Introduction

From Going Out (*zou chuqu*) to Arriving In (*desembarco*): Constructing a New Field of Inquiry in China–Latin America Interactions

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China's involvement in Latin American countries is expanding in a visible and dramatic way. In a time frame of less than a decade, China has gone from having virtually no presence in Latin America to being a very significant trade partner to a large number of Latin American states, among them Brazil and Chile (first), Peru and Uruguay (second), and Argentina (fourth). In other states, headline splashing deals have been announced. For example, in 2010 alone, China and Ecuador signed a deal that commits an extensive loan to build a hydropower plant in exchange for the sale of large amounts of crude oil to Petrochina.[1] In the same year Venezuela and China agreed a range of packages that have included financing for Venezuela's energy infrastructure, aerospace training, guaranteed minimums of oil supply to China and a joint Venezuela–China company for oil exploration.[2] From a hemispheric perspective, the presence of China in Latin America is surprising in its suddenness and scale, and this in turn has led to a proliferation of commentary, debate and policy analysis, particularly in the realms of strategic thinking, political economy and bilateral relations.[3] But it is

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1 Mercedes Alvaro, "China, Ecuador sign a $2 billion loan deal," *Wall Street Journal* online, 11 June 2011, http://www.online.wsj.com/SB10001424052702304314404576412373916029508.html, accessed 26 July 2011.

2 Tamara Pearson, "China offers largest credit to Venezuela," *Venezuela Analysis*, 19 April 2010, http://venezuelanalysis.com/news/5291, accessed 26 July 2011.

3 Examples of journalistic commentary and debate are too numerous to list. The first important report published on this topic is Kerry Dumbaugh and Mark Sullivan's CRS Report for Congress, "China's growing interest in Latin America," 20 April 2005, http://www.Fas.org/sgp/crs/row/RS22119.pdf. More recent representative examples of edited volumes in English include Riordan Roett and Guadalupe Paz (eds.), *China's Expansion into the Western Hemisphere: Implications for Latin America and the United States* (Washington, DC: Brookings Press, 2008); Alex E. Fernández Jilberto and Barbara Hogenboom (eds.), *Latin America Facing China: South–South Relations beyond the Washington Consensus* (Oxford and New York: Berghahn Books, 2010); and Adrian Hearn and José Luis León Manríquez (eds.), *China Engages Latin America: Tracing the Trajectory* (Boulder, CO: Lynne Reiner, 2011). There is at the time of writing only one scholarly book-length monograph on China's impact on the political economy of Latin America: Kevin P. Gallagher and Roberto Porzecanski, *The Dragon in the Room: China and the Future of Latin American Industrialization* (Stanford, CA: Stanford University Press, 2010).

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all too often forgotten that China's involvement in Latin America and the Caribbean is part of a more general policy of "going out" (*zou chuqu* 走出去), and needs to be understood – both analytically and empirically – within a larger context of globalization for China and for the rest of the world. In both qualitative and quantitative terms, China's current push to "go out" varies by region, by country, by sector and by prior patterns of engagement. There is a broad continuum of scale and intensity in China's involvement with other parts of the developing world, from intensive engagement with South-East Asia (because of geographical proximity and the existence of very large numbers of overseas Chinese), to high profile involvement with Africa (which revives and alters a much earlier public set of commitments to developing countries and leadership in the developing world), to minimal and very careful involvement in the Middle East. China's growing profile in Latin American countries needs to be considered in this global context, in which for China, Latin America occupies a position somewhere between Africa and the Middle East.

Quoting impressive figures has become a commonplace when describing this relationship. The growth in trade has been so rapid in so many places that predictions are made at peril, and this is emblematic of a larger issue: the fluidity and rate at which key aspects of the China–Latin America relationship change renders the subject a rapidly moving target. This is especially true for trade issues: the rate at which ever larger, more comprehensive deals are being concluded means that much of what we thought was known only a few years ago about China's economic impact on Latin America has become obsolete. Conversely, no one really knows, or has even begun to imagine, a future in which China might not be posting astounding growth rates, and what the impact of even a relative retrenchment in China might be for its relations with Latin America. Therefore, one of the challenges of both this overview introduction and our volume is to identify specific areas that can serve to orient inquiry towards the kinds of questions that can help to structure this new, empirically rich and rapidly changing field of study.

