

Latin America and China: What Next for China–Latin American Strategic Relationship?

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Abstract

The long neoliberal night that descended on Latin America since the military coup against Salvador Allende in Chile in 1973, began to be reversed with the arrival of Hugo Chavez to the presidency of Venezuela in 1998 inaugurating with it the Pink Tide of progressive and radical governments in the region. Pink Tide governments undertook a steady reversal of neoliberalism that included the nationalization of natural resources, poverty eradication, economic growth, social inclusion, redistribution of income, and much more. Simultaneously, most of the region began to orient itself commercially toward Asia, especially China, in a mutually beneficial relationship that through growing trade and investment links brought the two sides closer together in an unprecedented development for a region that had hitherto been firmly under the economic and political hegemony of the United States. Thus, political developments and economic trends seemed to guarantee the inexorable emergence of a new world geopolitical architecture within which Latin America would drastically rearrange its institutional and structural links with the United States, bringing about what many Latin American political leaders proclaim as the region's "second economic independence." The growing trade, commercial, and political links between Latin America and China, especially the incorporation of Brazil to the BRICS (Brazil, Russia, India, China, and South Africa), inaugurated the rise of new institutional, political, trade, and commercial structures leading the region to seek to link its economic development to the ever expanding economic weight of the Asiatic giant. Though these highly positive developments have not quite come to a halt, they have been substantially complicated by the negative impact of the world economic crisis since 2008 and the US-led conservative, neoliberal political offensive that has already taken its toll in the victory of Macri in Argentina, the impeachment process against Dilma Rousseff and the installation of the hard-line neoliberal interim government of Michel Temer in Brazil, and the severe economic difficulties faced by Bolivarian government of Nicolas Maduro in Venezuela, just to mention the most important ones. This article seeks to examine the huge potential of Latin America's growing relations with China.

Keywords: Latin America, China, United States, neoliberal, economic growth, poverty

Introduction

It would appear that the BRICS' (Brazil, Russia, India, China, and South Africa) forward march is suffering complications due to substantial negative political shifts, especially in Latin America due to the attendant consequences of the world economic crisis that has hit the sub-region pretty dramatically. This situation has created the conditions for the coming to office of conservative and neoliberal governments in key countries such as Brazil and

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Argentina, which represents a setback for the Asiatic political orientation of most of Latin America, given that these large economies are now in the political control of strongly pro-US administrations. In the case of Brazil, the right-wing, neoliberal government of Michel Temer came into being after a parliamentary coup d'état against democratically elected President Dilma Rousseff.¹ And in Argentina, the neoliberal administration of Mauricio Macri came to office, in a narrow electoral victory, after four years of a vicious destabilization campaign coordinated by powerful domestic and foreign interests. Though Temer's government cannot extricate Brazil completely from the BRICS (he has attended the last two BRICS summits, one in Hangzhou, China, and Goa, India, respectively), some analysts are already talking about Brazil doing a "Braxit" (Brazilian exit) with academics in Brazil's influential conservative think tank such as the *Getulio Vargas Foundation* saying "it is time to leave."² These developments negatively affect the up to recently thriving commercial and economic relations between Latin America and China.

Up to that point, the growing China–Latin American economic, commercial, and political connections were ushering the rise of a new geopolitical architecture based on cooperation, mutually beneficial economic links, the setting up of political and financial structures and above all, substantial and long-term improvements in the standard of living of the people, all crucial factors to sustain the emerging economies in the region. However, the regions' rising political economies need to be based on solid economic foundations if it is going to survive the unavoidable violent fluctuations of the world capitalist economy.

The early 1990s saw a steady rise in the commercial and economic relations between China and Latin America while there was also a steady decline in the commercial, economic, and political relations between Latin America and the United States. The initial Latin America's impetus to growing ties with China are largely attributable to the wave of progressive governments that came to office in the wake of Hugo Chavez's inauguration of his Bolivarian Revolution in Venezuela in 1998; however, this process involved most of the governments in the region regardless of ideological persuasion or political inclination.³ The Pink Tide, as this wave of left-wing and progressive governments became known, was largely responsible for the decline in the United States' commercial, economic, and political significance in Latin America and there is no question that it is both a contributory factor as well as a manifestation of the relative decline of United States' commercial and particularly political influence in the world. These phenomena were exacerbated by the process of regional integration Latin America is going through which involves and continues to involve governments of every persuasion in the region's political spectrum.⁴

The material bases underlying it are the facts that China has been offering markets, credit, investment, and technology to Latin America, whereas the United States is offering Latin America almost nothing else but free-trade agreements – which most countries are not prepared to subscribe – and military bases – which most of them do not like or want. It is actually worse than that since the United States, mainly through the State Department, organizes, finances, and carries out long-term, highly damaging destabilization offensives against all the progressive and revolutionary governments of its Southern neighbors. Mexico's parlous state, the country with the strongest economic relations with the United States in the region, would seem to show that it is advisable to avoid such levels of trade dependency on Uncle Sam.⁵

China–Latin American relations became such a central feature of the economic fortunes of Latin America that the Economic Commission for Latin America and the Caribbean (ECLAC) developed an analytical framework for policy design aimed at ensuring these relations expanded and widened so as to turn them strategic for the region as a whole. In 2012, in well-researched and highly informative 243-page report about the significance of China on the region (*China and Latin America and the Caribbean: Building a Strategic Economic and Trade Relationship*), ECLAC centrally argues that

The economies of China and Latin America and the Caribbean [...] are becoming the contemporary poles of global growth, since the industrialized economies will be forced to adjust over the next few years to a context of slacker growth and higher unemployment.

The present juncture in the international economy invites us to rethink global and regional partnership-building strategies and to afford a greater importance to South-South ties in trade, foreign direct investment (FDI) and cooperation. [Thus in the book] ECLAC argues that relations between China and the Latin American and Caribbean region are mature enough to sustain a leap in quality and to move towards developing strategic ties that can benefit both.⁶

The commodities boom led to robust economic growth in Latin America, thus providing the wherewithal with which to both finance redistributionist policies, but also embark on infrastructure projects that led to historically unprecedented reductions in poverty and extreme poverty and unemployment. In the region as a whole in about a decade (2002–2012), about 70 million people were taken out of poverty and 20 million out of those were taken out of extreme poverty, leading besides to substantial reductions in unemployment.⁷ It was these positive developments that led ECLAC/CAF/OECD to issue report in 2016 calling for a China–Latin America “strategic association for development.”⁸

Pink Tide nations in particular (which up to recently included Argentina, Brazil and broadly speaking also Peru), but also non-Pink Tide nations (such as Colombia), established close relations with China and massively benefited from the commodities boom that came to an abrupt halt by the global crisis in 2008. The decline in China’s imports of raw materials from Latin America and as a result, the plummeting of their prices, plunged most of the region into economic recession allowing conservative political forces, with US support, to capitalize on the attendant difficulties, leading them to win elections in Argentina and Peru, and to trigger an impeachment process against President Dilma Rousseff in Brazil, which in turn led both to her ousting and a de facto hard neoliberal government that is not friendly to China. Negative developments have also taken place in Ecuador, Bolivia, and Venezuela, where progressive governments face the economic pressure of declining export revenues, and where they have experienced electoral setbacks.⁹

The deepening and highly positive relations between China and Brazil during the Workers Party governments (2002–2016) are now being drastically reversed by the de facto Temer neoliberal administration. While PT governments devoted the benefits from trade with China accruing to Brazil to social progress and national development, Temer is savaging all welfare gains, selling the country’s natural resources to US multinational capital as part of a trade reorientation away from China and toward the United States. It was the 2008 economic crisis and the instability it brought about to Brazil that led conservative forces to oust President Dilma Rousseff, thus bringing to an end the Workers Party’s political rule. Likewise, the defeat of Kirchnerismo (a radical manifestation of modern Peronism) in Argentina at the 2015 presidential election led to the conservative and neoliberal government of Mauricio Macri that, as in Brazil, seeks to dismantle the developmentalist and progressive impetus of another key country in the region. As in Brazil, Macri’s conservative government in Argentina is applying harsh neoliberal policies reversing in a few weeks a great deal of what had been achieved in that country since 2003 through the progressive postneoliberal agenda of Kirchnerismo.¹⁰

