

China and Latin America



March 2, 2020

USA in Latin America: 19th Century

- Limited involvement
- Ties with Mexico and Cuba
- 1820s No involvement in independence from Spain
- 1823 Monroe doctrine:
 - No more European colonies in South America
 - US won't meddle with existing colonies or internal European countries
 - Supported by British
- 1846 Mexican-American war
 - Affirms Texas as part of USA
- 1898 Spanish-American war
 - US gains Puerto Rico, Cuba



1898

- Britain in boundary dispute with Venezuela (British Guiana)
- President Cleveland asserted Monroe Doctrine
- British accepted US intervention
- First example of interventionism under Monroe Doctrine

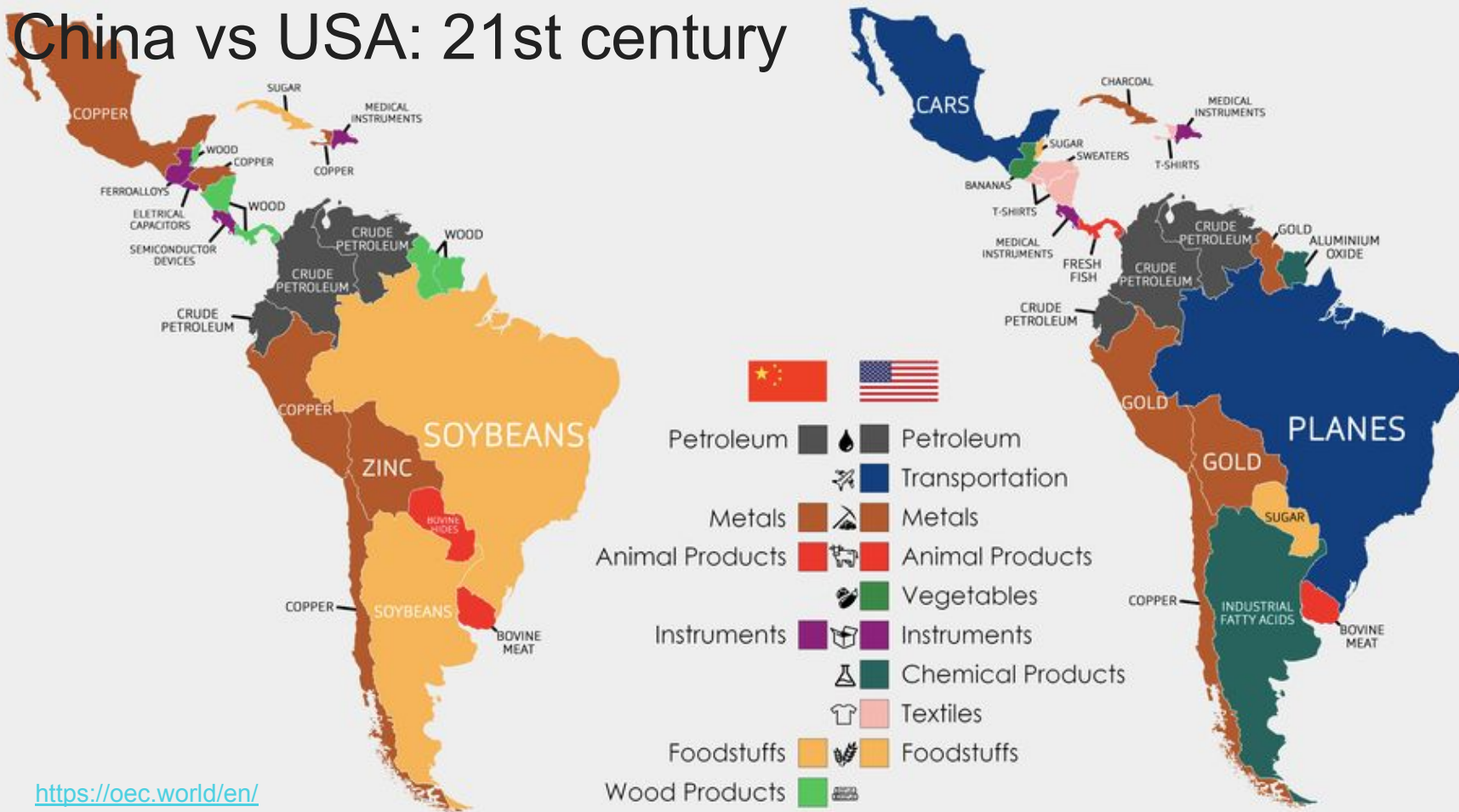


USA in Latin America: 20th Century

- Banana Wars
