

# Latin America and the Caribbean: Perspectives on its relationships with China, Russia, the United States and the European Union

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In just the past week, Argentina under Javier Milei has faced massive protests against budget cuts that the government has decided to impose on higher education. In Colombia, Gustavo Petro has faced national demonstrations due to the rejection generated by the reforms his government wants to promote. Ecuador held a referendum that gave support to President Daniel Noboa to keep the military in the streets to control organized crime. Police in Haiti remain on the streets firing tear gas to protect the surroundings of the National Palace and to halt attacks by armed gangs that have taken over the capital. The US Treasury Department reinstated sanctions on the Venezuelan oil and gas sector after Nicolás Maduro's regime failed to uphold its commitment to hold free and fair elections in 2024. Migration, insecurity, unrest, organized crime, illegal economies, and corruption continue to unfold in other parts of the region.

While every corner of Latin America and the Caribbean continues to resonate, concurrently, the region presents itself as an opportunity for other countries around the world, including China, the United States, and countries of the European Union. Agreements and the celebration of a variety of official visits and international forums in which countries of the Latin American and Caribbean region have strengthened cooperation ties are ongoing.

This essay seeks to explore the current status of Latin America and the Caribbean in their relationship with China, the United States, and countries of the European Union in this tumultuous context. Reflecting on each of these relationships should be a separate essay. These pages are not aimed at finding a deep understanding or conducting an exhaustive historical review of the relationship between Latin America and the Caribbean with the aforementioned countries, but rather to offer a general reflection on how each of these relationships interacts in connection with the others and not in isolation in the current Latin American and Caribbean context. In the essay's final section, some reflections will be offered on the challenges Latin America and the Caribbean face in the current global context.

### **China: Winds in Favor and Against**

Since the mid-2000s, China progressively became one of the region's main trading partners, playing a significant role in financing infrastructure, energy, and natural resources projects. China's approach to Latin America and the Caribbean has been multifaceted.

Regarding trade, China has been an important destination for exports of raw materials from many Latin American countries, including agricultural products, minerals, and energy. In turn, China exports a wide range of manufactured goods to the region. Regarding cooperation, China has established a series of initiatives with countries in Latin America and the Caribbean in areas such as education, health, agriculture, and technology. These initiatives have been received variably by countries in the region, with some seeing development opportunities and others concerned about issues such as political influence and human rights. China has used strategic diplomacy and public messaging, amplifying its regional influence in the process, as it has done for decades in other parts of the world.

Alongside trade, investment, and cooperation, China has paid notable, high-level diplomatic attention to education, health, and technology. From 2012 until early 2024, Chinese leader Xi Jinping has visited Latin America and the Caribbean on eleven occasions. China is an observer in the Organization of American States and a member of both the Inter-American Development Bank and the Caribbean Development Bank. Twenty-one Latin American countries have joined China's Belt and Road Initiative, Xi's flagship global infrastructure program linked to China's geostrategic objectives<sup>1</sup>.

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1 Eduardo Tzili-Apango, "Iniciativa de la Franja y la Ruta: La integración de América Latina y el Caribe." *Red China y América Latina*, October 15th, 2023, <https://chinayamericalatina.com/iniciativa-de-la-franja-y-la-ruta-la-integracion-de-america-latina-y-el-caribe/>

The future projections of this relationship largely depend on the interests of both China and countries in Latin America and the Caribbean. On the one hand, China seeks to secure access to natural resources, raw materials, and markets to sustain its economic growth and expand its global influence. China's relationship with Latin America and the Caribbean is pragmatic. On the other hand, countries in Latin America and the Caribbean are more heterogeneous in their approach to China. While Cuba, Nicaragua, and Venezuela have approached China to counterbalance the United States' influence in the region and also to receive financial assistance from China, other leaders in the region reject cooperation with China, such as Javier Milei in Argentina<sup>2</sup>, or place more emphasis on balancing their cooperation with both China and the United States simultaneously.

