THE DRAGON AND THE CONDOR: CHINA’S RISE AND LATIN AMERICA’S DEVELOPMENTAL ANXieties

Abstract:
In the present article, we aim to present a critical analysis of China’s rise to the position of a global power in the international scenario focused on some related political inflexions in Latin America. Holding on a qualitative methodology, based on the analysis of primary and secondary sources, we argue that China’s rise and its growing presence in Latin America, mostly regarding commercial and financial flows and also infrastructural project, is reinforcing a neo-extractivist paradigms the new hegemonic model of development for the region. This process has been generating a series of social and environmental conflicts, providing us a space to discuss the ambivalence and the contradictions presented in Chinese discourse, which alludes to the establishment of a pacific world order that is committed to ecologic sustainability, win-win relations and the harmonious development of the actors in the international scenario. This work will be critically oriented by some concepts presented in contemporary Latin American developmental thought. Some examples are neoextractivism, com-modity consensus and reprimarization. For us to better situate the discussion, some illustrative cases will be brought to the fore.

Keywords:
Peoples Republic of China, China, Latin America, neoextractivism, economy

1 Henrique Brenner Gasperin, MA student at Pontificia Universidade Católica do Rio de Janeiro (PUC-Rio). Email: henriquebgasperin@gmail.com
2 Lucas Guerra, MA student at Pontificia Universidade Católica do Rio de Janeiro (PUC-Rio). Email: lucaspxguerra@gmail.com
Introduction

In this article, our main objective is to think the relation between the rise of People’s Republic of China in the international scenario and some inflexions over models of development and international insertion followed by Latin American countries. It is paramount to highlight that we acknowledge that categories such as “China”, “PCR” “Latin-American countries” and “Latin America” are massive generalizations, which usually do not account for the multiple diversities, fractures and particularities that compose those major categories. Even though, we opt to recur to these simplifications in order to make the argument more didactic. Thus, given that this paper aims to promote a discussion regarding Latin America in a regional perspective, we will abstain ourselves of deeply detailing some important differences and asymmetries that permeate and compose the sub-continent.

In relation to our methodology, we opt for a mostly qualitative one, based on bibliographical revisions of primary (notably, official documents of the People’s Republic of China and the Chinese Communist Party) and secondary sources. At some points, we briefly introduce specific cases to better illustrate our arguments. Structurally, the paper is divided in three sessions. In the first one, we discuss China’s rise in the international scenario. In the second, we show some considerations regarding the increasingly close ties between China and Latin America in the XXI century. Finally, in the last sessions, we present a critical perspective regarding some impacts felt in the Latin American region in relation to its ties with China. Especially through the concept of “commodity consensus” and “neoeextrativism” – respectively brought up by Maristela Svampa (2013) and Eduardo Gudynas (2009) – we point out some socio-environmental conflicts driven by the rising Chinese demand for natural resources provided by Latin American markets.

The rise of the Dragon: China and its ascension in the international scenario

The notable rise of China in the international arena occurred in the last decades, and it certainly figures among the main events of contemporary international politics. Since its foundation in 1949 until the late 70’s, People’s Republic of China (PRC) had a foreign policy orientation mainly concerned with acquiring international recognition for the new communist regime and

---

3 For better suiting the scope of the text, we opt here to make reference to China departing of its (re)foundation as a Popular Republic in 1949, with the establishment of a communist regime over Mao Zedong’s leadership.
the making of pragmatic alliances in the Cold War bipolar conjuncture. Thus, the country alternated between ties with the Soviet Union and with the United States, sometimes also siding itself with the Non-Aligned Movement.

In 1954, when Zhou Enlai was heading the Ministry of Foreign Affairs of RPC, one of the main axes that would guide China’s foreign policy over the next years was established. This axis was composed by the “Five Principles of Peaceful Coexistence”: (1) Mutual respect for each other’s territorial integrity and sovereignty; (2) Mutual non-aggression; (3) Mutual non-interference in each other’s internal affairs; (4) Equality and cooperation for mutual benefit and (5) Peaceful co-existence. It is visible, since those days, how China aimed an international insertion based on a non-conflictive approach, rendering possible the establishment of bilateral relations with every country, driving away from the bipolar ideological imperatives that shaped international politics at the time.

A new paradigm regarding China’s international insertion emerged with the rule of Deng Xiaoping. The governmental transition happened in an internationally favourable moment, marked by a closer relationship between PRC and the US and the globalizing reach of financial flows, generating new opportunities of foreign direct investment in peripheral regions of the world system. Based on the integration of the country to the world capitalist economy on top of the “modernizing reforms”, Eduardo Pinto defines Xiaoping’s government as having made possible the “Chinese economic miracle”.

Thanks to that, China gets to the XXI century as a “global player”. Besides its political relevance with a permanent seat on the UN Security Council, PRC has also been presenting rising military investments, having the third biggest personnel in the world, with growing incidence mostly in the naval area, with its first overseas military base in Djibuti inaugurated in 2017. Economically, China currently stands on top of the world ranking regarding GDP (Purchasing Power Parity) and second in nominal GDP, having scaled up its gross domestic product from US$ 1,3 trillion in 2001 to US$ 12,2 trillion in 2017. It is also the first country regarding world exports and the second in imports.

---

Such international prominence led to a series of external and internal political reformulations in China, now aware of its great power status. In this sense, mostly between 2002 and 2006, concepts of “peaceful rise”/“peaceful development”\(^8\) appeared as core guidelines in China’s official foreign policy discourses\(^9\). These concepts were anchored in two main premises: (1) the idea of “open doors” for pacific and mutually beneficial (win-win cooperation) economic relations with every country in the world, without distinctions and (2) a certain notion of gradualism in the evolution of the international system, situating China’s rise as a harmonious and negotiated hegemonic transition\(^10\).

