatemala, El Salvador, Belize, and those Caribbean states that do not recognize the PRC, as well as Mexico, which does receive some Chinese investment and exports to China, but for which such benefits are eclipsed by imports from China and other factors. In virtually all countries in this category, the orientation of government toward the PRC has generally been less positive than is the case with the other three, since the net flow of benefits coming from expanded engagement with the PRC is relatively limited and the net harm from the entry of Chinese products into local markets is ever greater.

**Pacific versus Atlantic States.** An important new division is emerging within Latin America with regard to the PRC between a block of Pacific-facing states and the rest of the region.<sup>52</sup> Shared motivations, based on expanding commercial engagement with Asia, interpreted through similar ideologies, have driven Mexico, Colombia, Peru, and Chile to form a new block, the “Alliance of the Pacific,” with Panama and Costa Rica participating in the founding activities of the new group as observers.

Regimes in each of these states coincide in seeking to position themselves as hubs for the expanding commerce between Asia and other states in the Hemisphere and in following a relatively capitalistic, market-oriented approach to doing so. Each of these countries also takes pride in more-efficient-than-average bureaucracies to support its postulated new role, as well as a sufficiently sophisticated legal system, independent judiciary, and tradition of respect for contracts and private property, so as to give confidence to Chinese and other investors.

In the four summits leading to the formal launch of the organization at the summit in Paran , Chile, in June 2012, the founding members achieved remarkable progress in the initial steps toward a functional multilateral organization, including agreements to coordinate trade promotion policies toward the PRC and, in some cases, to share resources, such as the new Chilean-Colombian consulate opened in Shanghai in 2012. They also made progress in standardizing investment regulations, and even creating shared financial markets that could support doing business with the PRC.<sup>53</sup> Some analysts have even suggested a logical complementarity between the Pacific Alliance and the emerging new Trans-Pacific Partnership (TPP) to bring together similarly like-minded nations from Asia and the Pacific coast of Latin America in order to form a new trading community.

In contrast to the Alliance of the Pacific, the countries on the Atlantic side of the continent are in disagreement on how to engage the PRC. As noted previously, both Brazil and Argentina have major primary product industries seeking to export to China, yet both have adopted increasingly protectionist policies, pushed by domestic manufacturing and labor constituencies that have undercut Chinese

interest in investing there. In the north of the continent, as noted previously, Venezuela, Bolivia, and Ecuador have engaged the PRC principally through state-to-state mechanisms. In Central America, Nicaragua and the states of the Northern Triangle are effectively part of the “Atlantic” camp, lacking the diplomatic relations or physical or intellectual infrastructure to engage the PRC effectively, although each has a Pacific coastline.<sup>54</sup>

### **Latin America’s Business and Societal Response to China**

Although studies of inter-state relations most commonly focus on government-to-government interactions, an increasingly important component of China’s relationship with Latin America is how nongovernmental elites and publics react to both China as an actor and the activities of Chinese entities on the ground in Latin America.

First, the “rise of China” globally has captured the attention of business, students, academics, journalists, and others across the region. Although motivations and responses differ, the people of Latin America are captivated by the prospect of the PRC as a market, a source of investment and loans, and an “alternative” to a world dominated by the U.S. and Western institutions, while others fear the impact that it could have on their businesses or the development of their country. The attention that China has commanded affords it significant “soft power,” in the form of businesses committing resources in pursuit of China-related opportunities, Latin American academics and journalists dedicating countless pages and gigabytes to writing about the PRC, and students dedicating years to the study of China, the Mandarin language, and the Chinese character set.