Thus, due to these retrograde developments particularly but not exclusively in two key countries in the region, Brazil and Argentina, the promising prospect of Latin America’s participation in forging a new world geopolitical architecture with China and its allies around the BRICS has been brought into question. This applies especially to Brazil since its participation in the BRICS alliance has now been complicated and there is uncertainty as to what the Temer de facto government will do about his country’s global alliances. Michel Temer’s government is intensely pro-US to the point of even acting against MERCOSUR, hitherto a central foreign policy objective of all previous Brazilian governments since the

end of the military dictatorship in that country in 1985. Only the political defeat of the Brazilian *golpistas* offers the possibility of fully reinstating the biggest Latin American partner into the BRICS alliance. Brazil's central role in the BRICS offered all sorts of positive connections through the region's Asiatic Perspective."¹¹

The nature and inner strength of China's economic development furnish the material bases and sustainability that justifies the conclusion that there is potentially a new world geopolitical architecture and China offers all the ingredients that would permit the viability of the radical developmentalist and postneoliberal course which the Pink Tide governments have embarked upon since the beginnings of the 21st century.

The Nature of China's Unprecedented Levels of Sustained Economic Growth

The economic rise of China has been so extraordinary that in the time span of 35 years, measured in Purchasing Power Parity terms, China has become the largest economy in the world and, given its current levels of economic growth in about a decade or so, its economy will surpass in current US dollars GDP that of the United States. Furthermore, China has transformed itself from an economically backward agricultural Third World nation into a world manufacturing power with a high and growing technological base that allows it to produce in total the most advanced and sophisticated industrially produced goods such as planes, trains, all sort of industrial and other machinery, electronic devices, and the full range of high-income consumption goods, plus just about everything else and with impressive developments in R&D. Despite the huge amount of intellectual efforts to demonstrate that China has achieved all of this thanks to its adoption of capitalist and market techniques, in fact the opposite is true: China is an economy in which the market is firmly subordinated to the plan.¹²

One of the most knowledgeable Western economists about China, John Ross, summarizes it as follows: "China's achievement is literally the greatest in world economic history." He makes the relevant point that the country's population should also be taken into account when measuring the welfare impact of China's economic growth. Thus, many other economies that have experienced rapid and impressive rates of economic growth in specific historic periods not only do not compare with China's rates but its effects were on substantially smaller parts of the world population: the UK during the industrial revolution had 2 percent of the world's population; the United States after the Civil War with 3.3 percent; Italy from the 1950s with 1 percent; post-World War II (WWII) Japan with 3.3 percent; the Asian Tigers with 1.4 percent; India after the 1980s comes the closest with 16 percent; whereas China has 22.3 percent of the world's population. With these data, Ross compiles the most interesting comparative table of countries experiencing sustained economic growth in relation to its populations as percentages of the world's population.¹³

There is some dispute as to China's rates of growth for the pre-economic reform period (1953-1978) with many references suggesting an average of 6.7%, but it seems that the actual average rate was 4.4%. The latter figure seems to be more realistic since at that time China had a substantially lower technological base, and this period was dominated by political turmoil during which developments such as the Great Leap Forward (1958-1960) and the Cultural Revolution (1966-1976) that were highly disruptive of the economy took place.¹⁴

Figure 1 gives a year-by-year rate of economic growth between 1979 and 2014.¹⁵ China's staggering rates of economic growth since 1978 with an average of 10% per year is not only impressive in GDP terms, but it is even more impressive in terms of social progress that is even recognized and praised by pro-West institutions such as the World Bank that recently wrote "the fastest sustained expansion by a major economy in history - and has lifted more

Table 1. Percentage of World Population in Countries at Beginning of Sustained Rapid Economic Growth

Country	Year	% of world population
UK	1820	2.0%
US	1870	3.2%
Germany	1870	3.1%
USSR ¹	1929	8.4%
Japan	1950	3.3%
Asian ‘Tiger’ economies ²	1960	1.4%
China	1978	22.3%

1. Average of 1920 (8.3%) and 1940 (8.5%)

2. Total for South Korea (0.8%), Taiwan (0.4%), Hong Kong (0.1%) and Singapore (0.1%)

Source: Calculated from Maddison, *Statistics on World Population, GDP and Per Capita GDP 1-2008AD* <http://www.ggd.net/MADDISON/oriindex.htm>

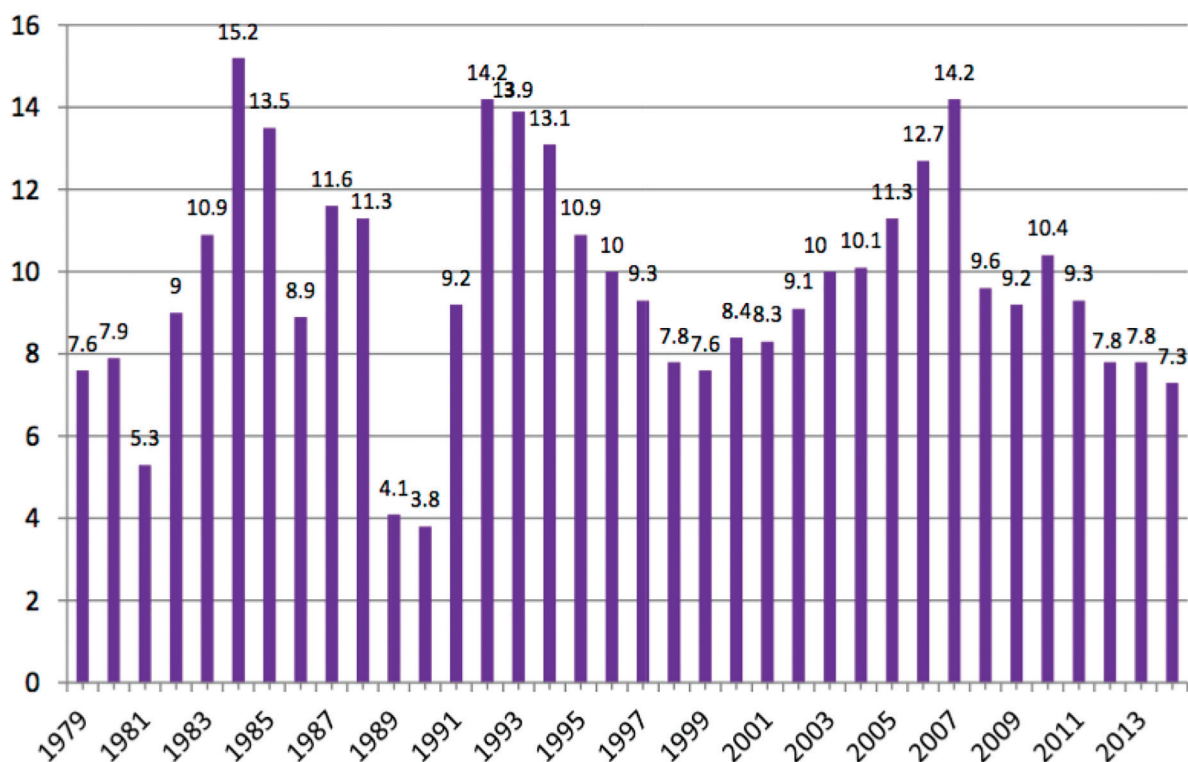


Figure 1. Chinese Real GDP Growth: 1979-2014 (percent)

Source: International Monetary Fund, *World Economic Outlook*.