Directly quoting the Chinese regime through its *White Paper on China’s Peaceful Development*: “China's peaceful development has broken away from the traditional pattern where a rising power was bound to seek hegemony. […]. With a keen appreciation of its historical and cultural tradition of several thousand years, the nature of economic globalization, changes in international relations and the international security landscape in the 21st century as well as the common interests and values of humanity, China has decided upon peaceful development and mutually beneficial cooperation as a fundamental way to realize its modernization, participate in international affairs and handle international relations”\(^11\).

Generally speaking, then, the term “peaceful development” reflects a self-awareness of the Chinese regime regarding its protagonist role in the international scenario. According to the same document, “China cannot develop itself in isolation from the rest of the world, and global prosperity and stability cannot be maintained without China”\(^12\). Besides, we share the view of Gabriela Amaral\(^13\), who understands that the concept of rise/development meets a double objective in the guidance of the Chinese regime regarding its foreign affairs. In one front, it aims to assuage the perception of other global powers – notably the United States – that China’s economic rise could possibly lead to a harsh imposition of another kind of global hegemony. In the other front, it seeks to present China as a partner who is committed to the development of the countries it cooperates with, avoiding itself to be seen as an imperialist

---

\(^8\) For a didactical purpose, we hereby locate both concepts as if they were synonyms. For a more elaborated discussion regarding the distinctions between them and the transition from the first to the second in the discursive axis of Chinese foreign policy along the XXI century, see (G. A. Amaral, *op. cit.*, pp. 85-87).

\(^9\) *Ibidem*, p. 83.

\(^10\) *Ibidem*, p. 84.


\(^12\) *Ibidem*.

\(^13\) G. A. Amaral, *op. cit.*, p. 87.
or (neo)colonial economic agent, a label that is commonly ascribed to other
countries in similar conditions of power.

China’s notable caution in presenting itself as a respectful country
regarding the dictates of the world order went through some changes after the
2008 global financial crisis. According to Alexandre Carriço, the financial
crisis of 2008, from which the country left unharmed, was seen by the Chinese
leaders as a sign of decline of the American incidence over the international
system, opening a wider space for China to develop its protagonist aspirations.
Facing this scenario, Pautasso and Ungaretti state that China’s rhetoric
of “pacific rise/development” was gradually substituted by an active role of the
country in defending and promoting structural reforms in the global financial
architecture.

On the one hand, the concretization of the “Chinese dream”, new motto
of China’s post-2008 foreign policy – added to the huge internal changes
experienced by Chinese society over the last decades (urbanization, rising
middle-class, changing lifestyle patterns…) – urged the country to deepen its
ties with other regions of the world. This movement was seen as necessary
to ensure the permanence of a consumer market for its exports and the access to
natural, energetic and food resources to sustain its industrial activity. On the
other hand, China’s growing international incidence, described by Barton and
Rehner as “going out”, also demands the country some degree of adaptability
to international principles such as the defence of the liberal capitalist economy,
in spite of China’s will to promote structural change in this terrain.

The first movements of PRC towards the effectuation of this project were
conducted in a multilateral way. Generally, China succeeded to present itself as
a leader in South-South Cooperation initiatives, articulating blocs and
institutions based on reformative claims over the global financial architecture
and the development of projects based on win-win logics. A paradigmatic
example in this sense was the consolidation of BRICS (Brazil, Russia, India,
China and South Africa) as a formal association, in 2008. More recently, we

14 A. Carrico, Grande Estratégia e o "Sonho da China" de Xi Jinping, “Relações
Internacionais”, 2013, No 38, pp. 27.
15 D. Pautaso, C. R. Ungaretti, A Nova Rota da Seda e a recriação do sistema sinocêntrico,
16 J. Barton, J. Rehner, Neostructuralism through strategic transaction: The geopolinomics of
17 Ibidem, pp. 80.
18 W. Callahan, China’s “Asia Dream”: The Belt Road Initiative and the new regional
19 H. Moreira Jr, Os BRICS e a recomposição da ordem global: estratégias de inserção
71-90; A. Szucko, A China e a ordem internacional: uma discussão sobre transição de
have the creation of the New Development Bank (NDB), besides the founding of the Asian Infrastructure Investment Bank (AIIB) and the revival and strengthening of already existing initiatives such as the Shanghai Cooperation Organization (SCO), ASEAN+1, G-20 among others. Moreover, the country has sought to institutionalize cooperation projects with regional blocs composed by countries of the Global South, exemplified by the creation of FOCAC (Forum on China-Africa Cooperation) and the China-CELAC Forum, which will be presented in more details in the following section.

An important element that characterizes the process of “going out” towards the concretization of the “Chinese dream” is the attachment of the “peaceful development” discourse with the moral legitimacy of China as a leader meant to be a “shared destiny community”. In the report of the XIX National Congress of the Communist Party of China – a meeting that gathers together the leaders of the party in every five years –, China’s leading elite expressed its self-recognition of the country as a global power. At the same time, the leaders of the Communist Party insisted on the affirmation of a harmonious and non-conflictive projection of China in the international hierarchy. Thus, among the guidelines for the quinquennium 2016-2021, the document states: “13. Promoting the building of a community with a shared future for mankind. The dream of the Chinese people is closely connected with the dreams of the peoples of other countries; the Chinese Dream can be realized only in a peaceful international environment and under a stable international order. We must keep in mind both our internal and international imperatives, stay on the path of peaceful development, and continue to pursue a mutually beneficial strategy of opening up. We will uphold justice while pursuing shared interests, and will foster new thinking on common, comprehensive, cooperative, and sustainable security. We will pursue open, innovative, and inclusive development that benefits everyone; boost cross-cultural exchanges characterized by harmony within diversity, inclusiveness, and mutual learning; and cultivate ecosystems based on respect for nature and green development. China will continue its efforts to safeguard world peace, contribute to global development, and uphold international order.”