- 1903 Panama Canal
 - US support of Colombian rebels created Panama, US canal zone
- 1911 Mexican Revolution
 - US supported coup & assassination
- World Wars reduced European influence
- Cold war: Hemispheric Defense
 - Rise in left-wing governments, Cuban revolution
- US helps overthrow democratically elected governments
 - 1954 Guatemala, 1964 Brazil, 1974 Chile & Nicaraguan contras
- 1980s: Latin America Debt Crisis
 - 1970 to 1980, Latin America's debt levels increased by more than one-thousand percent
- Anti-drug programs

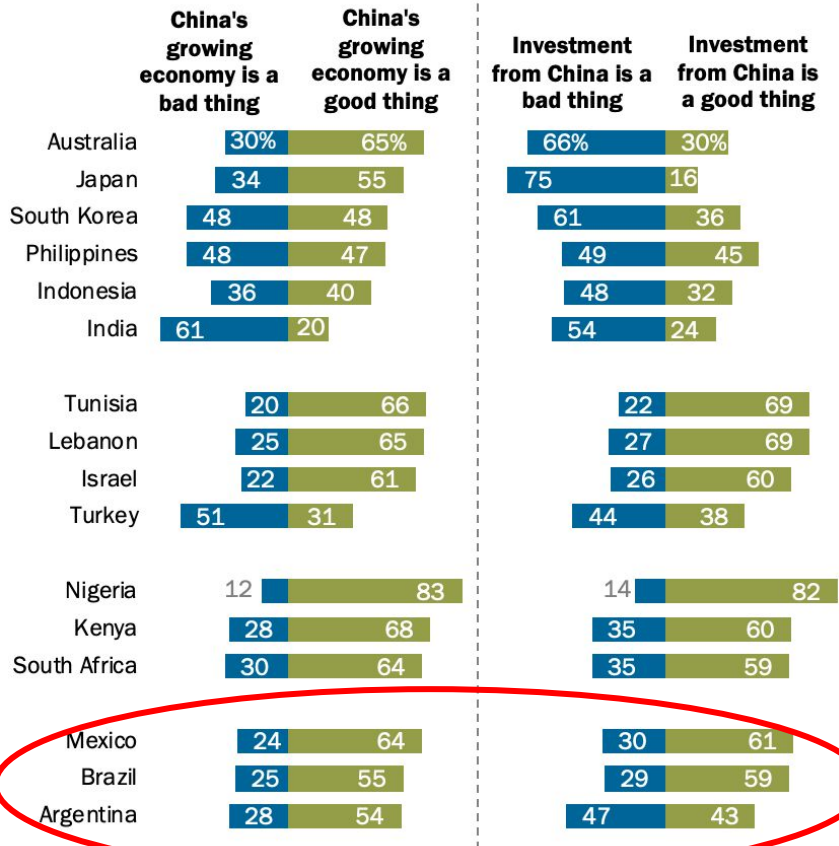


China vs USA: 21st century



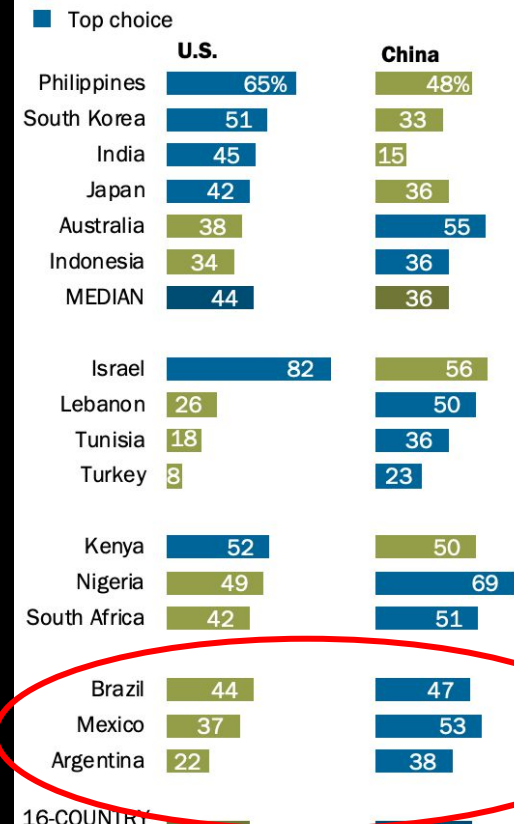
Many see China's growth, investment in positive terms, but Asia-Pacific publics are more wary

% who say ...