Note: The sharp economic slowdown in 1989 and 1990 was largely the result of the political and economic turmoil in China that occurred following the June 4, 1989, Chinese government crackdown on pro-democracy students and subsequent economic sanctions that were imposed against China by several countries.

than 800 million people out of poverty.”¹⁶ China’s poverty eradication has been hailed by some Western commentators as the greatest increase in human welfare in history.¹⁷

Historically, the expansion of capitalism in the periphery has neither achieved such a sustained rates of economic growth, nor such levels of increase in human welfare; instead it has usually led to the expansion of private capital with a concomitant (but small) capitalist class leading to unbridled control over the process of capital accumulation, the nation's finances, and the predominance of profit over human development, that has normally ended in external domination by Capital from the Citadels of imperialism. None of this applies to China; thus, I subscribe to John Ross's characterization of China's development as "socialism with Chinese characteristics."¹⁸

Furthermore, by 2009 China had become the main driver of world trade about which it enjoys commanding positions in many areas. According to the ECLAC,

[D]espite a sharp fall-off in its exports, in 2009 China became the world's largest goods exporter (US\$ 1.202 trillion), just surpassing Germany (US\$ 1.121 trillion). China accounted for 9.6% of global exports that year. It was also the world's second-largest importer after the United States, with goods imports of US\$ 1.006 trillion in 2009, representing 8% of global sales.¹⁹

On June 29, 2015, China led a host of 57 countries in establishing the Asian Infrastructure Investment Bank (AIIB), a global development bank with a multilateral approach, which will start with a US\$50 billion capital and will endeavor to fill the gaping hole that exists in infrastructure in Asia of US\$600 billion a year.²⁰ Despite Washington's strong warning to allies not to join the AIIB, many US Western allies such as Germany, the UK, France, Switzerland, and many others – including the usual suspects such as Russia, Brazil, India, and so forth – have become members of it. The significance of the establishment of the AIIB is enormous since it

has helped to cement China's role as a major power, rising within the ongoing evolution of the established international system, with the G20 (to be chaired by China in 2016) as a key element in global economic governance, and now with the likely inclusion of the *renminbi* in the SDR basket.²¹

In fact, the *renminbi* has already been granted reserve currency status by the International Monetary Fund (IMF). For the IMF's executive board, which represents the fund's 188 member nations, the "Yuan meets the standard of being 'freely usable' and will join the dollar, euro, pound and yen in its Special Drawing Rights basket [...]."²²

In addition, also at China's initiative the New Development Bank (NDB) has been established, that is, the BRICS bank, jointly created by Brazil, China, India, Russia, and South Africa, that began its operations in July 2015, that has already issued loans in the renewal energy development field to the tune of US\$300 million to Brazil, US\$81 million to China, US\$250 million to India, and US\$180 million to South Africa.²³

The Foreign Ministry of Brazil – while still under Dilma Rousseff – officially welcome the NDB as follows:

the constituent agreements of the New Development Bank (NDB) – aimed at the financing of infrastructure projects and sustainable development in emerging economies and developing countries – and the Contingent Reserves Arrangement (CRA) – which has the goal of promoting mutual support amongst the BRICS members in situations of instability in the balance of payments. The initial capital subscribed to the NDB was \$50 billion and the authorized capital was \$100 billion. The resources allocated to the CRA, in turn, will amount to \$100 billion.²⁴

International finance specialist, Stephany Griffith-Jones, aptly explains the significance of these developments:

The creation of the Asian Infrastructure Investment Bank (AIIB), as well as other development finance institutions (such as the BRICS' New Development Bank and the Silk Road Fund), seems not only to herald a new era, but also to provide a valuable continuity with both the post-World War II era and the more recent past.

The AIIB and the other new institutions signal a break with the past in that they are mainly South-South multilateral institutions. They use a relatively small part of the abundant

foreign exchange resources and savings, as well as the expertise, of some emerging economies, especially China, and channel them toward much-needed infrastructure in other emerging and developing economies.²⁵

Thus, the orientation of Latin America's Pink Tide governments to link their future development and the construction of a new world to China is fully justified not only in terms of the Asiatic giant's impressive rates of growth, but also because of its vigorous efforts in building a financially robust and technically well endowed new international architecture. Conversely, to subordinate Latin America to the economic fortunes of the United States, as right-wing governments coming to office in the last period (Brazil, Argentina, Peru) are doing, is inimical to any prospect for economic growth and long-term development. Not only these governments are strongly gravitating toward Washington, they are applying harsh deflationary economic policies and have adopted measures that are clearly against the national interest and the future development of their nations.

The Macri government settled a long-term dispute with a group of US-based hedge funds that were holders of a fraction of Argentina's restructured US\$100 billion debt in favor of the latter leading one of them to get an estimated return of 370 percent and with another obtaining 95 percent return.²⁶ Michel Temer's right-wing administration in Brazil has approved removing Petrobras' (the state oil company) exclusive rights over the exploitation of Brazil's pre-salt (oil) reserves, that is, its privatization, and allow foreign companies to own exploration rights, thereby putting the country's natural resources in the hands of multinational companies. It is estimated that the pre-salt oil reserves is nearly four times the current national reserves (the latter estimate being roughly 14 billion barrels).²⁷ Given the United States' steady economic decline in the last few decades, closer ties with it are not only unlikely to produce a similar beneficial impact as the relationship with China, but as the examples above show, it will very likely be beneficial to the United States at the expense of Latin America.

Thus, the US national debt is in the region of US\$20 trillion (over 104% of its GDP and going up), its budget deficit is US\$534 billion (about 100 billion more than in 2015), and it is projected to grow.²⁸ The decay of the US economy can more emblematically be seen in its crumbling infrastructure which, according to the latest report by American Association of Civil Engineers, will require US\$3.6 trillion by 2020 if it is to deal with the "significant backlog of overdue maintenance across our infrastructure systems, a pressing need for modernization, and an immense opportunity to create reliable, long-term funding, but they also show that we can improve the current condition of our nation's infrastructure ..."²⁹ In other words, one should expect the United States to get the maximum revenues and profits from economic relations with Brazil, Argentina, or any other Latin American country with a pro-US government.

The Meteoric Expansion of Chinese-Latin American Commercial Relations

The China-Latin America trade expansion has been indeed staggering, although it represents a small proportion of China's total trade. China's trade relations with Latin American have gone from almost no statistical relevance in 2000, to over US\$250 billion in 2014 (see Table 2).³⁰

Figure 2 shows that trade with China for the period 2000-2014 grew 2.5 percent, barely a decade. Its distribution was highly concentrated in a few economies that attracted nearly all of China's economic attention; as we can see in the Table 2, Brazil was taking the lion's share (42.6 percent) and Chile was responsible for about a fifth of the total (19.4 percent).³¹

The extraordinary expansion of China's trade with the region branched out into Chinese Foreign Direct Investment in major infrastructure projects. At the beginning of

Table 2. Latin America and the Caribbean (16 countries): goods export to China, 2012-2014
(Millions of dollars and percentages)

Country	2012	2013	2014	Share 2014	Variation 2013/2014
Argentina	5 001	6 407	4 650	4.9	-27.4
Bolivia (Plurinational State of)	316	320	434	0.5	35.6
Brazil	41 228	46 026	40 616	42.6	-11.8
Chile	18 098	19 090	18 438	19.4	-3.4
Colombia	3 343	5 104	5 617	5.9	10.1
Costa Rica	331	372	338	0.4	-9.0
Ecuador	392	569	502	0.5	-11.8
El Salvador	4	47	6	0.0	-87.7
Guatemala	35	167	43	0.0	-74.5
Honduras	114	135	71	0.1	-47.2
Mexico	5 721	6 470	5 979	6.3	-7.6
Panama	34	51	69	0.1	35.3
Paraguay	42	57	48	0.1	-16.0
Peru	7 849	7 331	6 968	7.3	-5.0
Uruguay	796	1 290	1 219	1.3	-5.5
Venezuela (Bolivarian Republic of)	14 101	11 587	10 342	10.8	-10.9
Total	97 403	105 024	95 323	100.0	-9.2

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from the respective countries.

