

China in the Latin American democratic crisis

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Democracy is continuously receding in Latin America. This is the troubling conclusion drawn from the data presented in the 2023 Latinobarómetro report, which reveals that democracy as a political system is supported by only 48% of the region's citizens, 15 percentage points lower than in 2010. Similarly, 28% believe that it "makes no difference" whether regimes are democratic, and a hypothetical non-democratic regime that "solves problems" would receive support from 54% of Latin Americans.¹

It seems obvious that much of this discontent is explained by the devastating effects of economic crises and corruption. As well, of course, as by the erosion that elites have caused in the functioning of institutions. To make matters worse, the democratic regression over the last and a half decade in Latin America coincides with the consolidation of China's presence on the continent. Although it would not be rigorous to exclusively link the aforementioned deterioration to China, the authoritarian influence of such an economically powerful country seems beyond dispute.

1 Informe Latinobarómetro 2023. The report's conclusions are based on a survey of 19,205 people from 17 Latin American countries, except Nicaragua and Cuba. <https://www.latinobarometro.org/lat.jsp>

The Asian giant has emerged as a primary economic actor in the region. Since its accession to the World Trade Organization in 2001, bilateral trade has surged from \$14.6 billion to \$450 billion. Within a span of merely two decades, China has ascended to the position of the foremost or second-most significant trading partner for the overwhelming majority of Latin American nations, exerting a particularly notable influence on South America. Concurrently, over the same period, it has injected investments totaling \$172 billion, overseen the construction of approximately 200 major infrastructural projects, and extended loans amounting to \$209 billion, constituting roughly a quarter of its global loan portfolio.

This prowess bestows upon the Asian nation an immense political sway. Numerous South American countries rode the wave of the “Chinese miracle” in the mid-2000s, resulting in regional GDPs experiencing double-digit growth rates propelled by Chinese demand and the commodity price super-cycle. Since then, China has not only emerged as the primary destination for Latin American exports of natural resources, yielding substantial tax revenues for governments, but it has also unveiled a winning card: the financing of infrastructure projects.

Under this framework, a significant portion of China’s presence in the region has been solidified. This was particularly evident in Ecuador, Argentina, and Venezuela during the tenures of Correa, Kirchner, and Chávez, respectively, within three of the so-called Bolivarian *electo-dictatorships* of the era. The benefits for these three countries, as well as for Brazil, Peru,

or Chile, have been undeniable, despite the tendency to downplay the most detrimental effects of the relationship, ranging from the commercial and financial dependencies engendered to the environmental, labor, and social impacts of numerous Chinese projects, including issues of transparency and corruption.

Amidst a glaring asymmetry favoring Beijing and a scant understanding of China, its institutions, and state capitalism, the notion permeates among Latin American political and economic elites that their future development and prosperity are intricately tied to China. The Belt and Road Initiative (BRI), the flagship project of Xi Jinping's diplomacy advocating for China's global integration, reinforces the perception that China offers opportunities that others cannot match. Through land and maritime infrastructure projects spanning Central Asia, Europe, Africa, and Latin America, the majority of which are financed by Beijing, the BRI contributes to this narrative.

Twenty-two Latin American countries have aligned with the so-called "project of the century," despite its waning economic clout due to the unsustainability of Chinese debt and the evolving geopolitical landscape shaped by the pandemic. Nonetheless, the BRI remains valuable for Beijing as it enables the exertion of international influence, consolidation of global leadership, and pursuit of geopolitical objectives. Chinese commercial allurements have enticed the five Central American countries –Panama, Nicaragua, the Dominican Republic, Honduras, and El Salvador– that, since 2017, have severed diplomatic ties with Taiwan, a *de facto* independent island whose sovereignty China contests.

Beijing accomplishes a dual objective with its actions. Firstly, it amplifies the diplomatic isolation of Taiwan and exerts pressure on the Taiwanese Democratic Progressive Party, which has been in power since 2016 and opposes integration with China, positioning itself as Beijing's declared adversary. Secondly, it infiltrates and establishes its presence in Central America, a traditional US stronghold. The foreign ministries of these five countries justify their diplomatic realignment with the same rationale that former Costa Rican President Óscar Arias cited when he opted to sever ties with Taiwan in 2007 ("One cannot turn one's back on China").

However, beyond the purported benefits of *realpolitik*, these diplomatic shifts also expose these nations. Not only do they lose an ally whose democracy serves as a model in Asia, but they also risk entanglement —through unforeseen events— in the sphere of influence of an authoritarian regime such as China. Several examples highlight this concern. One recent instance is Honduras, which embraced the giant after cutting ties with the "rebel island" in 2023. Another is Nicaragua, which last year moved to expel Taiwan as an observer country in the Central American Parliament, a status that Beijing now enjoys. Ortega's regime justified expelling Taiwan by labeling it "a Yankee military base".