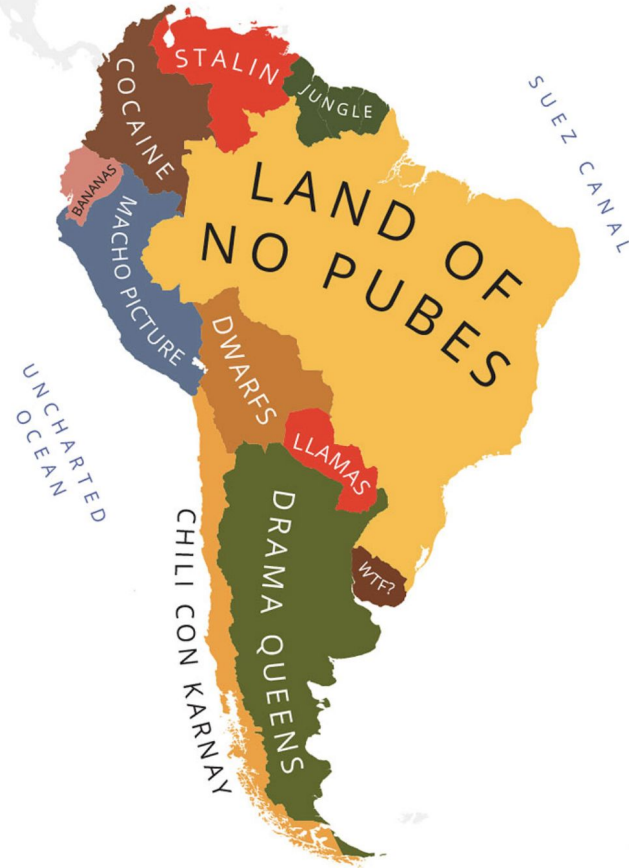
Chinese economic influence seen as more positive in many countries

% who say ___ is having a positive influence on economic conditions in their country



SOUTH AMERICA ACCORDING TO THE USA 2012

from Yanko Tsvetkov's Atlas of Prejudice
www.alphadesigner.com



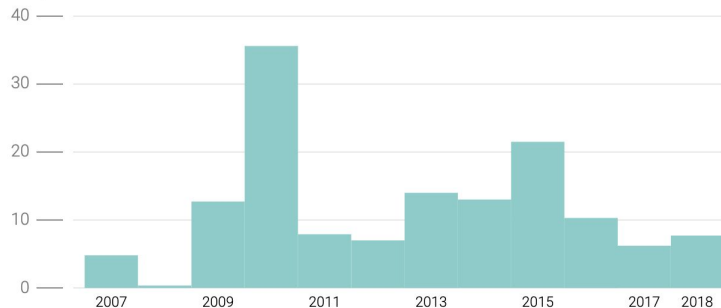
Debt

LOANS FROM CHINA SINCE 2007

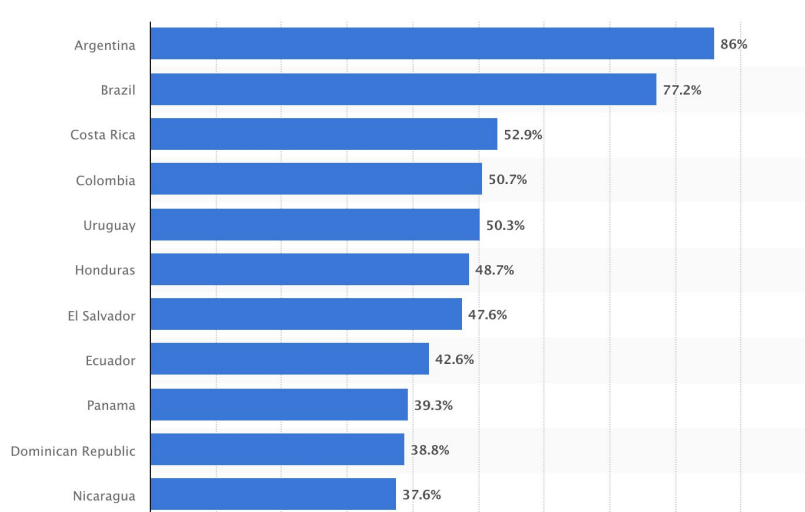
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US\$ billions