As it can be seen, at the same time it acts toward the expansion of its presence around the globe with the early mentioned initiatives, China also starts

---

20 D. Pautaso, C. R. Ungaretti, op. cit., p. 27.
22 W. Callahan, op. cit., p. 2.
24 Ibidem.
to adequate itself to the expected behaviour of a global power, presenting a rising commitment with the discourses and agendas that compose the international “good practices”\(^\text{25}\). In the already mentioned CPC Report (2016), for example, China commits itself with the building of an “eco-civilization”, the fight against world poverty and inequality, the strengthen of democracy and the rule of law and efforts for the maintenance of world peace. This commitment with structuring principles of the current world order is also seen in other recent moves, such as the Chinese defence of the Paris Agreement on Climate Change, assuming a leading role in response to the anti-environmental posture assumed by the US under Trump administration\(^\text{26}\).

**The Dragon and the Condor: China-Latin America relations on the XXI century**

During the first decades following the foundation of the People’s Republic of China, and even after Xiaoping’s modernizing reforms, China and Latin America had a quite distant relationship, mostly summarized by collective claims under the banner of Third-World countries and inside the Non-Aligned Movement\(^\text{27}\). Thus, even after China’s vigorous economic rise between the 80’s and the early 2000’s, China was an economic actor with small relevance from a Latin American perspective\(^\text{28}\).

It turns out that, however, following what was stated in the previous section, China’s “modernizing reforms” gradually lead the country to attain the position of an industrial producer of highly added-value products with intensive technology. This, in turn, enacted a growing Chinese dependency over natural resources and primary products, from hydrocarbons to attend its productive activities to food supply to feed its growing urban population\(^\text{29}\). In face of that, developing close ties with Latin America – a region with an export basket mostly composed by minerals, oil, gas and agricultural products – became imperious to the maintenance of China’s growing process\(^\text{30}\). China’s growing

\(^{25}\) A. Szucko, *op. cit.*, pp. 51-52.

\(^{26}\) W. Callahan, *op. cit.*, p. 8.


ties with Latin America, then, attended both the country’s internal material demands and its agenda of rising protagonism in international politics.

Notably, the beginning of the XXI century was especially favourable for the establishment of close strategic ties between China and Latina America. From one side, national governments with left-wing tendencies, mostly committed to diminishing the region’s historical dependency to the US by aligning themselves with other regions, were coming to power. Complementarily, Chinese growth led to a sharp increase in the commodities prices in the international market, presenting – at least in a first moment – a viable alternative for a non-US-dependant Latin American insertion in the world economy. Moreover, it also generated income to finance the distributive policies that characterized what has been conventionally called the “pink tide” of progressive governments in the region.

Latin America, then, started to occupy a central role in enabling the Chinese movement of “going out”. According to Ariel Slipak, an essential aspect of this relationship was based on China’s self-presentation as part of the “Global South”, a discursive strategy that allowed the projection of PRC as an actor committed to the establishment of “win-win” relations under the banner of “South-South” cooperation. Thus, in 2008 – which marked a growing incidence of China in the international arena – the CPC made public its first “China’s Policy Paper on Latin America and the Caribbean”.

In this document, China identifies both itself and Latin America and the Caribbean as being “at a similar stage of development and [facing] the common task of achieving development”. In this sense, China aims to “deepen cooperation and achieve win-win results. The two sides will leverage their respective strengths […] and seek to become each other’s partner in economic cooperation and trade for mutual benefit and common development”. China proposes, then, a cooperation agenda with the region based in four main fields: (1) political; (2) economic; (3) cultural and social and (4) peace, security and judicial.

China commits itself in “promoting South-South cooperation, bringing about a more just and equitable multilateral trading regime and ensuring a bigger say

33 J. Barton, J. Rehner, op. cit., p. 81.
34 A. Slipak, op. cit., p. 110.
and greater role in decision-making for developing countries in international trade and financial affairs”\textsuperscript{36}. With this, under the banner of win-win relations and mutual benefits, China paves the way for an intensification of its financial and commercial bonds with Latin America and the Caribbean, relying both on bilateral agreements and on commercial blocs and regional organizations. The country encourages the investment of its qualified companies in manufacturing, agriculture, forestry, fishing, energy, mineral resources, infrastructure and the service sector in Latin America and the Caribbean as a practical pathway to put forward its agenda for the region. Financially, the opening of Chinese banks’ branch offices in Latin America and Caribbean is suggested.

Under this hallmark of cooperation, the relations between China and Latin America became more intense, granting the Asian Dragon the position of first political and economic partner of a considerable set of countries in the Latin American region. Slipak\textsuperscript{37} interestingly points out that while China would not figure among the “top 3” commercial partners with any Latin American country except Paraguay in 2000, in 2012, it had already become among the top 3 of every Latin American Country but El Salvador. Besides, China exponentially grew as an importer of Latin-American products, figuring among the ten main importation partners of 17 countries in the region, and standing among the top 3 for seven of them\textsuperscript{38}. As to the flows, it is notable how China imports mostly hydrocarbons (mostly oil and gas), minerals (mostly cooper and iron ore) and food (mostly soy) and exports mostly manufactures with intensive technological character\textsuperscript{39}. The figures below illustrate this tendency.

\textsuperscript{36} Ibidem.
\textsuperscript{37} A. Slipak, \textit{op. cit.}, pp. 107-108.
\textsuperscript{38} Ibidem.
\textsuperscript{39} J. Barton, J. Rehner, \textit{op. cit.}, pp. 81-82.
Figure 1: China's rise as a commercial partner of Latin-American countries. Comparison between the years 2000 and 2012. Elaborated with data of the United Nations Economic Commission for Latin America and the Caribbean.