2015, China's president Xi Jinping announced that his country was ready to invest around US\$250 billion in the next ten-year period. Below we list some of the investment projects.³²

- Venezuela Orinoco Strip and the Fondo Mixto Chino-Venezolano, through which there will be joint exploration and exploitation of oil in the Orinoco region. In addition, Venezuela has received over US\$460 billion that represents about 50 percent of the total. With the Fondo Mixto Chino-Venezolano more than 200 development projects have been financed, among which there are the Simon Bolivar and Francisco de Miranda satellites, motorways, and railways. Furthermore, there are projects exploration and exploitation of oil with China National Petroleum Corporation (CNPC) and China Petroleum & Chemical Corporation (Sinopec), both Chinese state companies, for a total of US\$42 billion. Venezuela has continued to receive loans from China to improve its future oil extraction and oil refinery capacity.³³
- Brazil-Peru Trans Amazonian 4,000 km railway that will unite the Atlantic and the Pacific, a project of between US\$30 billion to US\$55 billion.
- Nicaragua Canal, a six/seven-year US\$50 billion project uniting the Atlantic and the Pacific going through Nicaragua Lake, which will generate about 50,000 jobs and will have the capacity for the transit of over 5000 ships. Done jointly by the Nicaraguan state/government and the HKND Group.³⁴

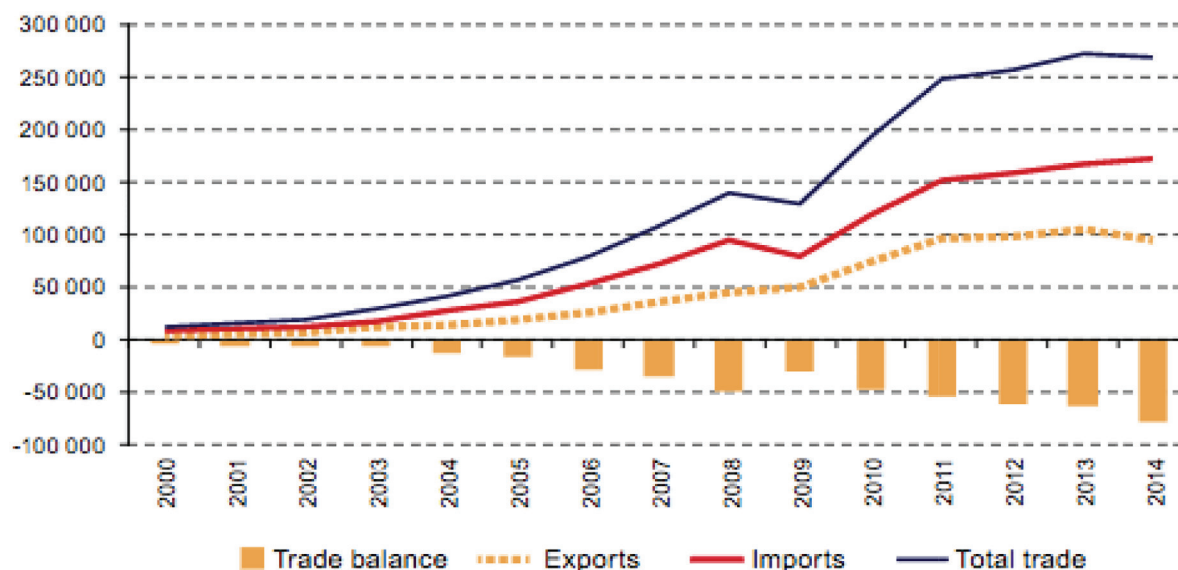


Figure 2. Latin America and the Caribbean: goods trade with China, 2000-2014 (Millions of dollars)

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from the United Nations Commodity Trade Database (COMTRADE). The data for 2014 come from official sources in 16 countries: Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, Plurinational state of Bolivia and Uruguay.

- Argentina’s China National Offshore Oil Corporation (CNOOC) has become the second oil company after YPF. China and Argentina are the signatories of 17 agreements among which there are two dams, railways, irrigation projects, and the energy plants.
- Ecuador obtained Chinese loans for US\$11 billion to finance hydroelectric projects, bridges, motorways, and other infrastructure works, plus health, education, and security. There are also joint ventures on oil, copper, gold, and wind power.
- In Chile, there is Chinese FDI in finances, mining, agriculture, commerce, and forestry.
- Bolivia has a satellite, the Tupac Katari, up in space thanks to Chinese cooperation and investment, but China is also involved in motorways, railways, dams, sugar mills, and mining in this Andean nation. The estimated total investment involved is over US\$20 billion. Perhaps the most important China–Bolivia projects is the bi-oceanic railway that will link up Brazil, Peru, and Bolivia from the Atlantic to the Pacific.

Thus, China’s relations with Latin America have not just been about extracting raw materials they have involved a relationship that does substantially contribute to the economic development of the countries in the region. It tends to go well beyond trade. A panoramic view of the relations between China and Brazil, which we do below, sheds light on the economic development potential of this relationship for Brazil and for the whole of Latin America (up to before the coming to office of the pro-US de facto government of Temer).

China and Brazil

Between 1984 and 2004, Brazil’s exports to China went from US\$453 million to US\$4.7 billion, that is, an increase of more than 1000 percent in the time span of 20 years. Likewise, China’s exports to Brazil went from US\$365 million to US\$2.9 billion, that is, about 800 percent increase.

Though diplomatic relations officially began in 1974, in 1993 the two nations established a strategic partnership; in 2004, they established the High Level Chinese-Brazilian Commission of Cooperation (COSBAN) and in 2010 they signed the Plan of Joint Action 2010–2014 (PAC in its Portuguese acronym). In May 2015, their mutual relations were elevated to the level of Strategic Global Partnership with a Global Strategic Dialogue between their respective foreign relations ministries.

The Plan of Joint Action involves long-term cooperation and is wide-ranging including key areas such as science, technology and innovation, and space cooperation, energy, mining, infrastructure and transport, investment and industrial and financial cooperation, economic-commercial cooperation, and cultural exchange.

Brazil recognizes the People's Republic of China (PRC) as the only legal government of China and considers Taiwan as an inalienable part of the territory of the PRC. Brazil supports the "one China" policy and all peaceful efforts to unify all Chinese territories. In 1988, both countries signed cooperation for the construction and launching of satellites. Since then, Brazil has launched five satellites (1999, 2003, 2007, 2013, and 2014).

Since 2009, China is Brazil's main trading partner and has become one of the main sources of FDI. Their trade went from US\$3.2 billion in 2001 to US\$66.3 billion in 2015. And in 2012, China became the main source of imports for Brazil.

Brazil's exports to China in 2015 were US\$35.6 billion and imported US\$30.7 billion, thus enjoying a surplus of US\$4.9 billion. The accumulated surplus for Brazil from China since 2009 is US\$46 billion.

China is Brazil's main source of investment in energy, steel, and agribusiness, and both countries have intensified their financial cooperation with various Chinese banks operating in Brazil. Both countries created the Fundo Brasil-China para Expansão da Capacidade Produtiva with a capital of US\$20 billion for infrastructure, energy, mining, manufacture, agriculture, and others.