China will remain a significant economic, commercial, and financial actor in Latin America and the Caribbean. However, some challenges in both the internal dynamics of China and Latin America and the Caribbean could influence the evolution of this relationship. These include market volatility (raw materials), inflation, a stagnant real estate sector, declining private investments, global geopolitical tensions, and regional leadership. Finally, there are unmet expectations among certain public opinion groups in Latin America and the Caribbean, where China's rapid investments across the region are per-

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2 Román Lejtman. "Giro geopolítico del gobierno: Javier Milei comunicó por carta que Argentina renuncia a los BRICS." *Infobae*, December 28th, 2023, <https://www.infobae.com/politica/2023/12/29/giro-geopolitico-del-gobierno-javier-milei-comunico-por-carta-que-argentina-renuncia-a-los-brics/>

ceived with great skepticism towards the Chinese model. However, some also perceive trade with China as better and greater<sup>3</sup> not only in terms of various areas of cooperation but also compared to other major economies such as the United States. This is not new, as in Africa, a continent that has had engagement with China for many more years than Latin America and the Caribbean, the promise of Chinese investment has resulted in negative perceptions among the African population towards their leaders and China<sup>4</sup>.

### **United States: Between cooperation and permanent tensions**

The relationship between the United States and Latin America and the Caribbean is one of love and hate. It has not been any different in 2024. While the United States maintains its interest and intervention in various global events, such as the war in Ukraine and the conflict in Gaza, its relationship with Latin America and the Caribbean is not only increasingly connected to these events but also in the midst of contention

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- 3 Lorenzo Maggiorelli, Juan Federico Pino Uribe y Carlos Felipe Cifuentes. "Cuatro formas de percibir a China desde América Latina: Análisis de clústeres de la composición de la opinión pública de la región." *Colombia Internacional*, 113 (2023): 113-144. <https://journals.openedition.org/colombiaint/3449>
  - 4 John McCauley, Margaret Pearson, and Xiaonan Wang, "Africa's Leaders Often Welcome Chinese Private Investment. How Do African Citizens Feel?," *Monkey Cage*, December 9, 2021, <https://www.washingtonpost.com/politics/2021/12/09/africas-leaders-often-welcome-chinese-private-investment-how-do-african-citizens-feel/> ; Edem Selormey, "African's perceptions about China: A sneak peek from 18 countries." *Afrobarometer*, September 3rd, 2020, [https://www.afrobarometer.org/wp-content/uploads/migrated/files/africa-china\\_relations-3sept20.pdf](https://www.afrobarometer.org/wp-content/uploads/migrated/files/africa-china_relations-3sept20.pdf)

through political, diplomatic, and commercial ties with various global actors, including China and Russia. Some see the “withdrawal” or “vacuum” left by the United States in the region as an opportunity for China to insert itself as a trading partner in Latin America and the Caribbean.

However, despite the widespread perception that Latin America and the Caribbean have been relegated from the United States’ foreign agenda, the United States remains an important trading partner for many countries in the region. Agreements such as the Dominican Republic-Central America Free Trade Agreement (CAFTA-DR) or cooperation between the Inter-American Development Bank group and the United States have facilitated trade exchanges between the United States and several Latin American and Caribbean countries, as well as agreements in areas such as migration, biodiversity, and investment. There are also various agreements on regional security issues, including the fight against drug trafficking, terrorism, and other transnational crimes. This includes information exchange and training initiatives between the security forces of the United States and the region’s countries, such as Colombia and Mexico.

Similarly, the situation in Haiti and irregular migration from Latin America remain two relevant areas for the United States government. In its budget projection for 2025, the United States Agency for International Development (USAID) has estimated around \$224.9 million in specific funds to manage the migration situation, plus an additional \$35 million to improve programs in South America that address migration issues. Regarding Haiti, \$10.3 billion in humanitarian assistance has

been planned, which would be divided among other countries experiencing crises such as Sudan, Afghanistan, and some countries in the Middle East<sup>5</sup>.