We open our inquiry with the notion of movement. The linguistic mixing of the Chinese term for "going out" (*zou chuqu*) with the Spanish for "arriving in" (*desembarco*) captures the range of China–Latin America interactions that require further articulation and analysis. *Zou chuqu* is the Chinese government's own slogan for its official encouragement for Chinese enterprises, particularly large state-owned or state-supported enterprises, to "go out" into the world in search of investment opportunities, but more colloquially it also refers to the widening of China's now global horizons at all levels of analysis from the state as a whole to the entrepreneurial individual and family. For Latin America, the history of the region can be structured as a series of "landings" (*desembarcos*) that shaped different encounters between those arriving (foreigners and foreign powers) and those already living in the region (indigenous peoples and the vast array of those who arrived, stayed and became local). These encounters evoke a constellation of experiences that encompass genocide, resistance,

transculturation and hybridization. A common thread across these encounters has been the varied ways in which they shaped not only the identity of Latin America but also that of those who arrived in this region.

This volume represents an early attempt to develop a preliminary agenda for studying the new engagement of China in Latin America. This task involves understanding the kinds of paths that connect the flow and exchange of goods, commodities, peoples, ideas, discourses and institutions, and how these flows shape not only the interaction between the two regions but also the multitude of specific actors involved in these relations. When we refer to the dynamics of "going out and arriving in" and the resulting gamut of encounters, we are aware that for both Latin America and China arrivals and encounters must simultaneously acknowledge "the deployment and contestations of power" brought about by empires. This historical experience not only informs our emphasis on today's interactions between China and Latin America but also suggests that such interactions are typically characterized by complex practices that entail "mutual constructions and misunderstanding," which can either separate the "us" from the "other," or create contacts, meshing and closeness, as well as new identities, understandings and behaviours.[4]

Disaggregating Hegemon(ies)

China had almost no presence in Latin America only two decades ago. By this time Latin America had already experienced a long succession of outsiders coming to the region in search of natural resources, land, and both direct and indirect forms of influence, often manifested through terms of trade. Many of the essays included in this volume touch on this; Gonzalo Paz in particular reminds us that much of the history of the region can be analysed in terms of outsider "hegemonic challenges," some of lengthy duration and others as aspirants that never quite got the purchase that their promoters hoped for. From the perspective of Latin America, China's "coming to" the region is felt as the latest in a long series of *desembarcos* – and a sudden, new encounter at that, which many are struggling to comprehend. If we take an Olympian view, public opinion perceptions about China's influence in Latin America are not as positive as those held by Africans (the other developing global region that is dealing with a seemingly sudden and massive Chinese "landing"), but significant percentages of Latin Americans, like significant percentages of Africans, think that China's influence on their countries is a good thing. These figures suggest a tendency to accept China as a newcomer in the hemisphere and probably a willingness to welcome deeper relations with the East Asian country.[5]

4 Gilbert M. Joseph, "Close encounters: toward a new cultural history of US–Latin American relations," in Gilbert M. Joseph, Catherine C. Legrand and Ricardo D. Salvatore (eds.), *Close Encounters of Empire: Writing the Cultural History of US–Latin American Relations* (Durham, NC: Duke University Press, 1998), pp. 5–8.