■ Total loans ■ Country with the largest loan



Central government debt as percentage of GDP in Latin America



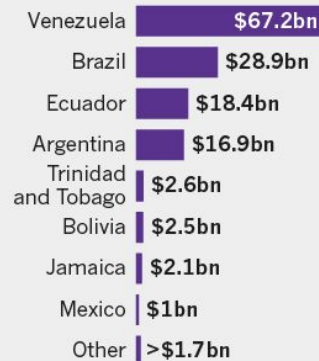
AMERICAN PARTNERS

China has been rapidly adding countries in Latin America and the Caribbean as partners in the Belt and Road Initiative.



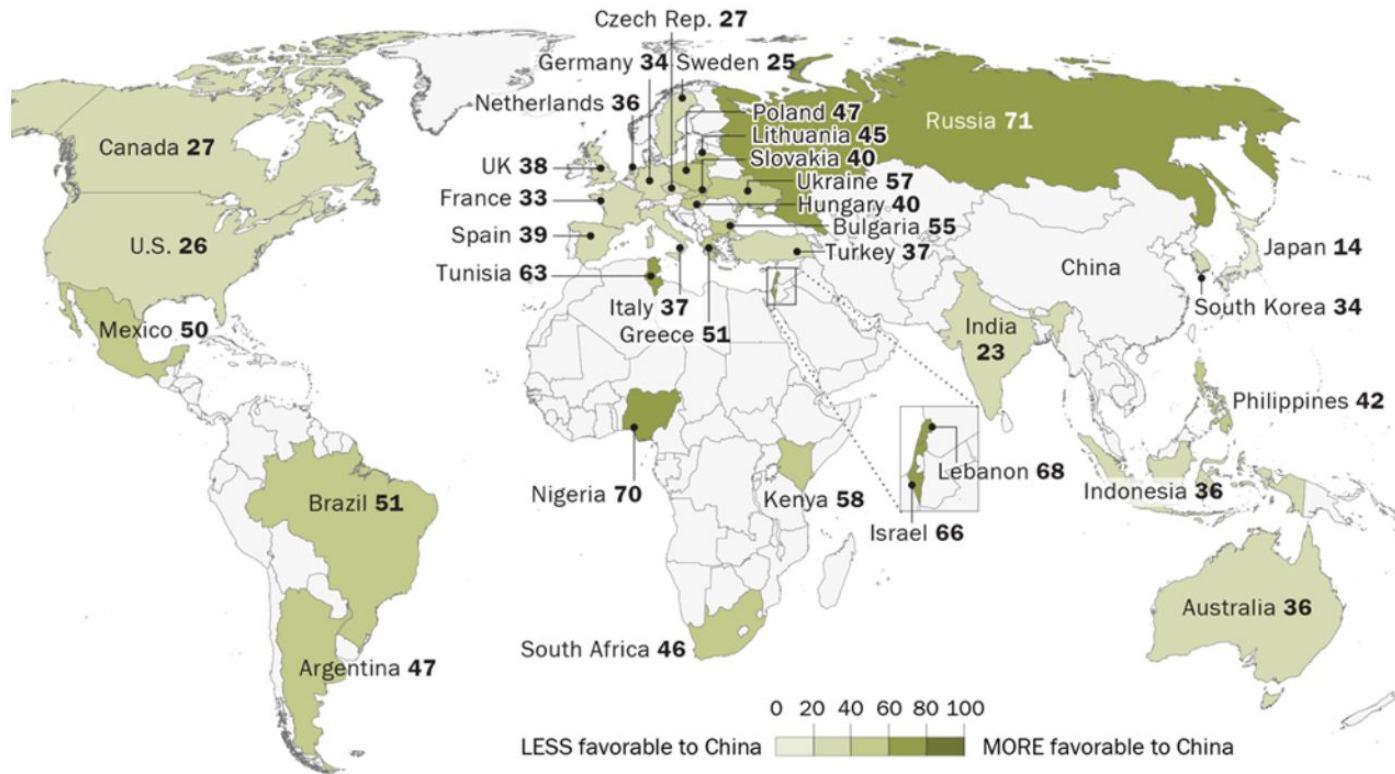
MOUNTING DEBT

Loan commitments from Chinese banks to Latin America and the Caribbean have totalled more than US\$140 billion since 2005.