Both countries collaborate in various international mechanisms (BRICS, G20, BASIC), and in July 2014, they created the BRICS NDB with an initial capital of US\$200 billion and in April 2015 Brazil became one of the founding members of the AIIB.³⁵

In 2004, Brazil's GDP was US\$6639.32 billion. By the end of Lula's two terms in office in 2010, Brazil's GDP had gone up to US\$2,208.87 billion. By the end of Dilma's first period in 2014, the country's GDP had reached US\$2,417.05 billion (having slightly declined from a high of US\$2,614.57 billion because of the world economic downturn). Such an economic performance is by no stretch of the imagination a failure.³⁶

All of the huge potential described above is now in jeopardy because the de facto government of Brazil is reversing most of the country's long-term development policies and is intensely pro-US. Furthermore, US anti-China policy is seeking to weaken the BRICS alliance by pulling Brazil away from it, but also by the development of fracking to destabilize Russia's economy.

The Drawbacks and Complexities in the China-Latin America Relationship

The heavy dependency on the export of commodities lies at the heart of the current economic and political difficulties Latin America as a whole, and many of the Pink Tide progressive governments in Latin America, face. In other words, China's economic contraction, led partly by domestic considerations but also by the decline in world economic activity resulting from the world economic crisis, revealed "the structural weaknesses of commodity-based growth."³⁷

This is not quite a revelation since Latin America is and has historically been a region whose participation in the international division is and has largely been a supplier of primary

products and raw materials, thus leading to a broad consensus among scholars that this is the chief source of its underdevelopment and acute structural social inequalities. What has been different in the economic growth arising out of the supply of commodities to China has been the absence of the imposition of onerous conditions undermining national sovereignty and the economic pillage that has characterized the intervention and economic relationship with Western multinational companies, and Western governments, primarily the United States. Since the 1970s, on many occasions when economic booms came to an end, the ensuing crisis led to the external imposition of inhuman Structural Adjustment Packages by multilateral agencies such as the IMF and The World Bank.

ECLAC correctly characterizes the strong China–Latin America relationship as a partnership, an epithet that could not possibly be used to define the relationship with Washington and Western multinational companies. Latin America’s relationship with China has been beneficial to the region’s development (the experience of Brazil in the 2002–2013 period we examined above, confirms this) but also in the unprecedented amount of infrastructure investment that was designed for and has brought about substantial development benefits to the nations recipient of China’s FDI. Overall “Trade between China and the region has experienced an unprecedented expansion over the past 15 years, multiplying 22-fold over this period.”³⁸ What lies behind these aggregate figures is indeed impressive:

Trade between Latin America and China has expanded in an unprecedented way over the last 15 years, but the commodity-based growth model is revealing its limits. China and Latin America have experienced an impressive trade boom since 2000, increasing trade 22-fold. Between 2001 and 2010, mining and fossil fuels exports from Latin America to China grew at an impressive 16% annually, followed by agriculture products at 12%. Today, China is the largest trading partner for Brazil, Chile, and Peru. The result is stronger, though uneven, global value chain linkages between China and Latin America. Commodities accounted for 73% of the region’s exports to China (versus 41% worldwide), while technology manufactures only reached 6% (versus 42% worldwide). China’s higher reliance on consumption instead of investment is already reducing its demand for commodities, which, together with the fall of prices, is affecting Latin American commodity exporters.³⁹

Thus, Latin America cannot continue to rely solely on the export of commodities for its economic development, especially since its economic fortunes can progress only if maintains a close association with the one area in the world that, despite the global crisis that has nearly brought most advanced economies to a halt, continues to grow apace, namely China and the economic geography around it, that is, Asia and the BRICS.

China has decided to implement some fundamental readjustment to her economy in order to become a high-income nation. In addition, China’s central economic authorities faced with the global financial crisis had no option but to reduce economic growth, which by 2015 had gone down to 6.7% as compared with the 10.5% average for the period 2000–2010. Thus, though in 2014 Chinese exports went up by 6% by value, imports sagged which affected commodities such as coal, copper, iron, and oil, as well as cement and steel.⁴⁰

The effects of this contraction on Latin America were hard mainly due to the huge asymmetries between the region as a whole and China, but especially considering China’s “unmatched capacity to develop comparative advantages in manufacturing.

So according to the Economic Commission for Latin America, in 2013, commodities accounted for 73% of the region’s exports to China, compared with 41% of its worldwide sales. Low-, medium-, and high-technology manufacturing accounted for just 6% of the region’s exports to China, compared with 42% of its global exports. By contrast, whereas low-, medium-, and high-technology manufacturing accounted for 91% of Latin American imports from China in 2013, they represented 69% of its global imports.⁴¹

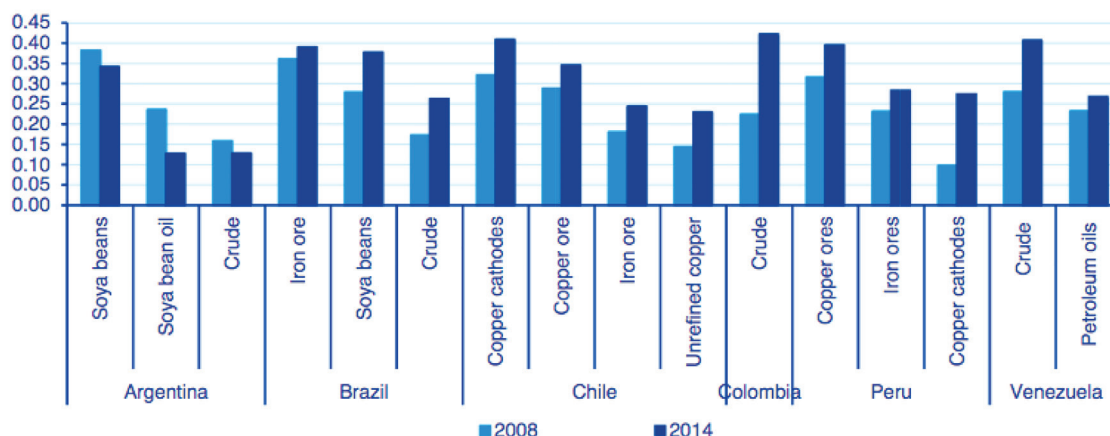


Figure 3. Export dependency indexes for commodities accounting for 75-80% of total exports for LatAm-7 (ex.Mexico)

Source: BBVA Research based on UN COMTRADE statistics

Worse still, most of Latin America failed to diversify its exports; some countries, such as Brazil, Argentina, and Chile significantly fell back, reducing their export diversification.

Thus, China's economic slowdown led to low (in some cases, negative) rates of economic growth in Latin American countries, leading to a decline in domestic investment, and international credit conditions became tougher; the result was recession in most economies in the region. In other words, the strong dependency on the export of commodities is a necessary but clearly not sufficient condition to take full advantage of the beneficial trade and economic relationship with China. What Latin America requires is to embrace a second phase of shifting wealth and define a new economic model anchored in productive development policies to improve participation in global value chains, foster economic diversification, and strengthen exports of food, services, and tourism.⁴²

The chief problem has been the too strong dependence on the export of primary products. Its vulnerability became apparent with the world crisis, as can be seen in Figure 3.⁴³

In this regard, CEPAL produced a very interesting analysis of the intricacies, benefits but also problems arising out of the strong relationship with China by characterizing it as a "new era in the economic and trade relationship." In it, ECLAC, after praising the many positive features the relation between Latin America and China, pointed out that:

Latin American and Caribbean nations must carefully consider the China-centred productive integration occurring in Asia and attempt to join the supply and value chains now being formed. To that end, they should foster Chinese investment in the region as well as outward investments by the region in China, and promote alliances between local and Chinese businesses, thus emulating the Asian production integration experience surrounding regional and subregional supply value chains.