<table>
<thead>
<tr>
<th>País</th>
<th>Posición de China como destino de exportaciones</th>
<th>Posición de China como origen de importaciones</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Bolivia</td>
<td>18</td>
<td>9</td>
</tr>
<tr>
<td>Brasil</td>
<td>12</td>
<td>1</td>
</tr>
<tr>
<td>Chile</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Colombia</td>
<td>36</td>
<td>2</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>30</td>
<td>8</td>
</tr>
<tr>
<td>Ecuador</td>
<td>18</td>
<td>11</td>
</tr>
<tr>
<td>El Salvador</td>
<td>49</td>
<td>32</td>
</tr>
<tr>
<td>Guatemala</td>
<td>43</td>
<td>29</td>
</tr>
<tr>
<td>Honduras</td>
<td>34</td>
<td>8</td>
</tr>
<tr>
<td>México</td>
<td>19</td>
<td>4</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>35</td>
<td>25</td>
</tr>
<tr>
<td>Panamá</td>
<td>22</td>
<td>33</td>
</tr>
<tr>
<td>Paraguay</td>
<td>15</td>
<td>25</td>
</tr>
<tr>
<td>Perú</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Uruguay</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Venezuela</td>
<td>35</td>
<td>2</td>
</tr>
</tbody>
</table>


Figure 2: “Top 5” exports between Latin America and the Caribbean and China from 2009 to 2013. Elaborated with UN Comtrade Database

<table>
<thead>
<tr>
<th>TABLE 1: Top 5 exports between LAC and China, 2009-2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Top LAC Exports to China</strong></td>
</tr>
<tr>
<td>1. Iron ore and concentrates</td>
</tr>
<tr>
<td>2. Soybeans and other oilseeds</td>
</tr>
<tr>
<td>3. Copper</td>
</tr>
<tr>
<td>4. Copper ores, concentrates</td>
</tr>
<tr>
<td>5. Crude petroleum</td>
</tr>
<tr>
<td><strong>Total of top 5</strong></td>
</tr>
</tbody>
</table>

Sipak also reminds us that the financial presence of China over Latin America must be taken into account. One of the country’s main platform towards it consolidation as a global power was becoming the main creditor of the US debt and figuring among the main sources of Foreign Direct Investments in Africa and Latin America. Barton and Rehner indicate that from 2007 onwards, China became the main source of investments and loans to Latin-American countries, outperforming the World Bank and the Inter-American Development Bank. Qualitatively speaking, most of these financial flows are directed to joint-ventures in areas of natural resources extraction – mostly minerals – and projects of infrastructure. Another distinctive characteristic of Chinese financial flows for the region is the strategy of accepting fixed-priced commodities as payments and guarantees for controlling its assets.

Still regarding the agenda posed by the 2008 Policy Paper, a special incidence over the financing and even execution of projects of infrastructure is noted. According to Bruna Jaeger, in a discursive perspective, the Chinese projects of infrastructure for the region are coherent with the principles of mutual development and win-win relations, given that they allow both the inflows and the outflows of products between China and Latin America. In practice, however, the author sustains that: “Almost every investment in South-American infrastructure looks forward to increasing security and efficiency in the transport of commodities to China. As an example of the main initiatives, we may cite: the construction of the Nestor Kirchner and Jorge Capernic dams in Santa Cruz river, Argentina; the participation in the auctions for exploring the Libra oil fields in Brazil; the construction of the Metro in Quito, Ecuador; the development of a deep-water harbour in Suriname as well as a roadway connecting it to Manaus; the modernization of Boaventura port in Colombia; construction of a 600 km-long road connecting the central area of Colombia to the Venezuela border; the expansion of Venezuelan port of Paluá; the improvement of Desierto port in Chile; the expansion of San Antonio Oeste port in Argentina and the construction of the Central Bi-Oceanic Railway connecting Brazil and Peru[…]"

In this sense, Jaeger converges with the critics made by Brand by pointing that these projects asymmetrically benefit China. The lowering costs for China to import its manufactures to Latin America would account for an important driver towards the deindustrialization of the Latin American region.

In 2014, president Xi Jinping personally attended to the Community of Latin American and Caribbean States (CELAC) Summit, in Fortaleza, and

---

42 A. Slipak, *op. cit.* p. 111.
44 B. Jaeger, *op. cit.*, p. 11.
45 U. Brand et al., *op. cit.*, pp. 144.
in 2015, a China-CELAC Forum was consolidated. The first meeting resulted in the elaboration of the China-CELAC Cooperation Plan (2015-2019)\textsuperscript{46}. In the document, 14 areas for the intensification of the relationship between China and the region are established under the banner of South-South cooperation. They are: (1) Policy and Security; (2) International Affairs; (3) Trade, Investment and Finance; (4) Infrastructure and Transportation; (5) Energy and Natural Resources; (6) Agriculture; (7) Industry, Science and Technology, Aviation and Aerospace; (8) Education and Human Resources Training; (9) Culture and Sports; (10) Press, Media and Publication; (11) Tourism; (12) Environmental Protection, Disaster Risk Management and Reduction, Poverty Eradication and Health; (13) People-to-People Friendship and (14) Implementation of Initiatives\textsuperscript{47}.

Generally speaking, the document corroborates the practices and perspectives already mentioned in the 2008 Policy Paper. Few months after the concretization of the China-CELAC Forum – sealed with a US$ 35 billion Chinese loan for investments in the region\textsuperscript{48}, the PRC published the Second China’s Policy Paper on Latin America and the Caribbean. In sum, this document reinforces the perspectives already established in the previous ones, once again basing its discourse on a win-win rhetoric (PRC, 2016).