On the official visit agenda, the United States has tried to be present in the region. In 2022, Secretary of State Antony Blinken traveled to Chile, Colombia, and Peru to discuss issues related to migration, development, economic growth, the environment, and democracy. The trip coincided with the celebration of the General Assembly of the Organization of American States held in Lima. In 2022, a delegation, including Secretary of Defense Lloyd J. Austin III and Commander of the Southern Command General Laura Richardson, visited Brazil during the XV Conference of Defense Ministers of the Americas. Similarly, General Laura Richardson has visited other countries in the region, including Guatemala and Argentina.

The current relationship between the United States and Latin America and the Caribbean continues to be complex and varied, influenced by a series of political, diplomatic, and economic factors that are relevant both to the security of the United States and Latin America and Caribbean countries. However, these issues are not perceived similarly by both parties. While the United States perceives, for example, the presence of China, Iran, or Russia in Latin America and the Caribbean as “aggressive pressure,”<sup>6</sup> for some countries in the

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5 USAID. “The President’s fiscal year (FY) 2025 budget request.” <https://www.usaid.gov/cj>

6 Gabriela Esquivada, “La jafa del Comando Sur advirtió sobre la presión agresiva de las inversiones en América Latina.” *Infobae*, November 2nd,

region, these cooperations represent a benefit either politically, diplomatically, or commercially.

In 2024, four relevant axes will shape the relationship between the United States and Latin America and the Caribbean in the coming years. One of them is the leadership changes due to the various elections taking place this year, including the presidential election in the United States in November. Depending on the governments and their visions regarding US-Latin America and Caribbean cooperation, the region will be more or less visible in US foreign policy matters and in the electoral campaign.

The second axis is economic relations. Already in strategic documents such as the 2022 National Security Strategy or the White House's annual budget, boosting the presence of US private capital in the region is stipulated as a primary focus. The possibility of increasing industry relocation to Latin America and the Caribbean, as well as focusing on strengthening infrastructure and technology, appear to be priorities that will be maintained in the short and medium term.

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2023, <https://www.infobae.com/estados-unidos/2023/11/02/la-jefa-del-comando-sur-advirtio-sobre-la-presion-agresiva-de-las-inversiones-de-china-en-america-latina/>

Laura Richardson, "Statement of General Laura J Richardson Commander, United States Southern Command Before the 118<sup>th</sup> Congress House Armed Services Committee." March 12th, 2024, <https://www.southcom.mil/Portals/7/Documents/Posture%20Statements/2024%20SOUTHCOM%20Posture%20Statement%20FINAL.pdf?ver=Iwci9nu-nOJkQjxIWpo9Rg%3D%3D>



The third axis is organized crime, human trafficking, and drug trafficking. There are governments in Latin America and the Caribbean that have learned to coexist with the problems caused by drug trafficking and the emergence of criminal organizations. Others have contributed to their creation. This has generated problems in the ability of states to address fundamental societal issues and in failing to ensure high levels of institutionalization, democracy, and transparency. However, the problem of crime and drug trafficking is not only a problem for Latin America and the Caribbean. The United States has also been impacted by issues associated with drug trafficking and the proliferation of criminal organizations, which are not only located in Latin America and the Caribbean but also outside the Western Hemisphere.<sup>7</sup> Illegal drug trafficking remains a threat to public welfare and represents a challenge for all countries in the Americas. Although it is uncertain whether attention is being paid to the primary and structural causes of these problems, the United States and some Latin American and Caribbean countries are undoubtedly cooperating more to address the issue.<sup>8</sup>

Finally, the fourth axis is the presence of China. Although Russia and Iran are present in the region, China has a much

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7 Infobae. "Los alcances de la mafia China en América Latina." December 29th, 2023, <https://www.infobae.com/america/mundo/2023/12/29/los-alcances-de-la-mafia-china-en-america-latina/>

8 Atlantic Council U.S-Colombia Advisory Group. "Advancing US-Colombia cooperation on drug policy and law enforcement." November 30th, 2023, <https://www.atlanticcouncil.org/in-depth-research-reports/report/advancing-us-colombia-cooperation-on-drug-policy-and-law-enforcement/>

more comprehensive and expansive presence. Similarly, while Russia and Iran are highly dependent on political contingencies, such as anti-American leaders assuming or remaining in power, and spaces ungoverned or outside the control of regimes, China emphasizes building relationships and cooperation with both anti-American and non-anti-American leaders.