5 See Pew Research Center, *Global Attitudes Survey* (Washington, DC: The Pew Center, 2007; 2010).

However, the closer we look, the more problematic the all encompassing terms "China" and "Latin America" in fact are. China's official rhetoric certainly presents itself as a unitary, rational actor, and most of the analysis outside China is only too happy implicitly to subscribe to this view, but careful work in the realm of natural resource acquisition that is elaborated by Ruben Gonzalez-Vicente for the mining sector suggests that beneath the polite construct of formal relations, China is rife with principal-agent problems, bureaucratic infighting, and "national" state-owned enterprises in untrammelled pursuit of profit and influence often to the detriment of China's wider reputation. Nor is it entirely clear what is and is not the Chinese state, and at whose behest the "going out" policy is implemented. While it is obvious that states in Latin America are many while the state in China (minus the contested offshoot in Taiwan) is unitary, different countries in the region pursue varying strategies of regional integration, industrialization and diplomacy. There is also equally significant variation between different sectors across a range of countries. Whether sectoral or bilateral, this rapidly "thickening" set of relations between China and Latin America typically involves complex blends of symmetries and asymmetries, complementarities based on division of labour, as well as competition and tensions based on the occupation of identical economic niches.

Thus Ecuador and China can have strong complementarities in trade structure but be characterized by profound asymmetries in scale and influence. Enrique Dussel Peters suggests that China and Mexico can be in bitter competition over much of the automotive production and spare parts chain, but are also beginning to find tentative ways to co-operate through joint ventures. Both Strauss, and Barbosa and Jenkins find that Brazil and China can simultaneously exhibit an unusual degree of international co-operation, have strong complementarities in some sectors such as agriculture and mineral export, and have high degrees of tension in manufacturing. More broadly in the region, commodity exporters have gained a great deal from the higher world commodity prices that Chinese demand for raw materials and are enthusiastic about the deepening of trade. At the same time, many of the essays, including Strauss, Armony, Hearn, Dussel Peters, and Barbosa and Jenkins all have evidence that points to profound challenges for light manufacturing such as textiles and shoes throughout the region in countries as different as Brazil, Mexico, Colombia and Peru. The complexity of "going out" and "landing" is thus manifested in multifaceted interactions encompassing ideas, rhetoric, power relationships, business networks, and multiple domestic, international and transnational actors.

Currently, our thinking is that as analysts of a new, rapidly moving relationship, we ought to take a step back and think broadly and conceptually about *how to conceive* of the set of complex, cross cutting patterns that we are now beginning to see emerging in China and Latin America. This agenda is still of necessity preliminary. But we wish to advance, drawing from systematic

empirical work, a set of preliminary notions that can help guide future inquiry in the field of China–Latin America interactions.

China and Latin America as Subject and Object of Globalization

China's officially articulated understanding of its actions in the developing world is a uniform one: "going out" (*zou chuqu*), "mutual benefit," and "giving and getting," all of which is predicated on the principles of mutual respect, absolute state sovereignty and non-interference in domestic affairs. Each one of these principles can be empirically questioned, but the broad brush strokes of China's overall understanding of its globalization in the developing world is a relatively coherent one that is then applied to quite different world areas. There are two questions that emerge from these assumptions. First, if China's engagement with Latin America is part of a larger global process, how much of the particular relationship with Latin America is analytically, qualitatively or quantitatively different from its involvement in the rest of the developing world? If there is a newly emerging field of China–Latin America, how is it *analytically* different from China–Africa, or China–South-East Asia, and how might it be developed to contribute to these other empirical arenas of study, as well as to understanding processes of contemporary globalization more generally? Do the patterns we see in China–Latin America simply mirror the kinds of processes and tensions now under way in South-East Asia, Africa or even the Middle East?

A first step is to pay attention to the ways in which China itself makes sense of the wide variety of relations that it has established with the rest of the developing world. China formally engages with other areas of the world on the basis of a very consistent set of principles that were first formed nearly 60 years ago. However, as Julia Strauss argues in her article,[6] these bedrock principles have been intertwined with a set of notions about development that frame China's international outreach to regions such as Africa and Latin America: a common experience of underdevelopment, poverty and suffering at the hands of exploitative powers, and a newer "globalized" emphasis on "win-win" results as a shorthand for complementarity, comparative advantage and division of labour. These rhetorics are widely applied in both Latin America and Africa. But newer notions of "common development" for Latin America are beginning not only to acknowledge a recognition of the region as more than simply a source of natural resources, but also to act on a common set of developmental challenges with China and, more importantly, accept that both sides are equally capable of engaging in mutually beneficial, complementary and genuinely *horizontal* co-operation. While this notion of "mutual benefit" is frequently trumpeted for China's relations with (for example) Africa, it fits better the reality of Latin

6 "Framing and claiming: contemporary globalization and 'going out' in China's rhetoric towards Latin America."