A conceptual innovation is the new 1+3+6 framework for pragmatic cooperation, with three main drivers: (i) commerce; (ii) investment; (iii) financial cooperation and six priority areas: (1) energy and resources; (2) infrastructure construction; (3) agriculture; (4) manufacturing; (5) scientific and technological innovation and (6) information technology. The Chinese government intends to: “Support its strong enterprises to participate in major resources and energy development projects and infrastructure construction projects in Latin American and Caribbean countries and, using these projects as the basis, to build production lines and maintenance service bases in the region for construction materials, non-ferrous metals, engineering machinery, locomotives and rolling stock, electric power and communication equipment, with the purpose of reducing costs for resources and energy development and infrastructure construction in Latin American and Caribbean countries”\textsuperscript{49}.

\begin{footnotesize}
\textsuperscript{48} C. Moreno, \textit{op. cit.}, pp. 29.
\end{footnotesize}
It is clear that, in spite of Chinese commitment to the promotion of industrial parks with technological transfers for added-value production in Latin America and the Caribbean, China’s main focus revolve mainly on having access to natural and energetic resources of the region. As we mentioned before, the effective impacts of the “mutual development” model proposed by China in its relationship with Latin America has been generating a series of problems in many ambits, carving up the space for a critical evaluation of the Chinese presence in the region. The following section intends to bring up a reflection over some of these tensions.

The commodity boom and the new political and economic paradigms of Latin America

In this section, having already mentioned with some depth the guidelines leading China’s foreign policy to Latin America, we aim to explore some political and economic regional reflexes related to its growing proximity with the Asian Dragon. Our temporal framework will be based on the diplomatic initiatives brought up in the second section. For a better conceptualization, we will start with a short history of economic development ideas and policies in Latina America over the last years. Thereafter, we will bring data and discussions to highlight and locate the current political-economic situation of the region.

When we talk about development thinking in Latin America, it is impossible not to mention the role assumed by ECLAC, the Economic Commission for Latin America and the Caribbean founded in 1949. Among its most notable thinkers was the Argentinean economist Raúl Prebisch whose famous thesis advocates for the industrialization of peripheral countries in order to deal with the deterioration of the terms of trade of primary-product based economies over time. Based on a structuralist framework, he saw Import Substitution Industrialization (ISI) programs as the lynchpin policy for promoting economic diversification and transformation that would generate sustainable growth and well-being for Latin American societies.

The ISI model, though, was not capable of disrupting highly inequitable class structures of political and economic power deeply and historically rooted in Latin American societies. In the face of the mostly unsuccessful attempt

---

50 J. Barton, J. Rehner, op. cit., p. 86.
of application of the ISI model in Latin American countries, and in the wake of the 1980’s debt crisis that ravaged the region, neoliberalism came to front as the core economic paradigm for Latin America. Then, the process of reprimarization of the productive capacity of the region mentioned above had its start with the prevalence of policies anchored on the Washington Consensus’ neoliberal standing over the continent. Land ownership and concentration was generally liberalized and transnational corporations from Latin America and abroad became even more powerful in the political arena.

In the 90’s, as a response to the outcomes of the neoliberal period, which involved what became known as the “lost decade” of the 80’s and the deterioration of social conditions, a new paradigm for development, distinct from the Prebisch-inspired one, started to be discussed under the banner of ECLAC. Mainly centered on Fernando Fajnzylber’s ideas, neostructuralism started to have more practical incidence over policies within the “pink tide” of left-leaning governments. Neostructuralism points to “international compete-tiveness” and “progressive modernity” as the two main roads to be pursued by Latin American countries. In contrast with “old” structuralist thinking, it sees state and market as strategic partners, in whose relationship the former should assume the function of assuring that the latter’s operation is resulting in proper social returns.

According to Leiva, this should be matched by policies directed to the promotion of competitive exporting and the construction of strategic alliances between national and international firms. Globalization is seen both as inevitable and as an opportunity for active engagement of the national governments towards equitable development based on systemic competitiveness. This call for a “new pragmatism” focuses on development more as a process than as an end. In this sense, governments should promote (in partnership with private actors) technological development in accordance to world market tendencies. The proposal of an “open regionalism” policy for subcontinental regions – such as the Andes or the Southern Cone – resonates with the principles stated above in a regional perspective, aiming to establish a multilateral coordinated approach towards global market opportunities.
The narrowing of the China-Latin America relations sided with the crystallization of neostructuralism as a determinant paradigm in thinking and acting towards Latin America’s international insertion. In a way, as said in the previous section, this proximity was based mostly on China’s demand over commodities to supply its industries and its growing urban middle-class\(^59\). This led to a favourable political space in Latin America for the promotion of policies driven by the paradigm of “modernization through internationalization”\(^60\). Barton and Rehner point to the prevalence of a “variegated capitalism” involving a new pattern of relations between states with heterodox economic orientation and private agents both domestic and internationally\(^61\).

**Figure 3: Absolute values of the commodity exports from Latin America to China**

![Graph showing commodity exports from Latin America to China](source)


\(^60\) F. I. Leiva, *op. cit.*

\(^61\) J. Barton, J. Rehner, *op. cit.*, p. 86.
The image above illustrates the dimension assumed by the commodities trade in the China-Latin America relations. The budget destined to its exploration in the region rose more than five times between 2003 and 2010, going from US$ 566 million to US$ 3 billion annually. The boom made possible for Latin American countries to reach average economic growth standards around 5%/year between 2000 and 2010. Other numbers estimate that China has granted, from 2005 to 2013, an amount of US$ 86 billion in loans for Latin America.

Figure 4: Price indexes according to different commodities.

![Price indexes graph](image)


The data presented above helps us to grasp what Svampa described as the “commodity consensus”. This phenomena marks the entrance of Latin America in a new geo-economic and political-ideological order, sustained and led by the Chinese demands. After a significant increase in the terms of trade of the commodities in the international market (especially from 2005 to 2012, illustrated in figure 4), Latin American elites would have “signed” an agreement over the irrevocable and irresistible character of the extractivist

---

practices in the region. The (re)incorporation of the “Eldorado” imaginary over Latin America denotes an imaginative continuity over the role of the region in being a primary-goods provider of the world.