LA-POP, the first major social sciences survey in Latin America to include questions about the PRC, reported that more than 20 percent of the region believed China to be the most influential actor in their particular country, and 23 percent believed that China would soon be so. Moreover, although a much larger portion saw the U.S. as continuing to be the most important actor in the region, a significant margin (68% to 62%) saw China’s role in the region as more positive than that of the U.S.<sup>55</sup>

Although the impact of Latin American business on China and its companies is a story that involves thousands of people, it can be seen at the highest level through the elites who helped to build their countries’ trade with the PRC and investment deals with its companies. These included the late Ricardo Claro, Alejandro Luksic, and Jean Ponce LeRou in Chile; the Brazilian billionaire Aike Bautista; and Argentine businessmen Sergio Spadone, Franco Macri, Nuria Quintela, and Carlos Bulgheroni. Each spearheaded or helped set up major Chinese investments in their respective countries or investments by private interests from their companies in the PRC, as well as leveraging relationships in their own governments to facilitate such deals. Similarly, the story of Colombia’s opening to China must similarly include the protagonism of figures such as Gustavo Gaviria, Guillermo Velez, and Martin Ibarra.

In addition to the actions of such elites, Latin America’s interactions toward “China” at the popular level increasingly include responses to the presence of

Chinese commercial ventures “on the ground” in the countries of the region. These include, but are not limited to, mines, oilfields, factories, retail outlets, and infrastructure projects, although growing ethnic Chinese communities in Latin American countries are also becoming an increasingly important factor in the politics of the region.

Many proposed Chinese projects in the region to date have been high-visibility ventures that have become subjects of contention within the countries in which they are to occur. The projects elicit enthusiasm because of their effect on investment and local jobs while, at the same time, opposition based on concerns over the terms of the deal and associated loans, issues of transparency, the number of locals versus Chinese to be employed, and environmental and other concerns. In Suriname, a project by the firm *China Zhang Heng Tai* to produce palm oil on a 40,000-hectare Patamacca plantation in Marowijne was blocked by local activists fearful that the Chinese laborers to be brought in would displace local jobs.<sup>56</sup> In Trinidad, concern over the number of Chinese workers employed in various projects led Eroll McLeod, Trinidad labour minister, to proclaim in June 2012 his intent to establish a “labor policy” against the entrance of Chinese construction workers on projects in the country.<sup>57</sup> In the Cayman Islands, China Harbor’s attempt to build a cruise ship terminal there was blocked by the British government, which retains authority over the islands, on the grounds that proper contracting procedures were not followed.<sup>58</sup> Similarly, retail projects, such as the proposed \$1.54 billion 3,000-store “Dragon Mart” complex in Cancun, Mexico, have been opposed because of their impact on local manufacturers.<sup>59</sup>

Many Chinese projects have also faced opposition from environmentalists. In spring 2012 a commitment by the government of Ecuador to the Chinese company Ecuacorriente to develop a mine in the department of Zamora Chinchipe, for example, spawned a protest march across the country by CONAIE, the country’s most powerful indigenous organization.<sup>60</sup> The proposed Chinese mining project *Rio Blanco* near the Peruvian city of Piura<sup>61</sup> and a dam project in Chone, Ecuador, by the Chinese firm Tiesiju<sup>62</sup> have similarly been the objects of protests by those seeking to block the projects on environmental grounds.

Once in place, Chinese projects in Latin America, like others, have also faced a myriad of operational challenges, from labor disputes to security concerns. The Hierro Peru mine in Marcona in the south of the country has been the subject of annual strikes since being acquired by the Chinese in 1993, including protests in Ica in September 2011 that forced the country’s vice president to take the issue before the Peruvian National Congress.<sup>63</sup> Other Chinese companies have had similar labor difficulties, including China Metallurgical Corporation, operating the Sierra Grande mine in Argentina,<sup>64</sup> the China Railroad Engineering Corporation in Venezuela,<sup>65</sup> and China Harbor Engineering in Jamaica.<sup>66</sup>

In the security domain, Chinese companies operating mines and oilfields have been confronted by violent protesters blockading and, in some cases, overrunning work sites, including the takeover of an Andes Petroleum oilfield in Tarapoa, Ecuador, in November 2006; the blockade and violence that killed more than 30 persons outside a nearby site in Orellana in 2007, directed at the Chinese company