America where diversification and other options represent viable possibilities for actual rather than merely notional complementarity as part of horizontal co-operation. Insofar as China's actions in horizontal co-operation match its rhetoric of formal equality, it marks a welcome distinction to Latin America's relations with the United States, which in practice have been anything but equal for many generations.

Careful analysis of China's ways of framing and legitimizing its involvement with specific Latin American countries also reveals important differences with respect to its involvement in the rest of the developing world. A fundamental case is its relations with Brazil, which suggest a notion of "mutual co-operation" that goes beyond the ideas of common experience with underdevelopment and a mode of interaction based on division of labour. Official rhetoric on relations with Brazil, as well as recent bilateral projects on agricultural research, nanotechnology and climate change, indicate a different approach to economic complementarity: a notion of mutual co-operation based on joint research and technological development, convergence in international efforts, and two-way strategic investment. As China deepens its relationship with Brazil, we observe that rhetorical devices are at present gradually becoming less important in the face of "real content" and substantive equality. Strauss's research then gives us a useful analytical insight to understand how specific bilateral relationships, such as that of China–Brazil, can contribute to articulate new notions of South-South co-operation that will shape this emerging field of study.

Consideration of China–Latin America equally needs to ask a set of important questions from a Latin American perspective: what are the analytical and empirical features that distinguish this new field from the established one of US–Latin American relations, or, for that matter, even earlier patterns of external influence and domination. It may be useful to explore the process of interaction between China and Latin America taking into account the presence of variables that have structured the relationship between Latin America and the United States, from geography to US reaction to the presence of external actors in the Western Hemisphere. In addition, the contrast between the constitutive narratives of the United States and China (how they self-explain their history and, accordingly, their place in the world) casts light on how an extra-regional power such as China is received in Latin America, a region that has been powerfully influenced by the United States. The contrast between a US narrative built around the idea of a continuous search for new frontiers and a Chinese narrative revolving around the experience of a century of humiliation are starkly different and they are likely to influence engagement with Latin America in distinct ways.

As the history of Latin America cannot be grasped without reference to the United States, the presence of extra-hemispheric states in Latin America cannot be understood without attention to the ways in which these states defy (or not) the status quo sustained by the United States, the region's hegemonic power. A significant portion of the debate on China's involvement in Latin America revolves around the extent to which China represents a threat to the established

order in the hemisphere and/or to the United States. In his contribution to this volume, Gonzalo Paz[7] places China–Latin America relations in the context of previous instances of "hegemonic challenge" to the United States in Latin America – by Nazi Germany, the Soviet Union and Japan – in order to assess whether China's emergence in the area represents a potential threat to US interests. He concludes that, as earlier cases show, trade growth is an essential component of the challenge, but that other factors (such as arms trade and open contestation to the dominance of democracy in the region) have the potential to push the United States into a more aggressive reaction.

Paz shows how there are important similarities between the (real or perceived) challenge posed by Japan and China: a perception that the challenger's economic capabilities could threaten US hegemony and fear that economic power could be connected to military might. A key difference is that, unlike Japan, China is not a democracy and possesses a substantial military. It is difficult to say whether China presents some sort of ideological challenge (for instance, its own brand of authoritarian capitalism) that might be appealing to Latin American countries. As Ariel Armony[8] shows in his study of Colombian media, there are significant differences between coverage of the rise of Japan in the 1980s and that of China in the 2000s. Newspapers in Colombia did not react to the arrival of an emerging power in Latin America as they did in the case of Japan: issues specific to both China and the current international context define China's image in Colombia's media.