### **Europe: Renewed interest in Latin America and the Caribbean**

Contrary to the relationships with the United States, China, or Russia, the relationship between countries of the European Union, Latin America, and the Caribbean does not pose a major challenge at the global level. Rather, it is perceived as a relationship based more on complementarity. Even though the relationship between the European Union, Latin America, and the Caribbean is built on the pillars of a historical-cultural connection dating back to colonial times, and a political and commercial cooperation of mutual interest, for years, the Latin American and Caribbean region has not been of particular relevance to the foreign relations of most European Union countries.

Today, due to the war in Ukraine, the decreased importance of China for European exports, and the need for raw materials, there is a renewed short- and medium-term interest in Europe to open up more cooperation opportunities with Latin America and the Caribbean. For example, since 2022, Europeans have been scheduling meetings with Latin American leaders or joint summit meetings more diligently. This may be

due to the announcement in 2021 by Josep Borrell, the High Representative of the European Union for Foreign Affairs and Security Policy, in which he mentioned Latin America and the Caribbean as a part of the world with which Europe has a strong affinity and a union of economic and institutional ties. On that occasion, Borrell traveled to Brazil and Peru, and other trips followed, including to Colombia and Cuba. In 2022, Borrell declared 2023 the Year of Latin America. Since then, there have been more trips and intentional cooperations from Europe towards Latin America and the Caribbean, reflecting a renewed interest in the region.

On the one hand, other European leaders have visited Latin America and the Caribbean since Borrell's announcements in 2021 and 2022. In early 2023, accompanied by a delegation of businessmen, German Chancellor Olaf Scholz embarked on a tour of South America, visiting Argentina, Chile, and Brazil.<sup>9</sup> Berlin highlighted cooperation in the fields of renewable energy, green hydrogen, raw materials trade, as well as the promotion of trade and investment treaties. A central focus was also Germany's clear stance in calling on democracies around the world, including those in Latin America, to condemn the war in Ukraine. Similarly, the President of the European Commission, Ursula von der Leyen, traveled to Brazil, Argentina, Chile, and Mexico, where it was announced that by 2027, the European Union would invest 45 billion euros in Latin

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9 *The Federal Government*. (January 2023). Further development of excellent relations with Latin America. <https://www.bundesregierung.de/breg-en/search/scholz-in-latin-america-2161914>

America as part of the Global Gateway program.<sup>10</sup> Finally, French President Emmanuel Macron, who has opposed the trade agreement between the European Union and Mercosur, visited Brazil in March 2024 to establish new cooperation in areas such as defense, energy, environment, and technology.

On the other hand, some Latin American leaders have traveled and met with European Union leaders, sometimes meeting at international forums. Such was the case in 2023 with Colombian President Gustavo Petro, who visited Germany, Spain, France, Italy, and Portugal. Luiz Ignácio Lula da Silva of Brazil traveled to Spain in April 2023 to adopt a joint declaration renewing the strategic partnership between the two countries. Gabriel Boric, President of Chile, met with several European leaders in 2023, coinciding with his participation in the EU-CELAC conference.

In recent years, one of the most prominent forums between Latin America and the Caribbean with representatives of the European Union is the EU-CELAC Summit, which held its third edition in Brussels in 2023. The European Commission continues discussions on the EU-Mercosur trade agreement, which was announced in 2019. Despite not all EU leaders favoring the agreement, discussions are ongoing to achieve its signing and entry into force. Likewise, EuroLat meetings have continued, and in late March 2024, a meeting between high representatives of the European Union and Latin America and

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<sup>10</sup> *European Commission*. (Junio 2023). Commission presents Global Gateway Investment Agenda with Latin America and Caribbean. [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_23\\_3863](https://ec.europa.eu/commission/presscorner/detail/en/ip_23_3863)

the Caribbean (EU-LAC) was held to discuss cooperation in the field of human development and health.