Petroriental, which had broken through similar roadblocks set up by protesters in Orellana in 2007; and blockades against the Cerro Dragon oilfield in Argentina in 2012, in which the Chinese company Bridas had an interest. Other incidents include Linden Guyana, where, in August 2012, protesters cut off access to the Chinese-owned Bosai mine, forcing the company to cease its bauxite exports for a number of weeks.<sup>67</sup> While such incidents have largely involved radical protesters, Chinese operations in Latin America have also been victimized by guerillas. Over the course of 2011, the petroleum operations in Caquetá, Colombia, of the Chinese-owned firm Emerald Energy were subject to multiple attacks, including actions against pumps and company vehicles and the kidnapping of three Chinese affiliated with a Chinese petroleum services company, Great Wall Drilling, which was doing work for Emerald, ultimately forcing the Colombian armed forces to become involved in the protection of those oil drilling operations.

In general, Latin American governments have done everything possible to protect Chinese companies and their operations from protesters, criminals, guerillas, and other threats, although, as with the protection of other private interests, their ability to do so is insufficient. In the process, however, Latin American governments on both the right and the left are increasingly becoming security partners for the Chinese companies in whose presence and success they have an increasing stake. The government of Honduras, for example, although not diplomatically recognizing the PRC, has dedicated military units to provide site security for the construction of the Patuca III hydroelectric facility by the Chinese company Sino-hydro.<sup>68</sup>

Beyond Chinese companies, Latin American governments have also increasingly been called upon to protect Chinese communities in their midst, as the visibility of those communities is elevated by growing quantities of Chinese merchandise, Chinese companies, and Chinese laborers working on projects in the country. Major incidents of violence against Chinese communities occurred in Valencia, Venezuela, during the run-up to the 2004 recall referendum,<sup>69</sup> as well as two incidents in Suriname, the first on Christmas Eve 2009, south of the border town of Albina, and the second in October 2011 in Maripaston.<sup>70</sup>

## **Conclusions**

As with Latin America's relations with the United States and other parts of the world, its relationship with the PRC will continue to evolve. The cleavages identified in this paper between north and south, populists versus market-oriented economies, groups of beneficiaries, and Pacific versus Atlantic will both shape, and be shaped by, that relationship. At the same time, the engagement of Chinese companies on the ground in Latin America will make the relationship increasingly a domestic, as much as a foreign, policy matter for Latin American governments. In the process, the formal foreign policy agendas of Latin American governments will be less about seeking alliances and aid packages, and more about coordinating with the Chinese government regarding the behavior of their firms and the protection of Chinese personnel, leading academics and others to reexamine the boundaries of "foreign policy." In practical terms as well, as the Chinese gov-

ernment increasingly negotiates on behalf of its companies and personnel in the region, both sides may have to “rethink” the contemporary meaning of the long-used phrase “non-interference in the internal affairs of other countries.”

## Notes

<sup>1</sup> The Mandarin word for China, *Zhong Guo* literally translates as “middle kingdom.” The associated pictogram for China (中国) focuses on the concept of China in the world.

<sup>2</sup> Gilbert M. Joseph and Daniela Spencer, *In from the Cold: Latin America’s New Encounter with the Cold War* (Duke University Press, 2007). In addition, unique among Latin American governments, from 1950 to 1954 Colombia sent a battalion of soldiers to Korea as part of the U.S.-led United Nations force fighting against the North Koreans and the Chinese.

<sup>3</sup> See, for example, P.J. McGowan and H.B. Schapiro, *The Comparative Study of Foreign Policy: A Survey of Scientific Findings* (Beverly Hills, CA: Sage Publishers, 1973). See also K. J. Holsti, *International Politics* (Englewood Cliffs, NJ: Prentice Hall, 1972). See Also D.O. Wilkinson, *Comparative Foreign Policy: Framework and Method* (Belmont, CA: Dickerson, 1969). See also Stephen J. Andriole, Jonathan Wilkenfeld, and Gerald W. Hopple, “A Framework for the Comparative Analysis of Foreign Policy Behavior,” *International Studies Quarterly* 19, no. 2 (June 1975): 160–198.