Notwithstanding ideological differences and realpolitik tensions, Beijing's involvement in the region continues to be defined by a central strategic principle. It continues to reiterate publicly the specifically US (and to Latin Americans insulting) metaphor of Latin America as the "US backyard" (*houyuan* 后园) in which China will not, or at least cannot be seen to, challenge the US influence. But at the same time, China's emergence has offered governments and economic elites the possibility of diversifying their economic and political relations outside Latin America, thus lessening US hegemonic power in the region. There are several games being played at the same time: diversification of markets, an institutionalized dialogue on Latin America between the United States and China, and increasing trade friction with China. These games are played under a "new normality" marked by dramatic shifts in the global economic order and are shaped by different factors, size being an important one: there is significant variation between Brazil and Mexico's share of Latin America's GDP as compared to that of Argentina, Venezuela, Colombia, Chile and Peru – and there are vast differences in economic power across sub-regions in each of these countries. Accordingly, an effective research agenda requires studies that explore how

7 "China, the United States and hegemonic challenge in Latin America: an overview and some lessons from previous instances of hegemonic challenge in the region."
8 "A view from afar: how Colombia sees China."

varied forms of China–Latin America engagement manifest across national and subnational settings.

A second and even larger question about the emerging field of China–Latin America interaction considers contemporary processes of globalization and the role that China is currently playing in either repeating known patterns of transnational investment, migration and diplomacy, or posing a genuine and meaningful alternative. China makes much of its insistence on "giving and getting," as well as strict non-interference and non-conditionality, in counterpoint to the Western aid regime. We also know that Chinese companies have received a great deal of criticism for their actions in the mining and oil industries in both Africa and Latin America.[9] But in fact, how much of this criticism is because China's ways of doing things are so different, and how much is down to the timing of China's entry into globalized capitalism? To what extent are the kinds of unsavoury extractive and labour practices that attract so much criticism a product of China's relatively late entry into globalized sectors in which the best oil and mining concessions have long been locked up by Western companies, in which it is mostly the most marginal, risky and fragile political/natural environments that allow for the room for newcomers to set up operations? Similarly, given the profound global push towards outsourcing, downsizing and cost-cutting in both public and private sectors, how unusual is the stress of Chinese managers on efficiency, hard work, lowering levels of entitlements for workers, and incurring other costs, like severe environmental damage, in pursuit of profit margins? In short, how much of the kinds of patterns we see in China's involvement in Latin America is either the universalization of patterns of post-capitalist modernity or a challenge to practices that we think of as "Western" in terms of investment, business, trade, aid regimes and migration?

A case in point is the internationalization of China's mining and energy industries. In the mining sector, there is a standard view that Chinese companies prefer to operate in non-democratic contexts because they offer fewer constraints on social and environmental standards. This perspective highlights China as an outlier, which deviates from the behaviour of Western transnational firms. However, a closer look at the evidence shows that Chinese mining companies' investment abroad is marked by a preference for mature and developed mining economies, geographic proximity and direct dealings with other transnational mining companies in lieu of national governments. These conditions help assuage China's relative lack of international experience in the mining industry and therefore reduce market risk.

As Ruben Gonzalez-Vicente[10] argues in his article, Chinese mining investment in Latin America (which is concentrated in Peru and Ecuador) gives priority to liberal mining investment regimes, political stability, pre-existing business

9 See e.g. Simon Romero, "Tensions over Chinese mining venture in Peru," *New York Times*, 15 August 2010, p. A6.

10 "Mapping Chinese mining investment in Latin America: politics or market?"

relations and the presence of a significant Chinese community in the host country. Preference for specific countries in the region are best explained by the strategies and experience of particular firms rather than by a national strategy dictated by the central government or an inclination to work with regimes that shy away from transparency, accountability and the rule of law. The example of Chinese mining operations abroad suggests that Chinese firms are not substantially different from Western companies with regards to their preferences for certain national environments. However, as Gonzalez-Vicente shows, there are some particular characteristics that set Chinese mining investment apart. Chinese companies have the capacity to complement their mining projects with significant projects in infrastructure, which places them in a strong position when competing with other investors. In addition, they rely only partially on stock markets and shareholders, which gives them more freedom to concentrate on medium to long-term profit-making and, more importantly, makes them less vulnerable to monitoring and demands from civil society organizations.