This isn't the initial instance where the most authoritarian regimes in Latin America have forged alliances with China to undermine democratic institutions. In return for economic prospects and diplomatic shielding, they consistently pledge allegiance to Beijing in the UN General Assembly. Consequently, in resolutions voted upon since 2021, concerning both

values and human rights as well as trade and economic sanctions, Nicaragua, Venezuela, and Cuba routinely align themselves against the United States' stance and predominantly in favor of China's².

Especially noteworthy was the alignment of Cuba, Venezuela, and Bolivia with China in 2022, which effectively thwarted the debate in the Human Rights Council regarding Beijing's repression against the Uyghur minority. This regional authoritarian coalition, under China's sponsorship and which also obligatorily includes Russia, can be attributed to a combination of factors: economic exigencies within Latin America, ideological affinities, antipathy toward the United States, and estrangement from the Western world. The repercussions of this closeness are glaringly evident.

Consequently, it comes as no surprise that Venezuela has utilized Chinese weaponry and vehicles to suppress social protests, nor that China aided in the development of Maduro's 'Homeland Card' identification system, a prime example of digital authoritarianism³. Both Venezuela and Bolivia are purchasers of Chinese arms, while Beijing has maintained military and espionage facilities in Cuba for years, alongside

2 Ernesto Salvi, "La geopolítica de América Latina ante la rivalidad EEUU-China: del relato a los datos", Real Instituto Elcano, Madrid, February 6, 2024. https://www.realinstitutoelcano.org/analisis/la-geopolitica-de-america-latina-ante-la-rivalidad-eeuu-china-del-relato-a-los-datos/#_ftn1

3 Ryan Berg, & Henry Ziemer, "Exporting Autocracy: China's Role in Democratic Backsliding in Latin America and the Caribbean", Center for Strategic and International Studies, Washington DC, February, 2024. <https://www.csis.org/analysis/exporting-autocracy>

negotiations for a joint military base. With Nicaragua, there are plans to construct a deep-water port that could potentially serve as a naval outpost⁴.

China now extends its influence beyond providing economic and political backing to autocratic regimes. It also seeks to court Latin American democracies by strengthening economic ties and employing its strategy of hard power, an authoritarian iteration of soft power. This discreet diplomacy aids Beijing in bolstering institutional connections throughout the region, spanning from think tanks and universities to political parties and the media. Complementing this approach is an ambitious offer of scholarships and training for journalists, politicians, or officials, alongside a recruitment program targeting local elites, aimed at cultivating a network of influential allies in each country aligned with their agenda.

The engagement with these esteemed interlocutors typically commences with an invitation to visit China, all expenses covered. Disguised as educational exchanges, these trips primarily serve to expose participants to the regime's propaganda. According to Javier Miranda, president of Uruguay's Broad Front and a longstanding ally of the Chinese Communist Party (CCP), these visits "allow comprehending the construction of a nation" and assert that "the CCP is a

4 Kelly Piazza, Cadet Max Lasco, et al, "China-Latin America Alignment and Democratic Backsliding: Gaining Traction for a Chinese-Led World Order", *Journal of Indo-Pacific Affairs*, Air University, Alabama, October 5, 2023. <https://www.airuniversity.af.edu/JIPA/Display/Article/3540688/chinalatin-america-alignment-and-democratic-backsliding-gaining-traction-for-a/>

trustworthy party". Another visitor, Argentine Deputy and former president of the Justicialist Party, José Luís Gioja, went as far as affirming that "China is a democracy in its own style".

It goes beyond mere allegiance. Once the relationship is established, China applies pressure. A notable case was that of former Chinese ambassador to Chile, Xu Bu, renowned for his verbal sparring with any politician who criticized China. In the South American country, the resolute manner in which the communist nation acts when situations deviate from its desired trajectory has also been documented. Members of the China friendship group within the Chilean Parliament, who had participated in "parliamentary tourism" to China, faced pressure from the Chinese embassy to abstain or be absent during a resolution concerning China's actions in Hong Kong. "This diplomacy aims to neutralize dissenting voices and has proven effective", Congressman Jaime Naranjo cautioned at the time.⁵

At the inter-party level, the Chinese Communist Party (CCP) convened no fewer than 326 meetings with political groups and legislators from Latin American parliaments between 2002 and 2020. Following the pandemic, it also forged connections with the so-called "pink galaxy": leftist actors, institutions, and associations that, led by the Sao Paulo Forum and the Puebla Group, actively work to undermine liberal

5 Juan Pablo Cardenal, "El Arte de Hacer Amigos: Cómo el Partido Comunista chino seduce a los partidos políticos en América Latina," Fundación Konrad Adenauer, Montevideo, 2021, <https://dialogopolitico.org/wp-content/uploads/2021/02/DP-Enfoque.-Cardenal.-2021.-El-arte-de-hacer-amigos.pdf>

democratic principles⁶. The involvement of Chinese communist leaders in gatherings of Latin American ultra-left leaders, many of whom hold or have held government positions and wield undeniable influence within their political spheres, enables both parties to unite against a common adversary: the United States.

