



How the United States Can Understand — and Respond to — Chinese Strategies in Latin America

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Latin America has become a strategically important area amidst the rising tensions between the United States and the People's Republic of China. China's growing presence in the region is highly dynamic and highly consequential for U.S. commercial and geostrategic interests.

More is involved than goods and money, because Chinese foreign involvement follows a so-called *China Model* of fostering inclusive development opportunities, grand projects, and generous loans to countries facing the challenges of rising inequality, poor physical integration, low education and skills levels, and environmental degradation. China's cash and know-how have the potential to either exacerbate or mitigate these challenging issues faced by developing nations.

Beyond Just Trade

Chinese offerings to Latin American countries span areas as diverse as infrastructure and development, education and science, governance and institutions, security and defense, energy and digital connectivity, and more. Such assistance from China's highly state-centric economy and authoritarian government has important implications for the United States, its allies in the region, and other foreign stakeholders.

The Trump Administration is principally concerned about trade issues and potential security challenges to U.S. pre-eminence by actors outside the Western hemisphere. Beijing, meanwhile, entertains a multidimensional strategy that is far-reaching and offers attractive new opportunities to governments, business communities, and the general population across Latin America.

Based on three decades' worth of research I have conducted on China, I find that U.S. actors concerned about the development of Latin America must think beyond the immediate economic effects of China's trade and development policies to consider cultural influences and drivers as well. My views are also informed by my work with the public sector in Latin America, my experiences as a private entrepreneur in three continents, and my engagement with Chinese companies, government representatives, and local stakeholders in Latin America.

If the priority of U.S. policy in Latin America is to support the region and reduce levels of underdevelopment and social tension that spur ills such as political unrest, illegal activity, corruption and out-migration, then it is vital to reaffirm and expand America's dense, historically rooted diplomatic and entrepreneurial web of linkages between the United States and Latin America. This strategy would also require engaging Chinese state and non-state actors in cooperative ways, while supporting regional institutions to enable better oversight.

If, instead, the priority of U.S. policy in Latin America is to mitigate or counter Chinese advances in the region in the interest of securing an advantageous and unchallenged terrain for U.S. businesses and geopolitics, then it is just as essential to the United States build its relationships with the governments and peoples of the region. This strategy also requires development of an understanding of Chinese strategies to comprehend and anticipate Chinese behavior. China is a rising major power and the United States faces the challenge of handling shifting relationships with it everywhere on the world stage.

Making Sense of Chinese Outlooks and Strategies

To manage either or both of these priorities, U.S. policymakers at national and state levels need to better understand some key factors, in particular:

- ***The importance of understanding China's worldview and foreign policy strategy*** – China's rise on the world stage has caused nervousness in Washington and the conviction that it is a threat to United States leadership. While understandable, the perception of direct competition misreads not only Beijing's express policy, but also its aspirations and on-the-ground practice – especially in the developing countries of Latin America. China's understanding of the international system differs from Western ideas, as does its role therein. President Xi Jinping's grand vision of global development and physical integration is not necessarily antagonistic to Western priorities.
- ***The benefits of public goods as tools for development and tangible soft power***. The concept of public goods is often mistakenly lumped into notions of statist interventionism and socialist ideals. Instead, it can shed light on the differing views of government obligations and of citizen responsibilities, offering new insights into public investment and development aid that affect policy decisions. International investments in public goods have been an important element of U.S. foreign policy since the Second World War, but one that has been insufficiently acknowledged.
- ***How China's goals in Latin America can be complementary to the aims of the United States***. China's own experience since the late 1970s has been marked by their prioritization of trade globalization, skills growth, and investment in infrastructure and education. Chinese aid and loans have been consistently developmental, reflecting the country's own development path. But they also coincide with the priorities identified by U.S. analysts for the countries of Latin America, and form part of what Western multilateral development banks have been promoting for the past few decades.

With an understanding of these key factors, it is possible to overcome the unconstructive notion of rivalry between the world's two most powerful nations. The alternative presents a potentially promising future where, instead of competition, these world leaders build on visible common interests toward multilateral cooperation. This kind of coordination would benefit Latin American societies and contribute to stable development and security in the Western hemisphere, while clearing a path toward addressing the severe challenges humanity faces due to the progressive climate change.

Read more in: Benjamin Creutzfeldt, "One Actor, Many Agents: China's Latin America Policy in Theory and Practice," in Margaret Myers and Carol Wise (Eds.), *The Political Economy of China-Latin American Relations* (Routledge, 2016): 15-30.