Overall, China offers a complex picture that makes us rethink how processes of capital accumulation interact with political economies of resource extraction. Chinese economic expansion and the demand for natural resources are contributing to reshape the political economy of the Latin American region. We cannot make sense of China's process of capital accumulation without understanding the role that Latin America (and also, for example, Africa) are playing in this process. In turn, China's demand for natural resources should be seen as part of a "unitary historical process" that is changing configurations of wealth and power in Latin American societies, but with its own particular mixture of competitive aspects of industrial policy (longer time horizons and ability to plan) and the kinds of inflexible and insensitive management practices that make it deeply unpopular and possibly even uncompetitive.[11] In this light, the study of China–Latin America interactions in business, aid and investment is a necessary component of any serious attempt to understand contemporary processes of globalization.

Imagination and Mutual Perceptions: Frames for or Creators of Reality

From *longue durée* trajectories of hegemony (Paz) to the everyday discrimination faced by Chinese communities in Cuba and Mexico (Hearn), the question of perception and the degree to which (mis)perceptions of the Other have impacts in the real world looms large in the China–Latin America relationship. Part of this is the process of mutual learning across such vast distances and such different cultures so often referred to in the official state level rhetoric. As Paz suggests, the

11 See Eric R. Wolf, *Europe and the People without History* (Berkeley: University of California Press, 1982), pp. 230–31. See also Ching Kwan Lee, "Raw encounters: Chinese managers, African workers, and the politics of casualization in Africa's Chinese enclaves," in Julia C. Strauss and Martha Saavedra (eds.), *China and Africa: Emerging Patterns in Globalization and Development* (Cambridge: Cambridge University Press, 2010), pp. 77–96.

perception of (and concern about) hegemonic challenges may be as important as anything "real" that actually is hegemonic. Dispossessed and exploited communities in areas of mining activity may perceive of China as a rapacious extractor of natural resources, while Chinese managers may equally see the same reality as one of obstreperous, unreasonable and/or lazy people devoid of either work ethic or an understanding of what is best for their own "development." Jenkins and Barbosa show quite clearly that while there is surprisingly little objective evidence that Brazilian industry *is* being "hollowed out" by competition with China, one of the dominant images and concerns in Brazil (and by implication elsewhere in Latin America) is that China's commercial and trading engagement with Latin America will push it straight back into the kinds of primary commodity export, dependent development from which the region has struggled to escape.

China's behaviour thus awakens a range of local sensitivities in different sectors of Latin America's public sphere. As Armony[12] examines in the case of Colombia, the media can provide constructive channels for open discussion about environmental impact, human rights and corporate responsibility concerning China's global expansion. In the last decade, China has attained a relevant presence in the news media, which presents the Asian power as a model that draws admiration from both conservatives and left-wing observers, but at the same time raises concerns regarding China's commitment to global sustainability and respect for human rights. Latin Americans are increasingly gauging themselves in relation to China: there is significant admiration for China's capacity to generate economic growth but serious doubts about the quality of China's leadership role on a global scale.

A close look at the news media in Colombia reveals that criticism of China's human rights record has more shades of grey than the dominant black-and-white images that are so often produced in Western news outlets, which on the whole react quite negatively to the gaps in China's domestic record on human rights as well as its continued support for regimes with recorded and dramatic human rights abuses, such as for example Sudan and Zimbabwe. In Colombia at least, influential media outlets articulate concerns about "universal values" but, at the same time, appear to be more in line with the behaviour of many governments in Latin America, which have adopted China's often-articulated principles of non-intervention and sovereignty, and have at least formally refrained from denouncing human rights violations in China. This position carries important implications for Latin America, given its own long-standing history of human rights violations, and merits further analysis.

It is not only Latin America and Latin Americans who perceive the Chinese *desembarco* in the light of their own local, sectoral and national experiences. China and Chinese also, albeit more rarely, imagine Latin America through their own perceptual filters. China's "imagined Latin America" is different

12 "A view from afar."