There are many reasons to understand this renewed interest in reinvigorating dialogue and cooperation between the European Union and Latin America and the Caribbean. Here are four detailed reasons. First, in today's globalized world, where the COVID-19 pandemic and wars remind us of the economic and political dependence to which we are subjected, not cooperating or halting cooperation is not the most prudent option. Although the impact of a war like the one in Ukraine is different in Europe than in Latin America and the Caribbean, the truth is that the war shows the vulnerability of countries to disruptions in energy supply or fluctuations in prices of raw materials and non-renewable energies in the international market.

Second, both regions are facing similar problems on different scales, such as migration, insecurity, unemployment, citizen distrust, polarization, and the rise of authoritarian forces and leaders. The relationships between the European Union and Latin America and the Caribbean can serve to expand cooperation that allows the regions to jointly seek alternatives, solutions, and mediations to some of these problems.

Third, there are leaderships, such as the Spanish presidency of the European Union, that are keen on renewing relations with Latin America and the Caribbean. Similarly, there are leaderships in Latin America and the Caribbean that are interested in keeping Europe as the main investor in the region. However, in both cases, the leaderships suffer from

instability, and that could cast a shadow in the medium term on the renewed intention that the European Union currently has towards Latin America and the Caribbean.

Finally, there is a widespread perception that Europe has substantially disengaged from Latin America and the Caribbean. In this regard, it is important to understand that Europe's relationship with different countries within Latin America and the Caribbean varies. While Central American countries and Mexico are closely linked to the United States, countries in South America have been an important market for European exports for years. In fact, the European Union is the second largest direct investor in the region, surpassing even China. While South America is an important region for its energy resources and raw materials, the European Union remains a primary source of technology and capital for countries in the South American region.

### **Final thoughts**

Countries in Latin America and the Caribbean offer a myriad of opportunities, both to those who are part of these societies and to countries outside the region. It is no coincidence that today we talk not only about the influence of the United States, but also that of China, Russia, and Iran, and the potential benefits that an expansion of the relationship with Latin America and the Caribbean could bring to the European Union.

The perspective of Latin America and the Caribbean in their relationship with China, the United States, and the European Union is complex and varied. There are three

essential points to consider in this perspective. First, cooperation and agreements may occur, but they will always be limited by the will of the current leaders and government. This is relevant in a year with important elections within Latin America and the Caribbean, the United States, and the European Union. Similarly, in intra-regional relations, due to leadership changes, as well as the contrasting left, right, and center leaderships, regional multilateralism will be clouded by the increasing political differences.

Second, the relationships between Latin America and the Caribbean, China, the United States, and the European Union are intrinsically interconnected. Each of them exists and is projected the way it is due to the interdependence of the globalized world. The China-US rivalry has had its impact on the Latin American and Caribbean region, which has served to increase cooperation based, in some cases, on that China-US polarity. Similarly, we have seen that, due to international events such as wars and fluctuations in prices in the international market of raw materials and non-renewable resources, approaches and cooperation become less or more paramount due to the dependence on markets that offer raw materials and non-renewable energy. In the coming years, Latin America and the Caribbean will continue to be affected directly and indirectly by the expansion of conflicts outside the region.

Finally, Latin America and the Caribbean will always be vital regions. For the United States, not only due to its complicated political and economic history, but also because of its geographic proximity. In the case of the European Union, it's due to the historical, cultural, and political ties, and now even

more so because of the commercial and investment importance. China, even though it lacks shared cultural and historical factors and geographic proximity, sees Latin America and the Caribbean as a vital region for access to raw materials, non-renewable resources, and a market of over 669 million people to sell goods and services.