ECLAC's analysis ends up stressing "the most pressing task for governments in the region is to advance an agenda that includes trade, investment, infrastructure, logistics, tourism and technological exchanges in order to foster a strategic alliance with China."⁴⁴

However, the all-out regional movement for conservative restoration that has hit the whole continent is changing Latin America's political complexion to such an extent

that the historical opportunity to link up with China in a strategic partnership that could take the region out of dependency and underdevelopment is under serious jeopardy by the right-wing successes in Argentina, Brazil, and elsewhere. Though Latin America's Right is a powerful political force, it tends to be depicted as a much more formidable than it is, leading to superficial pundits to draw the conclusion that we are witnessing the death of the Latin American Left including the demise of all its "social experiments" such as the Bolivarian Revolution in Venezuela.⁴⁵ BBC journalist Nick Caistor probably unwittingly gave voice to what the pundits really mean. In December 2015, in the wake of the right-wing electoral victory to the National Assembly in Venezuela, Caistor wrote:

This desire for fresh political ideas and policies seems likely to sweep throughout Latin America in the coming months and years, threatening the hold on power of other populist leaders such as Rafael Correa in Ecuador, Evo Morales in Bolivia, and Daniel Ortega in Nicaragua.

With this, Caistor voiced more a political desire than an ongoing factual development. With Macri and Temer, Argentina and Brazil have not at all benefitted from any fresh ideas or policies; in fact, one can easily trace the intellectual origins of their neoliberal ideas and policies to 19th-century European right-wing ideologies.

The issue is, what makes the right-wing challenge to the Pink Tide governments so formidable? Four years ago, Pink Tide governments looked electorally, politically, and economically unassailable; now none of them seems to be solid enough and almost without exception they had suffered setbacks in popular support.⁴⁶

Obviously, the negative impact of the world economic crisis has something to do with the ongoing misfortunes the Left has been facing in Latin America, but by itself is not sufficient an explanation. The answer lies in the powerful socio-economic and political forces arrayed against any progressive development anywhere in the planet, who deploy well-structured and incredibly well-financed mechanisms, capable of unleashing long-term and deadly destabilization campaigns that are instrumental in exacerbating existing difficulties, mobilizing social and political opposition, invariably accompanied by intoxicating media demonization unprecedented even during the worst moments of the Cold War. In other words, the Pink Tide governments under attack do not just face a domestic opposition, but they are confronted by a colossal apparatus endowed with lethal powers of destruction. This Leviathan-like machinery extends its reach to even the remotest corner of the planet, and the actions of its mechanisms, devices, and institutions can have devastating consequences. Furthermore, it presents itself in multifarious forms; it is adaptable, flexible, sophisticated, and all its tentacles lead to Washington, imperial country that has developed an amazing architecture of intervention.

The architecture of US imperial political intervention

There is the widespread wrong impression that all aspects of US foreign policy are determined by the White House. This does not mean that the White House or the president do not have any influence in foreign affairs, but they concentrate chiefly on securing the consensus objectives of the imperial state's foreign policy as well as acting to ensure the defense of US imperial hegemony anywhere it may be challenged. Whereas in the 20th century the United States resorted to either military invasions or created the conditions for a military coup d'état, in the last few decades, US imperial intervention has taken the form of "colour revolutions," involving civilian mobilization to the point of mass "non-armed" insurrection leading to the "legitimate" ousting of the government.⁴⁷

The "commander-in-chief" of the US-promoted "colour revolutions" against governments Washington dislikes around the world is the National Endowment for

Democracy (NED). The Central Intelligence Agency (CIA) was discredited, especially after the Iran-Contra Affair which saw the agency actively exhibiting criminal conduct, led to shifting all those awful things to the NED to “do somewhat overtly what the CIA had been doing covertly for decades.” Allen Weinstein, US official who helped draft the laws to establish the NED said candidly in 1991: “A lot of what we do today was done covertly 25 years ago by the CIA.” This claim is justified when we learn that the NED has disbursed huge monetary resources to the American Institute for Free Labour Development (AIFLD) that was used by the CIA for decades to subvert progressive trade unions for it to continue its work, but also there is ample evidence to show that the NED among other feats has

successfully manipulated elections in Nicaragua in 1990 and Mongolia in 1996 and helped to overthrow democratically elected governments in Bulgaria in 1990 and Albania in 1991 and 1992. In Haiti in the late 1990s, NED was busy working on behalf of right-wing groups who were united in their opposition to former president Jean Bertrand Aristide and his progressive ideology. NED has made its weight felt in the electoral-political process in numerous other countries.⁴⁸

The NED is accountable to the US Congress and Senate not the Executive or the Presidency.

United States’ architecture of intervention is organized through its state apparatus around a key institution, the all-powerful State Department, which connects and coordinates openly and (one can assume) in more informal ways with the Pentagon (SOUTHCOM in the case of Latin America), obviously the CIA, and the Foreign Affair Committees of both the House of Representatives and the Senate. Immediately below the State Department there is USAID,⁴⁹ the NED, the Office of Transitional Initiatives (OTI) whose function is to “transition” government (or “regimes” in Washington’s parlance), and the AIFLD. Each one of these agencies is organized to intervene in all regions of the world, continent after continent, and country by country in every continent. Then USAID, the CIA, and the NED have functional and formal bureaucratic links with private institutions, all part of the interventionist apparatus: they are the International Republican Institute (IRI), a body of the Republican Party, and whose chairman is John McCain; the International Democratic Institute (INDI), a body of the Democratic Party, and whose chair is Madeleine Albright, Bill Clinton’s hawkish State Secretary; the Center for International Private Enterprise (CIPE) in whose Board of Directors we find leading lights of The Heritage Foundation and the US Chamber of Commerce; and Transparency International (TI) body that regularly rates the levels of corruption of countries and which normally rates negatively governments Washington is trying to undermine or it does not like. Then somewhat coordinated with the State Department, there are Human Rights bodies (in the case of Latin America, the Inter American Commission of Human Rights that does the US’ bidding) but also influential private foundations such as the Inter American Press Association (IAPA), the body of newspapers owners; the Fundación para el Análisis y los Estudios Sociales (FAES) whose chairman is former Spanish president Jose Maria Aznar; the Instituto Prensa y Sociedad (IP&S), a NED-funded body that passes “technical” judgment on the level of censorship and freedom of the press that is in IP&S exists under a given government; plus think tanks such as the Konrad Adenauer Foundation, associated to German Christian Democracy; the Frederick Ebert Foundation, associated to German Social Democracy; and multiple other such think tanks. To all of which must be added, the world’s corporate media as well as thousands of social media outfits. All of the above connections branch out into thousands upon thousands of other bodies, not only globally, but also nationally, regionally, provincially, and locally even at the municipal level. It is indeed an extraordinarily powerful and formidable apparatus.

We do not have space to discuss individual cases here, but suffice to say that once Washington targets a “regime” all hell against it breaks loose. The obvious example is the government of Venezuela that has been subjected to 17 years of relentless attack suffering unprecedented levels of media demonization throughout that time.⁵⁰ The destabilization

currently includes, as with Salvador Allende in the 1970s, a nasty economic war aimed at hitting the poorest and most vulnerable so as to undermine the government's social base of support. Thus, the Pink Tide governments have had to contend with this monstrous octopus-like apparatus that besiege them in all areas, political, media, financial, economic, mass mobilization in the streets, credit ratings, "technical" reports on levels of corruption, reports charging them with human rights violations, "technical" articles discrediting their economic and social policies, if feasible they are applied economic blockades; in regular reporting they are accused of undemocratic behavior verging on the totalitarian, plus having to deal with a domestic fifth column which is extremely well financed, well trained and well organized, opposition media, political parties and "civic associations" and "NGOs."⁵¹ Besides economic sabotage, they also have to face currency speculation, hoarding, shortages of basic necessities which are sold speculatively in the Black market, deliberately fueling inflation, and in the case of Venezuela, the activities of thousands of Colombians paramilitaries that are silently smuggled into the country's inner cities where they link up with extreme right wingers unleashing waves of violent crime.