<sup>4</sup> Although Allende was ousted by a military coup in September 1973, the government of General Augusto Pinochet that replaced him chose to continue diplomatic relations with the PRC, given that the regimes of both Mao and Pinochet needed other countries to recognize them to increase their international legitimacy. See Cynthia A. Watson, “U.S. Responses to China’s Growing Interests in Latin America: Dawning Recognition of a Changing Hemisphere,” in *Enter the Dragon? China’s Presence in Latin America*, eds. Cynthia Arnson, Mark Mohr, and Riordan Roett (Washington, DC: Woodrow Wilson International Center for Scholars, 2009): 65–71.

<sup>5</sup> To some degree, the timing of the change was a product of the consolidation of Sandinista rule in that country.

<sup>6</sup> Often such organizations had roots in the “beneficence societies,” mutual aid organizations by which Chinese communities provided help to newly arriving members of the community and those in need, as well as providing assistance to family and social causes in China itself.

<sup>7</sup> Others, such as the *Asociación Paraguaya de Amigos de la Republica Popular China* (APACHI), arguably continue to do so to this day.

<sup>8</sup> The exemplar of the attitude that the West had triumphed in the battle of ideas against communism was arguably Francis Fukuyama’s essay, “The End of History?” *The National Interest*, Summer 1989. For an extended version of Fukuyama’s thesis, see also Francis Fukuyama, *The End of History and the Last Man* (New York: Free Press, 1992, 2006).

<sup>9</sup> See Johanna Mendelson Forman and Susana Moreira, “Taiwan-China Balancing Act in Latin America,” in *Chinese Soft Power and its Implications for the United States*, ed. Carola McGiffert (Washington DC: Center for Strategic and International Studies, March 2009): 97–101. See also Daniel P. Erikson and Janice Chen, “China, Taiwan and the Battle for Latin America,” *Fletcher Forum of World Affairs* (Summer 2007).

<sup>10</sup> Guy Ellis, “Tiny St. Lucia Earns a Big Enemy: China,” *The Seattle Times*, May 2, 2007.

<sup>11</sup> See Manuel Roig-Franzia, “Oscar Arias Sanchez Reflects on 25 Years since Central American Peace Accords,” *Washington Post*, August 22, 2012.

<sup>12</sup> In January of 2008, a new nationalist (KMT) government was elected to power in Tai-

wan. As part of the effort by Taiwan's new president, Ma Jing-yeou, to reach out to improve relations with the PRC, both sides agreed to suspend "checkbook diplomacy." See, for example, "Presidente electo de Taiwán rechaza 'diplomacia de la chequera,'" *El Mercurio*, Santiago, Chile, March 23, 2008.

<sup>13</sup> "Honduras firma convenio con China para hidroeléctrica," *La Tribuna*, Tegucigalpa, Honduras. April 17, 2011.

<sup>14</sup> Danilo Valladares, "China llega a América Central con satélites y megaobras," *Euro Xpress*, November 1, 2012.

<sup>15</sup> Tim Rogers, "Nicaragua Taps China for Canal Project," *Nicaragua Dispatch*, September 11, 2012.

<sup>16</sup> In December 2012, Honduran President Lobo publicly declared his interest in establishing diplomatic relations with the PRC, while also maintaining relations with Taiwan. See Joseph Yeh, "Honduras' Dual Taiwan, China Recognition Unacceptable: MOFA," *The China Post*, December 26, 2012.

<sup>17</sup> In general, this has involved the establishment of binational commissions with periodic meetings to coordinate issues relevant to the relationship. These meetings are generally at the ministerial level, but are supported by lower-level working groups.

<sup>18</sup> "UNASUR to Strengthen Ties with China," *Xinhua*, July 28, 2011.

<sup>19</sup> The visit was led by the foreign ministers of each of the three states leading CELAC at that time: Nicholas Maduro, representing Venezuela; Alfredo Moreno representing Chile; and Rogelio Sierra, representing Cuba. See "Maduro fue a China para fortalecer nexos de la CELAC," *El Universal*, Caracas, Venezuela, August 10, 2012.