This concerted deployment of financial and human resources, orchestrated in a harmonious effort involving the CCP, state organs, and peripheral organizations and entities within the Party-State structure, serves the purpose of garnering legitimacy, managing influential individuals and institutions, and monopolizing the discourse on contemporary China. This narrative emphasizes the benefits of cooperation with China while silencing its most contentious aspects. Consequently, critical analysis of various aspects of Latin America's relationship with the Asian power is notably absent.

Moreover, the increasing legitimacy of the Chinese regime in Latin America unfolds against the backdrop of Xi Jinping's authoritarian turn and amid overt ideological hostility toward the West and its political system grounded in freedom and universal democratic values. Beijing not only advocates for the moral equivalence of its model compared to democracies but also suggests its superior efficacy, citing the purported eradication of extreme poverty and the successful transition from Maoism to red capitalism, thereby propagating the notion

6 Sebastian Grundberger, "La galaxia rosa. Cómo el Foro de São Paulo, el Grupo de Puebla y sus aliados internacionales socavan la democracia en América Latina," Fundación Konrad Adenauer, Montevideo, 2024.

that its model is not only ideal for China but also superior to the Western alternative.

This idealized portrayal of China finds a receptive audience in Latin America. While it may seem evident that a more efficient model does not necessarily equate to a superior one, voices in the region that regard China as an example to emulate are not uncommon. Perhaps not with the intention of directly importing it, but as an aspiration illustrating that development without democracy is viable. John Garnaut, a former Australian journalist and expert on Chinese foreign influence, cautioned in a recent article in *The Wire China* that a global challenge lies in ensuring that Xi Jinping's project of total ideological control does not extend beyond China's borders⁷.

According to Garnaut, this ideological endeavor travels packaged with Chinese students, tourists, emigrants, and, above all, money. It permeates internet channels in Mandarin, infiltrates major media and cultural spheres worldwide, and consistently aligns with China's increasingly global interests. The decisions of countries like Australia or Canada, with extensive commercial and migratory ties with China, to curtail their relations due to significant Chinese infiltration across various social domains should serve as a point of reflection for Latin America, where –as previously mentioned– knowledge about China's *modus operandi* remains relatively limited.

⁷ Katrina Northrop, "The China Whisperer", *The Wire China* (7 de abril de 2024). [https:// www.thewirechina.com /2024 /04 /07/ the- china-whisperer-john-garnaut/](https://www.thewirechina.com/2024/04/07/the-china-whisperer-john-garnaut/)

In this milieu, Beijing's enchanting catchphrase to allure the "global south" and expand its sphere of authority and influence in global governance is "multilateralism." Thus, alongside its economic dimension, the Belt and Road Initiative (BRI) has been focused on bolstering the perception of China as an alternative power, championing multilateralism, and striving to position itself as the primary ally for the development of the "global south," often as a counterbalance to the interests of the United States and the Western world. Their interest in incorporating Argentina into the BRICS club (during Alberto Fernández's tenure) and potentially extending membership to Venezuela serve the same objective: to shape the rules governing the world.

The "global south," particularly Latin America, holds paramount importance for Beijing: It provides the natural resources essential for the Chinese economy, shields China and sympathetic autocratic regimes from Western sanctions, facilitates exertion of political pressure on a global scale, and aids in forming an anti-American coalition to advance China's vision of an international system. Its primary ally in Latin America, advocating for a "non-aligned and non-interventionist" global stance, is none other than its foremost trading partner in the region: Brazil. Critical voices abound, suggesting that Beijing's burgeoning economic and political influence in Brazil undermines its democratic stability⁸.

However, the notion of China serving as the guarantor of a more equitable and multilateral global order, along with calls

8 "China-Latin America Alignment...". Op. cit.

for the “de-dollarization” of economic relations to challenge the international dominance of the dollar, despite having fervent supporters in Latin America, faces opposition when confronted with reality. Critics argue that the rhetoric of multilateralism harbors a dubious assertion in the case of China: Beijing’s purported aim is not necessarily to construct a more just international order, as official propaganda espouses, but rather to influence it in a manner conducive to its own interests.

This distinction is crucial. This envisioned new international order would revolve around a coalition of nations economically reliant on China and, consequently, subservient to it. In the current climate of deglobalization, amidst ideological animosity between autocracies and democracies, and with over two decades of Chinese presence in Latin America leaving behind a nuanced perspective riddled with uncertainties, China’s power in a culturally Westernized region alone does not guarantee its future hegemony.

Simultaneously, while staunch critics of China like Milei or, in the past, Bolsonaro, and even left-leaning governments such as those led by Boric, Petro, or López Obrador, opt for pragmatic approaches in the ongoing rivalry between the United States and China. In this contest, it is by no means predetermined that the United States will be supplanted.