Despite the wide range of different policies adopted by Latin American governments, the consensus has presented itself regionally. Facing this scenario, Uruguayan ecologist Eduardo Gudynas has coined the concept of neo-extractivism to make sense of the new development model enacted in the region. Materially speaking, “[...] in Bolivia, gas production tripled in quantity between 2000 and 2008; while petroleum production in Brazil, Ecuador, Bolivia, Mexico, and Venezuela rose by between 50 and 100 per cent between 1990 and 2008. The growth in extraction and production quantities in mining is also notable in Brazil, Chile, and Peru. The expansion of mining in countries in which it has not traditionally been a sector, such as Argentina, Colombia, Mexico, and Ecuador, is a particularly important indicator of the change in the political and economic constellation of neo-extractivism.”

In the same direction, a tendency towards “reprimarization” and deindustrialization is observed in Latin America, especially when one looks

---

63 The term “Eldorado” goes back to some myths that were cultivated by the first European colonial conquerors regarding the mineral-abundant regions in America. The analogy drawn with the present moment allows us to note a continuity in this depiction of America as an abundant repository. What marks a change, according to M. Svampa, is the way these resources (and the processes for their extraction) are now inserted in a political economy of extractivism in a global scale. M. Svampa, *Consenso de los Commodities” y lenguajes de valoración em América Latina*, “Nueva Sociedad”, 2013, No 244, pp. 35.

64 Ibidem.

65 Ibidem.

66 The most compelling difference between neo-extractivism and the “classical” one resides to its binding with national governments that justify and stimulate it through discourses and distributive practices. For Svampa, neo-extractivism is based on a national-populist socio-political *dispositive* that strategically functions as a source of political legitimacy. It is undeniable that, drawing on the famous metaphor of Eduardo Galeano regarding Latin America’s open veins, a difference can be seen in the moment that the “blood flow” does not only benefit the domestic or the *comprador bourgeois*, allowing the states to use the obtained revenue to sustain some distributive policies. E. Galeano, *As veias abertas da América Latina*. São Paulo 2010; E. Gudynas, *Diez tesis urgentes sobre el nuevo extractivismo*, "AAVV, Extractivismo, Política y Sociedad", 2009; M. Svampa, op. cit.

67 We understand “development model” as a determined set of social practices and mental schemes that are put forward on a more or less defined territorial unit through an institutionalized commitment in national or sub-national scale. Practically speaking, a development model is a complementary combination of a more or less stable regime of accumulation, a paradigm of industrial development and regulative norms that mobilize the former two institutionally (U. Brand et al., *op. cit.*, p.128).

68 Ibidem, p.131.
at the region’s exporting patterns⁶⁹. This phenomenon has been leading to important macroeconomic debates. In this sense, Maristela Svampa points out to the intimately asymmetrical relationship involving China and Latin America, which challenges China’s official win-win discourses. For the ends of this article, it is paramount to emphasize that the revenues obtained by the Latin American states are becoming increasingly dependent on the extraction of primary resources, which is generating a new framework for conflicts involving the relations between state, society and the environment⁷⁰.

Among the main impacts on productivity driven by the commodity consensus, it is the expansion of the intensive agribusiness, industrial mining and large-scale extraction of hydrocarbons⁷¹. In this sense, the growing economic importance of primary resources has led to an expansion of the productive frontiers towards spaces that had not yet been exposed to the international capitalist system⁷², a process that may be understood according to what David Harvey⁷³ names “accumulation by dispossession”. This new dynamics between state, society and environment are leading to reterritorialization practices that mark a new phase for Latin American insertion in global economic chains. Regionally speaking, the continental infrastructure of Latin America, that has China as one of its main facilitators, is imbricated in processes that reorganize and produce space towards a different valorisation of nature and land⁷⁴.

⁶⁹ M. Svampa, op. cit.; A. Slipak, op. cit.; C. Moreno, op. cit.
⁷⁰ J. Barton, J. Rehner, op. cit.
⁷² C. Dietz, B. Engels, op. cit.
⁷⁴ IIRSA (Initiative for the Integration of the Regional Infrastructure of South America) initiative is a pertinent case of an organization that has already mobilized investments over US$ 70 billion in the constructions of infrastructure projects mostly aimed at the reorientation of the land towards the dynamics of neo-extractivism. U. Brand et al. op. cit., p.143; R. Zibechi, Brasil Potência. Entre la integración regional y un nuevo imperialismo, Bogotá 2012.
Figure 5: Relative value of primary goods over total export value.

<table>
<thead>
<tr>
<th>Country</th>
<th>2002</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>69.5</td>
<td>68.5</td>
</tr>
<tr>
<td>Bolivia</td>
<td>84.2</td>
<td>95.5</td>
</tr>
<tr>
<td>Brasil</td>
<td>47.4</td>
<td>66.2</td>
</tr>
<tr>
<td>Chile</td>
<td>83.2</td>
<td>89.2</td>
</tr>
<tr>
<td>Colombia</td>
<td>62.2</td>
<td>82.5</td>
</tr>
<tr>
<td>Ecuador</td>
<td>89.7</td>
<td>92.0</td>
</tr>
<tr>
<td>Mexico</td>
<td>15.7</td>
<td>29.3</td>
</tr>
<tr>
<td>Peru</td>
<td>83.0</td>
<td>89.3</td>
</tr>
<tr>
<td>Uruguay</td>
<td>63.7</td>
<td>74.3 (2010)</td>
</tr>
<tr>
<td>Venezuela</td>
<td>86.2</td>
<td>95.5</td>
</tr>
<tr>
<td>MERCOSUR</td>
<td>54.3</td>
<td>67.1</td>
</tr>
<tr>
<td><strong>Total Latin America and the Caribbean</strong></td>
<td><strong>40.7</strong></td>
<td><strong>60.7</strong></td>
</tr>
</tbody>
</table>