Mixed views of China around the globe

% who have a favorable view of China

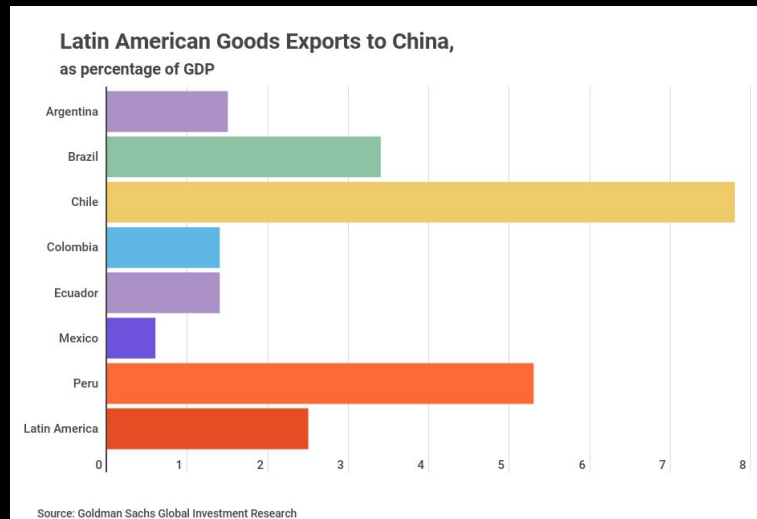
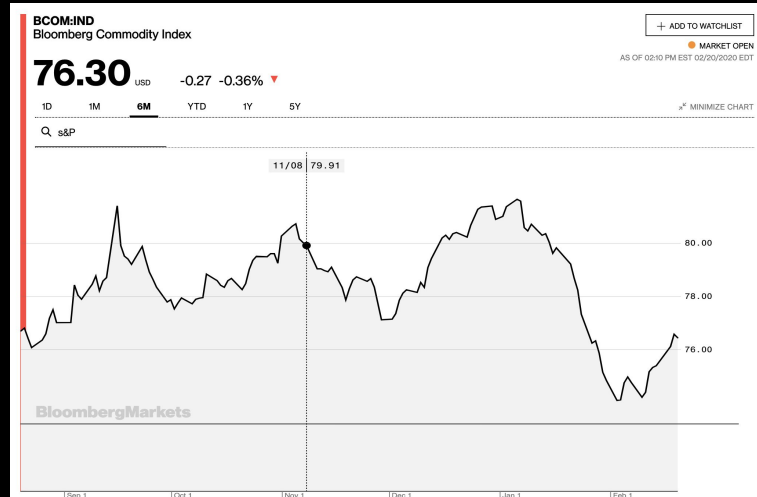


Source: Spring 2019 Global Attitudes Survey. Q8b.

PEW RESEARCH CENTER

Coronavirus Threat

- Exports down
 - Demand and prices drop
 - Average exports to China only 2.5% GDP
- Imports down
 - Shortages stopped Brazil cell phone manufacturing
- Risk aversion?
 - Impact to China's economy
 - Unknown time to recover



- 1.** The U.S. has a long and sometimes troubled relationship with Latin America. In what ways does China's engagement with the region differ from that of the U.S.? Is China likely to be viewed as an imperialist or hegemonic power in the region?
- 2.** How might China's economic partnerships in South America affect China's relations with the U.S., especially amidst ongoing trade negotiations? In what ways will shifting trade patterns affect U.S. ties to the region?
- 3.** Huawei is well positioned to sell 5G and other technology to many countries in Latin America and the Caribbean. The company is unlikely to be banned from forthcoming 5G roll-outs despite U.S. warnings about the security implications of Chinese telecommunications technologies. Are there any realistic measure that the U.S. could use to limit the sale of Chinese 5G infrastructure in the region? Should it use those measures?
- 4.** As China's economic engagement deepens Latin America, Beijing's potential influence over regional affairs is likely to expand. To what extent has China already affected political outcomes in the region? Should China be held accountable for economic and political turmoil in Venezuela?
- 5.** To what extent does Chinese economic engagement result in support for China's interests in international organizations, such as the United Nations?
- 6.** China maintains a policy of non-interference in the domestic affairs of sovereign nations. This extends to the provision of credit to Latin American governments. China's loans have few policy conditions in comparison to loans from major international financial institutions. Chinese state banks have also lent extensively to countries in the region with limited access to international financial markets. To what extent is China's model of lending beneficial to Latin American governments? Is China responsible for high rates of sovereign debt in Latin America?