<sup>20</sup> "China Joins IDB in Ceremony at Bank Headquarters," Inter-American Development Bank Official Website, <http://www.iadb.org>, January 12, 2009.

<sup>21</sup> "Chinese, Caribbean foreign ministers issue joint press communiqué," *Xinhua*, August 21, 2002.

<sup>22</sup> See, for example, "China's Policy Paper on Latin America and the Caribbean (full text)," Government of the People's Republic of China, [http://english.gov.cn/official/2008-11/05/content\\_1140347.htm](http://english.gov.cn/official/2008-11/05/content_1140347.htm), November 2008.

<sup>23</sup> See, for example, Humberto Salinas Castañeda, "Los derechos humanos en China," *El Sol de Zacatecas*, June 25, 2009.

<sup>24</sup> "El Dalai Lama estará en Monterrey en su tercera visita a México," *La Prensa*, September 8, 2011.

<sup>25</sup> "China apoyó el reclamo argentino por la soberanía de las Islas Malvinas," *La Nación*, Buenos Aires, Argentina, December 25, 2011. See also "G-20: Cristina y Hu Jintao, mutuo apoyo por Malvinas y una 'China única,'" *Cronista*, June 19, 2012.

<sup>26</sup> See R. Evan Ellis, *China in Latin America: The Whats and Wherefores* (Boulder, CO: Lynne Rienner Publishers, 2009).

<sup>27</sup> "Pekín se desmarca de vínculo ideológicos con Venezuela a la llegada de Chávez," *El Universal*, Caracas, Venezuela, September 23, 2008.

<sup>28</sup> R. Evan Ellis, "China-Latin America Military Engagement," *Air and Space Power Journal* (2012). See also Gabriel Marcella, "China's Military Activity in Latin America," *Americas Quarterly* (Winter 2012).

<sup>29</sup> R. Evan Ellis, "¿Actividades militares chinas en América Latina: ¿panda o dragón?" *Perspectiva* 28 (March–June 2012).

<sup>30</sup> "Pekín se desmarca de vínculo ideológicos con Venezuela a la llegada de Chávez," September 23, 2008.

<sup>31</sup> For details, see R. Evan Ellis, *China–Latin America Military Engagement* (Carlisle Barracks, PA: U.S. Army War College Strategic Studies Institute, August 2011).