Thus, it is essential to have a global view in order to understand developments in individual Latin American nations. But it is particularly important to identify the global coalition arrayed against the Pink Tide governments – prompt to pounce if given the opportunity – and the weapons at its disposal. The negative impact of the world economic crisis has offered this world coalition such an opening with pretty harmful consequences. The Pink Tide governments' orientation toward China only intensifies this world coalition's enthusiasm to liquidate them.

What Does the Future Hold?

The weak or even negative performance of the Latin American economies since approximately 2009 has revealed the structural drawback of depending so heavily on the export of commodities. It is abundantly obvious that the region's countries need to diversify their economic structures by finding productive or service areas in which they enjoy comparative advantage, especially those with export potential; otherwise, the fluctuating world economic activity, now heavily dominated by huge financial flows, will bring about a similar or worse economic recessions than the one the region is currently experiencing, thus threatening on every occasion.

As we have seen above, the actual and potential conditions do exist for the highly beneficial economic and trade relationship with China to move to a higher level in which Latin American nations, through infrastructure and productive investment as well as through technological transfers, can diversify their economies and be better prepared for any future world recessions of which the capitalist global economy is so prone to.

In this regard, it would be possible to identify areas of development, growth, and investment in Latin America that coincide with areas of development, growth, development and investment in Asia, especially China, so as to make potential future adjustments harmonious with the whole of Asia, thus substantially minimizing the impact of future crises, leaving Latin America in a position to sustain the progressive social and economic policies that are now in jeopardy in most of the region.

More importantly, as by now the Chinese authorities must have realized, the political precondition for such a mutually beneficial relationship with Latin America is governments committed to the progressive policies associated with the Pink Tide. Social, economic, and political forces associated with Latin America's traditional elites, as we have seen in Brazil and Argentina (one can only imagine the horrors the ousting of the Bolivarian government in Venezuela by conservative forces would unleash), would gravitate not only toward the United States and away from China, but would set the region back decades, thus jeopardizing

the mutually beneficial relationship with China, and complicating the project of constructing a new progressive, developmentalist, and world geopolitics.

The conservative forces in Brazil and Argentina, though temporarily victorious, have demonstrated not only their inability to consolidate or create a neoliberal consensus with any substantial social support, but have shown thorough their incapacity to develop the nation's economy or having the aspiration for an autonomous economic and sovereign country, let alone having the ability to make the economy grow. The reaction and mass opposition to the application of the usual neoliberal recipes (privatizations, impoverishment of the mass of the people, drastic reduction or elimination of their social and political rights, the widespread practice of corruption, the denationalization of big chunks of the economy, the opening to voracious multinational capital, the capitulation to the conditions of financial capital, and so on) has been very intense in both Brazil⁵² and Argentina, but also in the region's countries where by hook or crook the elites have re-established their political ascendancy or overthrown the democratically elected governments of the Pink Tide such as in Paraguay and Honduras, where, although there is ferocious repression, there is also strong resistance.

This shows that Latin America has changed so dramatically that it is not prepared to countenance the imposition of neoliberal "solutions" but also that in the region, temporary political setbacks notwithstanding, it is not possible to govern for 1 percent of society, which is the economic model promoted by the United States and its allies. If Latin America is to continue on the path of social inclusion, poverty eradication, economic growth, reduction of inequality, free and universal health care and education, in short, a better world, it has to adopt a model that stresses the rise in the standard of living of its citizens, that is, the essential component of the Chinese model implemented with the political characteristics and cultural contexts of the individual Latin American nations.

Or as ECLAC aptly puts it

Change has begun. China's transformation introduces a number of new challenges and opportunities for the region, and they need to be incorporated in its development strategies to achieve economic growth through the broader objectives of upgrading, diversification, and integration.⁵³

It was mass opposition to three decades of the neoliberal model inaugurated by the Pinochet dictatorship in Chile in 1973 that gave rise to the Pink Tide begun by Hugo Chavez in 1998. The resistance struggles of today are sowing the seeds of a new, stronger Pink Tide. And Latin America is unlikely to take three decades, especially knowing that it can count on a strategic relationship with China.

Notes

¹ For a comprehensive and well-informed political analysis of the process of impeachment, see Perry Anderson, "Crisis in Brazil," *London Review of Books*, vol. 38, no. 8, 21 April 2016, <http://www.lrb.co.uk/v38/no8/perry-anderson/crisis-in-brazil> (accessed 24 October 2016); see also commentary after the parliamentary coup had been consummated, Hector Perla Jr., "Death of Democracy: Brazilian President Impeached by Majority of Senate Votes," *Council on Hemispheric Affairs*, 1 September 2016, http://www.coha.org/wp-content/uploads/2016/09/Death-of-Democracy_-Brazilian-President-Impeached-by-Majority-of-Senate-Votes-for-Website-Upload-1-1.pdf (accessed 24 October 2016).

² Rakesh Krishnan Sihma, "BRICS Should Prepare for 'Braxit': A Brazilian Exit," *RBTH*, 4 July 2016, http://in.rbth.com/blogs/stranger_than_fiction/2016/07/04/brics-should-prepare-for-braxit-a-brazilian-exit_608637 (accessed 23 October 2016).

³ Hugo Chavez inaugurated this wave when in 1998 he stunned Venezuela's oligarchy by winning the election in 1998; after that Lula was elected president in Brazil in 2002, Nestor Kirchner in Argentina in 2003, Evo

Morales in Bolivia, Leonel Fernández in Dominican Republic in 2004, Tabare Vasquez in Uruguay 2005, Michelle Bachelet in Chile in 2006, Rafael Correa in Ecuador in 2006, Manuel Zelaya in Honduras in 2006, Daniel Ortega in Nicaragua in 2007, Alvaro Colom in Guatemala in 2008, Fernando Lugo in Paraguay in 2008, and Mauricio Funes in El Salvador in 2009.

⁴ For details of the rise of the Pink Tide, see Geraldine Lievesley and Steve Ludlam (eds.), *Reclaiming Latin America: Radical Experiments in Social Democracy* (London: Zed Books, 2009); and on China's relations with Latin America, see Alex E. Fernández Jilberto and Barbara Hogenboom (eds.), *Latin America Facing China: South-South Relations Beyond the Washington Consensus* (Oxford and New York: Barghanh Book, 2010).

⁵ Mexico is dominated territorially by about a dozen drug cartels in a situation where in the last 6 to 7 years possibly up to 200,000 people have been assassinated, with Mexico exhibiting all the characteristics of a failed state (June S. Beittel, "Mexico: Organised Crime and Drug Trafficking Organizations," Congressional Research Service, 22 June 2015). Though since NAFTA in 1994 Mexico is heavily tied up to US trade such that about 80% of its exports go to the United States, its imports from the United States have declined from 83% in 1996 to 54% in 2013, with China taking 16% of the share and becoming Mexico's second-leading supplier of imports (M. Angeles Villareal, "U.S.-Mexico Economic Relations: Trends, Issues and Implications," Congressional Research Service, 20 April 2015, p. 3).

⁶ Osvaldo Rosales and Mikio Kuwayama, *China and Latin America and the Caribbean: Building a Strategic Economic and Trade Relationship* (Santiago: ECLAC, 2012), p. 243. Thus, even in this heavily US-dominated country, China has become a leading partner of Mexico and serious competitor to the United States.

⁷ CEPAL, "Panorama Social de América Latina," 2015, pp. 10 and 32.

⁸ OCDE/CEPAL/CAF, "Perspectivas económicas de América Latina 2016: Hacia una nueva asociación con China," OECD Publishing, Paris, 2015, <http://dx.doi.org/10.1787/9789264246348-es>.