In relation to national policies, especially after the relative decrease in the prices of the commodities after 2012, Brand et al. observe a severe setback regarding environmental regulation, control, transparency and democratic, decentralized decision-making. The competition for foreign investment in face of a less-attractive international environment is visible, for example, in the Presidential Decrees 2195 (2014) and 2366 (2015), in Bolivia, which threaten indigenous self-determination and prior consultation, allowing hydrocarbon exploitation in protected areas. The same is seen in Venezuela with the dismantling of the ministry of Environment in 2014, and in Ecuador, with the reallocation of the Ministry of Environment under the same coordination desk that commands the Ministries for Hydrocarbons and Energy, and with the end of the “leaving oil in the soil” policy announced by former president Rafael Correa. In Brazil, president Jair Bolsonaro is effectively waging a war over indigenous territories and natural reserves by trying to pass presidential decrees

---

75 U. Brand et al., *op. cit.*, p.146.
76 *Ibidem*, pp.146-147.
allowing mining in these lands, supporting commercial farming in the Amazon and trying to move the organ responsible for land demarcation over the Ministry of Agriculture domain.\textsuperscript{77}

Drawing on Carlos Larrea’s\textsuperscript{78} work on Ecuador as an example, although he does not deny that social improvements were made possible by the revenues obtained by the state in the commodity boom, he emphasizes that concentration of lands and assets within left-leaning Alianza País government are reaching new heights. Similarly, the overvaluation of exchange rates, especially in Brazil and Mexico, contributed to the decline of the manufacturing sector and operated in the deepening of and asset/land concentration model. The increasingly mechanized large-scale agriculture (typical of Latin America), for North and Grinspun\textsuperscript{79}, is the antithesis of broad-based development, eliminating work opportunities and ejecting labor to urban sectors that are already overwhelmed with unemployment and underemployment. As for negative consequences of mineral extraction, mining operations threaten the lands and water of peasant farmers and indigenous peoples in many parts of Latin America, even in radical populist Bolivia and in progressive Ecuador\textsuperscript{80}.

Through the expansion of the productive frontiers and the flexibilization of protective norms on indigenous lands and natural reserves, we can say that Latin America is seeing, especially facing the falling prices of the commodities, a logic of accumulation by dispossession\textsuperscript{81}. Maristela Svampa understands this tendency as violent and destructive, promoting the massive disqualification of other logics of land valorisation by the institution of “sacrifice areas” over territories that are considered “unproductive”\textsuperscript{82}. Neo-extractivism installs a vertical dynamic (with direct action of the state) that disrupts local


\textsuperscript{79} \textit{Ibidem.}, p. 15.

\textsuperscript{80} \textit{Ibidem.}

\textsuperscript{81} In their work, Luis Felipe Rincón and Bernardo Fernandes look carefully at the cases of Argentina, with the expansion of the soybean industry, Brazil, regarding de-territorialization processes suffered by small-scale peasants over the prevalence of agribusiness and Colombia, regarding the rising land-concentration over a small number of big owning landlords as symptomatic cases for analyzing the prevalence of accumulation by dispossession in Latin America. L. Rincon, B. Fernandes, \textit{Territorial Dispossession: dynamics of capitalist expansion in rural territories in South America.} „Third World Quarterly”, 2018.

\textsuperscript{82} M. Svampa, \textit{op. cit.}, p. 34.
economies, threatens biodiversity, promotes the expelling of campesinos and indigenous peoples from their lands. This new shape of relationships involving public bureaucracies, Latin American (rural) elites and global finance is interestingly translated by Farthing as a resource-fuelled bargain process based on the division of the rents of commodity production. If the prices go down, as it was the case after 2012, specially for metals, the agreement over land access needs to be redrawn in order to re-accommodate the interests. For Rehner, “the ideological war of capitalist right and communist left has been replaced by a postmodern, pragmatic hybrid that emphasises a flexible approach to attaining strategic goals. However, it is the resource base that lies at the heart of this new commercial relationship.”

Drawing on Edgardo Lander’s work, the processes of mercantilization and financerization of nature that started on the neoliberal aegis are fastening with the “commodity consensus.” In this sense, we should point out to the growing presence of the latifundary in rural landscapes of the region and to growing dynamics of land grabbing. A report from the Observatory of Mining Conflicts in Latin America shows how the growing importance of the mining activity has contributed for the criminalization of social movements that resist its presence. The figure below illustrates the growing number of people murdered for standing up against it. Also a tendency of disrespecting the ILO 169 convention norms of prior consulting for the realization of projects on indigenous lands is seen in Bolivia, Ecuador and Brazil.

---

83 E. Lander, op. cit.; M. Svampa, op. cit., p. 35.
85 J. Barton, J. Rehner, op. cit., p. 86.
86 E. Lander, op.cit.
87 L. Rincon, B. Fernandes, op. cit.
89 E. Lander, op. cit.
**Figure 6:** People murdered in conflicts over land involving mining projects.