- <sup>32</sup> Ellis, "China–Latin America Military Engagement," *Air and Space Power Journal* (2012).
- <sup>33</sup> "CDS Overview–Historical Evolution," Center for Defense Studies, National Defense University, accessed January 10, 2013, <http://www.cdsndu.org/en/survey/2history/history.htm>.
- <sup>34</sup> Ellis, "China–Latin America Military Engagement," *Air and Space Power Journal* (2012).
- <sup>35</sup> [http://www.chinadaily.com.cn/world/2010-05/04/content\\_9809029.htm](http://www.chinadaily.com.cn/world/2010-05/04/content_9809029.htm).
- <sup>36</sup> There are a relatively smaller number of immigrants from Costa Rica and Panama in the United States, arguably because of the relatively greater prosperity of those countries and the absence of a legacy of civil wars that created a flood of refugees from other Central American states to the U.S. in the 1980s. According to Department of Homeland Security statistics, Costa Rica and Panama were the two Central American countries with the lowest legal emigration to the United States, with 68,170 residency permits granted to Costa Ricans since 1980 and 82,300 to Panamanians over the same period. See "Persons Obtaining Legal Permanent Resident Status by Region and Selected Country of Last Residence: Fiscal Years 1820 to 2011," Department of Homeland Security, accessed January 10, 2013, <http://www.dhs.gov/yearbook-immigration-statistics-2011-1>.
- <sup>37</sup> In January 2013, the Chinese company Beijing GED Orient Tech Development and a local Honduran partner, Junior Reyes, signed a Memorandum of Understanding for a bio-fuels production project involving 2.7 million hectares of forests in Olancho, Colón, Yoro, Francisco Morazán, La Paz, Lempira, Copán, and Mosquita. The project contemplated the eventual creation of up to 300,000 jobs and the generation of up to \$2 billion annually in tax revenue for the Honduran state.
- <sup>38</sup> Bolivian president Evo Morales, during his 2011 visit to the PRC, for example, proclaimed, "China is a country so great that from here, I can imagine that within a short time, the United States will be a colony of China." See "Evo anuncia siete convenios con China," *Los Tiempos*, Cochabamba, Bolivia, August 16, 2011. Similarly, Hugo Chávez, during one of his own visits to the PRC, declared that the Latin American revolutionary figure Simon Bolívar and the Chinese revolutionary leader Mao Zedong "would have been great friends." See Alberto Alemán Aguirre, "Relaciones que saben a petróleo," *El Nuevo Diario*, Managua, Nicaragua, August 15, 2012.
- <sup>39</sup> As with the North–South dichotomy, the populist–market economy dichotomy is imperfect. In the nations of the Caribbean, as in populist regimes, large loans from Chinese banks are one tool by which Chinese construction companies circumvent traditional competitive procurement processes to win work projects for the state.
- <sup>40</sup> Antonio Rossi, "Intervienen la operadora del ferrocarril Belgrano Cargas," *Clarín*, Buenos Aires, Argentina, October 26, 2012.
- <sup>41</sup> Zhou Siyu, "Trade with Argentina Hit by Protectionism," *China Daily*, May 23, 2012.
- <sup>42</sup> Zhou Siyu, "The Ups and Downs of Latin Adventure," *China Daily*, July 24, 2012.
- <sup>43</sup> The falloff in Chinese demand for primary products that has accompanied the slowing of growth in the PRC has hurt the economies of these states, but to date the relationship has continued to cause sufficient benefits so as not to jeopardize the positive orientation of these regimes toward the PRC.
- <sup>44</sup> Measure No. 2609. See "Argentina: Definitive Antidumping Duties on Certain Rubber Tires Originating in China," <http://www.globaltradealert.org>, July 26, 2011.
- <sup>45</sup> "Argentina Slaps Tariffs on China-Made Goods," *France24*, <http://www.france24.com/en/20110310-argentina-slaps-tariffs-china-made-goods>, March 10, 2011.
- <sup>46</sup> "Anti-Dumping Investigations against China in Latin America," *International Bar Association*, 2011.
- <sup>47</sup> <http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=2&ved=0CDwQFjAB&url=http%3A%2F%2Fwww.agrichina.org%2Fadmin%2Fkindeditor-4.1.2%2Fa>

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2F9NjQ&bvm=bv.1357700187,d.dmQ&cad=rja.

<sup>48</sup> Joe Leahy, “Brazil Hits Imported Cars with Tax Increase,” *Financial Times*, September 16, 2011.

<sup>49</sup> The canal project in Nicaragua is estimated to cost \$30 billion and will consist of a waterway for ships and a “dry canal” railroad for freight. The Chinese company in charge of the project is the Hong Kong-based HK Nicaragua Canal Development Investment Co. Ltd. See Tim Rogers, “Nicaragua Taps China for Canal Project,” *Nicaragua Dispatch*, September 11, 2012.

<sup>50</sup> The total cost of the project is reported to be \$6 billion. In April 2012, two contracts were signed between the Nicaraguan petroleum organization Petronic and the Chinese company CAMCE for the initial phase of the project: one for \$183 million to construct the refinery terminal, and a second for \$50M to construct 3.8 kilometers of submarine piping required for the facility. See “Chinos construirán mega refinería en Nicaragua,” *El Comercio*, April 27, 2012.

<sup>51</sup> Kimberley Dannels-Ruff and Michele A. Watts, “Security of the Panama Canal One Decade after U.S. Departure,” *Air and Space Power Journal* (2010): 10–13.