⁹ In Venezuela, the right wing managed to win a huge majority in the national Assembly in the December 2015 parliamentary elections (see Francisco Dominguez, "Right Wing Majority in Venezuela's National Assembly: The Constitutional and Political Stakes," *The Huffington Post*, 27 January 2016, http://www.huffingtonpost.com/dr-francisco-dominguez/right-wing-majority-in-ve_b_9069350.html [accessed 30 October 2016]); in Ecuador, the governing Alianza País party led by Rafael Correa, lost Quito, the country's capital city to the right opposition ("Correa Government Loses Ecuador Capital in Local Election," *Reuters*, 24 February 2014, <http://www.reuters.com/article/us-ecuador-election-municipals-idUSBREA1NoWV20140224> [accessed 30 October 2016]); and in Bolivia, Evo Morales lost a referendum to allow him to run for president for the fourth time ("Bolivia President Evo Morales 'Loses' Fourth Term Bid," *BBC*, 22 February 2016, <http://www.bbc.co.uk/news/world-latin-america-35628093> (accessed 30 October 2016)).

¹⁰ In less than 100 days, the Macri administration's ferocious neoliberal policies have created 1.4 million more poor people and up until April 2016, over 64,000 workers in the public sector were laid off; see Roberto Lampa, "Argentina's Honeymoon with Macri Is Over," *The Huffington Post*, 13 June 2016, <https://www.opendemocracy.net/democraciaabierta/roberto-lampa/argentina-s-honeymoon-with-macri-is-over> (accessed 31 October 2016).

¹¹ In this regard, see Alex E. Fernández Jilberto and Barbara Hogenboom (eds.), *Latin America Facing China: South-South Relations Beyond the Washington Consensus* (New York and Oxford: Bargahn Books, 2010).

¹² This conclusion has not been a recent discovery; in fact, as early as 1995, Peter Nolan wrote a revealing analysis of how China by not following the Soviet Union's application of shock therapy after the fall of Gorbachev and the rise of Yeltsin, largely accounts for China's enormous success in Deng's economic reform (Peter Nolan, *China's Rise, Russia's Fall: Economics and Planning in the Transition from Stalinism* (Palgrave Macmillan, 1995)).

¹³ John Ross, "China's Achievement Is Literally the Greatest in World Economic History," *Key Trends in Globalization*, 19 February 2012, <http://ablog.typepad.com/keytrendsinglobalisation/2012/02/chinas-achievement.html> (accessed 31 October 2016).

¹⁴ Wayne M. Morrison, "China's Economic Rise: History, Trends, Challenges, and Implications for the United States," *US Congressional Research Service* 7-5700 www.crs.gov RL33534, 21 October 2015, pp. 2-3.

¹⁵ Wayne M. Morrison, "China's Economic Rise: History, Trends, Challenges, and Implications for the United States," 21 October 2015, Congressional Research Service, p. 6, <https://www.fas.org/sgp/crs/row/RL33534.pdf> (accessed 14 June 2017).

¹⁶ China Overview, "The World Bank," 6 April 2016, <http://www.worldbank.org/en/country/china/overview> (accessed 14 June 2017).

¹⁷ See, for instance, Joseph O'Mahoney and Weng Zhang, "China's 1989 Choice: The Paradox of Seeking Wealth and Democracy," *The Wilson Quarterly*, Fall 2014, refer to it as "The Greatest Escape from Poverty in

⁴² Barcena *et al.*, “Latin America and the Caribbean and China,” p. 4.

⁴³ Carlos Casanova *et al.*, “Measuring Latin America’s Export Dependency on China,” BBVA Research Working Paper, No 15/26, Hong Kong, August 2015, p. 12, https://www.bbva.com/wp-content/uploads/2015/08/15-26_Working-Paper_China-and-Latin-America.pdf (accessed 14 June 2017).

⁴⁴ Alicia Barcena *et al.*, “People’s Republic of China and Latin America and the Caribbean Ushering in a New Era in the Economic and Trade Relationship,” ECLAC, Santiago Chile, p. 31.

⁴⁵ Thus, prominent media, as through responding to a single command, have published articles with titles such as “Is the Latin American Left Dead,” *New Republic*, 18 April 2016; “The Death of the Latin American Left,” *The New York Times*, 22 March 2016; “The Sad Death of the Latin American Left,” *Foreign Policy*, 10 December 2015; “Latin America; The ‘Pink Tide’ Turns,” Nick Caistor, *BBC News*, 11 December 2015, <http://www.bbc.co.uk/news/world-latin-america-35060390> (accessed 3 November 2016).

⁴⁶ The exception is the FSLN in Nicaragua, which has gone from winning the 2006 presidential election with 38%, up to over 62% in the presidential election of 2011 (Georgetown University, “Political Database of the Americas,” <http://pdba.georgetown.edu/Elecdata/Nica/nica.html> (accessed 4 November 2016). The governing FSLN are facing the coming presidential election on 6 November 2016, with a 60%+ rate of approval; in addition, it has “broad majority in the National Assembly, with 62 Sandinista deputies out of a total of 90. [...]the FSLN won another victory (with 75% of the vote) in the local elections of 2012 and now controls 127 of the 153 municipalities and all 17 departments” (BTI 2016 | Country Report, <https://www.bti-project.org/en/reports/country-reports/detail/itc/nic/ity/2016/itr/lac/> (accessed 4 November 2016).

⁴⁷ Thus far, none of the “colour revolutions” have either been carried out or been attempted by unarmed mass civilian mobilization, quite the opposite the amount of armed violence deployed by the “peaceful colour revolutionists” has been impressive in Serbia, the Ukraine, Georgia, Kyrgyzstan, Bolivia, and Venezuela, just to mention a few examples.

⁴⁸ William Blum, *Rogue State: A guide to the World’s Only Superpower* (Zed Books, 2006), pp. 239–241.

⁴⁹ US agency that channels monies and training to organize sections of “civil society” in “democracy promotion” programs; USAID sponsors and holds training courses to “educate” tens of thousands of activists, funds hundreds of “NGOs,” gives financial assistance and helps establish hundreds of media outfits, “civic associations,” and even helps set up political parties (see Eva Golinger and Jean-Guy Allard, “USAID, NED y CIA La Agresión Permanente,” MINCI, October 2009).

⁵⁰ Unsurprisingly even the BBC has been a central component of the media war against Bolivarian Venezuela; L. Salter and D. Weltman, “Class, Nationalism and News: The BBC’s Reporting of Hugo Chavez and the Bolivarian Revolution,” *International Journal of Media and Cultural Politics* 7, no. 3 (2011): 253–273, <http://sro.sussex.ac.uk/46273/1/chavez.pdf> (accessed 4 November 2016) shows how intensely biased the BBC’s reporting on Venezuela has been.

⁵¹ The “NGO” Sumate organized the campaign to collect signatures to oust Hugo Chavez through a recall referendum which was held on 15 August 2004 that confirmed Chavez; Sumate was heavily financed by the NED and Maria Corina Machado, and if there was any doubt about Sumate’s allegiances and objectives, Sumate’s leading light was welcome by George W. Bush in the Oval Office on 31 May 2005 (White House Photo Archive https://georgewbush-whitehouse.archives.gov/news/releases/2005/05/images/20050531_p44959-117jasjpg-515h.html (accessed 4 November 2016).

⁵² In Brazil, the de facto Temer government has put forward constitutional amendment PEC 241 which intends to abolish the state’s commitment to high levels of government expenditure on health care, education, poverty eradication, and other areas of social concern thereby freezing these expenditures for 20 years. See Jorge Garcia, “Temer’s PEC 241: A Bold Work of Unoriginality,” *Council of Hemispheric Affairs*, 28 October 2016, <http://www.coha.org/wp-content/uploads/2016/10/Temers-PEC-241-1.pdf> (accessed 4 November 2016).

⁵³ Barcena *et al.*, “Latin America and the Caribbean and China,” p. 170.