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>03</th>
<th>04</th>
<th>05</th>
<th>06</th>
<th>07</th>
<th>08</th>
<th>09</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>13</th>
<th>14</th>
<th>15</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>Brasil</td>
<td>43</td>
<td>73</td>
<td>39</td>
<td>39</td>
<td>39</td>
<td>28</td>
<td></td>
<td>27</td>
<td>34</td>
<td>28</td>
<td>36</td>
<td>33</td>
<td>29</td>
<td>50</td>
<td>527</td>
</tr>
<tr>
<td>Chile</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Colombia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td>27</td>
<td>8</td>
<td></td>
<td>15</td>
<td>25</td>
<td>26</td>
<td>103</td>
</tr>
<tr>
<td>Costa Rica</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Ecuador</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>El Salvador</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Guatemala</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5</td>
<td></td>
<td>6</td>
<td>6</td>
<td></td>
<td>5</td>
<td>10</td>
<td>36</td>
</tr>
<tr>
<td>Honduras</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
<td></td>
<td>1</td>
<td></td>
<td>26</td>
<td>36</td>
<td>28</td>
<td></td>
<td>10</td>
<td>129</td>
</tr>
<tr>
<td>México</td>
<td>2</td>
<td></td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>7</td>
<td>7</td>
<td>4</td>
<td></td>
<td>10</td>
<td>3</td>
<td></td>
<td>3</td>
<td>47</td>
</tr>
<tr>
<td>Nicaragua</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
<td></td>
<td></td>
<td>15</td>
</tr>
<tr>
<td>Panamá</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Paraguay</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>Perú</td>
<td>1</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td>5</td>
<td>9</td>
<td>3</td>
<td>11</td>
<td>15</td>
<td></td>
<td>6</td>
<td>9</td>
<td></td>
<td>12</td>
</tr>
<tr>
<td>Venezuela</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>83</td>
<td>41</td>
<td>44</td>
<td>46</td>
<td>33</td>
<td>38</td>
<td>47</td>
<td>79</td>
<td>11</td>
<td>115</td>
<td>77</td>
<td>88</td>
<td>122</td>
<td>970</td>
</tr>
</tbody>
</table>


**Final considerations: the new landscapes of Latin America under the Chinese presence**

As we have pointed out in the first two sessions, China’s policy orientation towards Latin America is discursively grounded in a commitment with mutual benefit and win-win relations under the banner of South-South cooperation. This self-presentation of the Chinese foreign policy, however, is many times instrumentalized as an attenuation device of the county’s ascension in international hierarchies of power. As we argued, one of the characteristics of this recent emergence of the Asian Dragon was its growing hunger for commodities, due to its prominent industrial production and rising middle-class urban population.

This Chinese appetite for commodities opened up which appeared as a window of opportunities for Latin American countries. Most of the countries in the region, generally coming out of a neoliberal era marked by the deterioration of social conditions of living, enjoyed a period of “bonanza”, led by the rising prices of the commodities in the international market. This situation allowed Latin American left-wing governments to conduct distributive policies that had a notorious impact on the region’s social well-being and human development, with the cases of Brazil and Argentina being
paradigmatic in this sense. Some states were actually able to go further and uphold structural reforms that had some impact over class structure, most notably in the Venezuelan case. Others promoted paradigmatic changes regarding land tenure and indigenous and campesinos groups. In this sense, the case of Bolivia and Ecuador are paradigmatic, with the re-foundation of the states under the condition on “plurinational” ones, with the legal incorporation of indigenous conceptualizations of Buen Vivir/Vivir Bien in their Constitutions and the assignment of juridical personality over nature.\(^90\)

These structural changes, however, fell short of what they proposed when commodity prices started to decrease and, thus, Latin American states (and the national and international elites under which they are subordinated) were unable to obtain as much revenue as before. What happened was a wide dismantling of many protective norms and social commitments towards the flexibilization of land grabbing processes leading to intensive agri-business and mineral exploration, mostly allowing aggressive practices of accumulation by dispossession.\(^{91}\) Ironically or not, Chinese companies stand among the main driving forces of these processes.

This movement may be seen as a sign of an even higher degree of dependency in Latin America, a kind of dependency that is now reaching new lands and spaces. The overvaluing of local currencies at the higher peaks of the boom and the relative loss of attractiveness of manufacturing industries contributed, as said before, to a deep reprimarization of the region’s production. This has carved up the space to a reterritorialization process that opened up new frontiers of conflict and social tensions, mostly regarding environmental protection and indigenous peoples’ rights over land.\(^{92}\) If we look at neostructuralism as a component of this equation, it is worth noting that the main critiques made by Fernando Leiva\(^{93}\) revolve around the question of “market adaptability”. Two of them are its short-term perspective and the legitimation of old forms of export-oriented regimes of accumulation under new drapery towards new spatial frontiers. Its main failure, according to Leiva, would be the neglecting of the structural asymmetries that permeate and locate Latin American states and land in world political economy.

In this sense, what is presented in Chinese policy papers towards Latin America as “peaceful development” should be seen with caution by those who aim to have a critical look at the regional outcomes. Drawing on Brand et al’s,

---

\(^90\) L. L. North, R. Grinspun, *op. cit.*

\(^91\) L. Rincon, B. Fernandes, *op. cit.*


\(^93\) F. I. Leiva, *op. cit.*
Leiva’s and Slipak’s critique, China’s claims to be promoting a horizontal kind of relationship with Latin America must be put into serious question. Going beyond the understanding of the state as a monolithic unit, some of the premises of the mutually beneficial South-South cooperation may be potentially disastrous for some actors – mostly indigenous peoples and nature (whose existence can barely be conceived separately) – and render the historically persistent “open veins of Latin America” scenario even more difficult to revert.

BIBLIOGRAPHY:

✓ Amaral G. A., „Ascensão Pacífica” da China na Evolução da Diplomacia Chinesa nas Últimas Décadas, “Aurora”, Marília, 2012 v. 6, n. 1
✓ Callahan W., China's “Asia Dream”: The Belt Road Initiative and the new regional order, “Asian Journal of Comparative Politics”, 2016, Vol. 1, No. 3
✓ Carrico A., Grande Estratégia e o "Sonho da China" de Xi Jinping, “Relações Internacionais”, 2013, No 38


Gudynas E., *Diez tesis urgentes sobre el nuevo extractivismo*, ”AAVV, Extractivismo, Política y Sociedad”, 2009


✓ Ocmeal, *Minería, violencia y criminalización en America Latina, Dinâmicas y tendências. Informe OCMAL-CENSAT*, 2017
✓ Svampa M., *Consenso de los Commodities* y lenguajes de valoración en América Latina, „Nueva Sociedad”, 2013, No 244