<sup>52</sup> The division was highlighted by Dr. Frank O. Mora, then–Deputy Assistant Secretary of Defense, in remarks to a group of senior Latin American defense and security analysts on the topic of emerging strategic issues in the region. Remarks to the seminar “Colleagues for the Americas Seminar,” Institute for National Strategic Studies, Fort Lesley McNair, Washington, D.C, January 17, 2013. Quoted with permission of Dr. Mora.

<sup>53</sup> For a review of the early progress made by the Pacific Alliance, see Andres Oppenheimer, “El nuevo bloque latinoamericano,” *El Nuevo Herald*, Miami, Florida, June 9, 2012.

<sup>54</sup> This refers to the absence of a substantial body of businessmen with the knowledge or connections required to do business in the PRC beyond small-scale imports of Chinese merchandise.

<sup>55</sup> “China in Latin America: Public Impressions and Policy Implications,” based on the *Latin America Public Opinion Surveys*, <http://www.lapopsurveys.org>, presented March 28, 2013, Washington, DC.

<sup>56</sup> “Chinese Investor to Breathe New Life into Palm Oil Industry,” *DevSur*, <http://www.devsur.com/chinese-investor-to-breathe-new-life-into-palm-oil-industry/2011/05/03/>, May 3, 2011.

<sup>57</sup> Dixie-Ann Dickson, “At What Cost, Chinese labour?” <http://www.guardian.co.uk/business-guardian/2012-06-06/what-cost-chinese-labour>, June 7, 2012.

<sup>58</sup> “China Harbour Is ‘Deeply Disappointed,’” *Cayman Net News*, November 8, 2012.

<sup>59</sup> Maickol Tamayo, “Proposed Chinese Dragon Mart Complex Raises Eyebrows in Cancun, Mexico,” PVAngels, <http://pvangels.com/news-mexico/5068/chinese-dragon-mart-complex-raises-eyebrows-in-cancun>, January 10, 2013.

<sup>60</sup> “Marcha avanzó a Latacunga y está a 75 kilómetros de Quito,” *El Universo*, Guayaquil, Ecuador, March 20, 2012.

<sup>61</sup> See, for example, “Acusan al alcalde de Sapalache de apoyar violencia contra Río Blanco,” *El Comercio*, Lima, Peru, November 23, 2011.

<sup>62</sup> Juan Bosco Zambrano, “Constructora china dice que diseños de proyecto Chone se ajustan al paso,” *El Universo*, Guayaquil, Ecuador, August 1, 2012.

<sup>63</sup> “Marisol Espinoza canalizará al Congreso pedidos de mineros de Shougang,” *Andina*, September 8, 2011.

<sup>64</sup> “An Eye-Opener for the Chinese at the Sierra Grande Mine,” *No a la Mina*, April 6, 2010.

<sup>65</sup> Mireya Tabuas and Maria Alesia Sosa, “No es un cuento chino,” *El Nacional*, Caracas,

Venezuela, April 15, 2012.

<sup>66</sup> In September 2010, local workers staged protests against China Harbor Engineering Company near Kingston, Jamaica, on the grounds that the company had not hired the promised number of Jamaicans in its government-funded work on the Palasodes road project. See Kimmo Matthews, “Angry Protesters Demand Jobs on Palisadoes Project,” *Jamaica Observer*, Kingston, Jamaica, September 22, 2010.

<sup>67</sup> “Chinese Company Loses Millions as Protest Continues in Guyana,” *Stabroek News*, August 7, 2012.

<sup>68</sup> “Honduras firma convenio con China para hidroeléctrica,” *La Tribuna*, Tegucigalpa, Honduras, April 17, 2011.

<sup>69</sup> Yolanda Ojeda Reyes, “Cuídanos chinos reciben protección,” *El Universal*, Caracas, Venezuela, November 11, 2004. See also R. Evan Ellis, *China in Latin America: The Whats and Wherefores*, 109.

<sup>70</sup> R. Evan Ellis, “Suriname and the Chinese: Timber, Migration, and the Less-Told Stories of Globalization,” *SAIS Review* 32, no. 2 (Summer–Fall 2011): 85–97.