



DCFR ON THE RECORD

No. 1

August 29, 2008

Is China poised to fill a U.S. power vacuum in Latin America?

The Dallas Committee on Foreign Relations is pleased to present its inaugural “DCFR on the Record” interview with Dr. Riordan Roett, director of Western Hemisphere studies and the Latin American studies program at the Paul H. Nitze School of Advanced International Studies, Johns Hopkins University. Roett led DCFR members in discussion of Brazil’s emergence as a geopolitical powerhouse at a meeting on Thursday, June 12, 2008. Maintaining DCFR’s longstanding adherence to the Chatham House Rule and the off-record nature of our meetings, executive director Amanda Schnetzer separately discussed China’s growing presence and influence in Latin America with Roett. The views they express are their own. The Dallas Committee on Foreign Relations takes no institutional positions.

Concerned about the rise of Latin American governments that threaten U.S. interests, like that of Venezuela’s Hugo Chavez, the United States should view recent events in the region such as Colombia’s rescue of hostages from the terrorist FARC and Mexico’s crackdown on violent drug cartels as an opportunity to redouble support for democratic allies that protect and bolster free trade.

Instead, election-year politics in Washington leaves the Colombian Free Trade Agreement stalled in the House of Representatives, halts progress on comprehensive immigration reform, keeps high tariffs on Brazilian ethanol in place, and puts the future of the North American Free Trade Agreement (NAFTA) in some doubt. While U.S. preeminence in Latin America consequently languishes, others—namely China—stand poised to fill the void.

“If the United States doesn’t revisit our policies in Latin America, there will be a vacuum,” warns Dr. Riordan Roett, who has edited a new volume entitled *China’s Expansion into the Western Hemisphere*. “Power abhors a vacuum,” he says, “and the only country that would be in a position to occupy that vacuum is China.”

China’s Interests in Latin America. At a recent meeting in Dallas’s elegant Rosewood Crescent Hotel, I

asked Riordan Roett to explain Beijing’s motivations in Latin America and to offer his thoughts on the consequences for the United States.

Economically, he said, “the Chinese are very interested, given their lack of natural resources and their need of a growing commodity flow, to tap into the iron ore, soybeans, wheat, and beef that Latin America produces in abundance.” China also needs energy resources and has looked south to help satisfy its burgeoning demand for crude petroleum—much as it has turned to the Middle East and Africa. Between 1990 and 2005, these and other Chinese imports from Latin America grew from \$1.5 billion to \$27 billion, or an incredible 1700 percent.

Although Chinese foreign direct investment in Latin America remains negligible in comparison, Roett suggests this too will grow. “If the Chinese begin using their sovereign wealth fund to invest in infrastructure and financial houses,” he says, “this could be a very important boost to Latin America’s competitiveness and integration into world markets.”

Politically, Beijing has expanded its diplomatic presence, increased tourism, and initiated new cultural exchange programs with Latin America. It also has campaigned for the Central American and Caribbean countries that recognize Taiwan to shift their ties to



DCFR

Dallas Committee on Foreign Relations

Beijing. In 2007, Costa Rica frustrated Taipei when it did just that, largely for economic reasons.

While nearly all the South American countries already recognize Beijing, President Hu Jintao underscored in a 2004 speech before Brazil's parliament that China "will never tolerate [Taiwan's] independence." "This is a very very important diplomatic initiative," says Roett, "and a potential tripwire. Beijing will definitely want any country in Latin America with which it deals to drop recognition of Taiwan." Paraguay, the only remaining South American country to recognize Taiwan, may fall away soon. Former Roman Catholic Bishop Fernando Lugo, Paraguay's president-elect, has made clear his intentions to strengthen ties with Beijing.

The Optimists vs. the Pessimists. I asked Riordan Roett, an advisor to the National Intelligence Council and a long-time consultant to major financial institutions like Legg Mason, whether he's an optimist or a pessimist about China's expanding role in Latin America. "I'm an optimist," he admitted with a smile.

While acknowledging that the United States will remain the most important global power for some time, Roett believes "the world is moving away from a...structure in which the United States has been *the* unipolar power toward a much more diverse set of actors in the international system." Thus, to the extent that enhanced economic ties with China lead to more stable, prosperous, and competitive countries in Latin America, Roett sees this as ultimately good for the United States and good for the Western Hemisphere as a whole.

Others, however, are not as sanguine about China's rise. Both Democrats and Republicans have threatened reprisals for Beijing's refusal to revalue its currency to their standards or for its saber rattling over Taiwan. Now, says Roett, there's fear that China's enhanced presence in Latin America could lead to increased intelligence gathering and surveillance from Cuba or to an anti-American oil cartel led by Venezuela's Hugo Chavez. Speculation about a Chinese takeover of the Panama Canal has surfaced as well, in part as a response to the successful 1999 bid of Hong Kong-based Hutchison Whampoa to operate two Panamanian ports.

In search of a policy framework to deal with a potential Chinese threat, some have even invoked the Monroe Doctrine, which President James Monroe articulated in 1823 to deter foreign interference in the Americas.

Although Riordan Roett sees no evidence of nefarious Chinese activity now—and finds the Panama Canal warnings "absurd"—he acknowledges that such scenarios are "not impossible" and cautions the United States to be "very careful that does not happen in terms of protecting our own domain." He also advises the Latin American countries to insist that China show at least "a modicum of respect" for human rights, labor standards, and the environment in exchange for their exports—all things the Chinese "don't normally pay much attention to" and have been particularly criticized for failing to do in Africa.

Has China accepted the responsibilities that accompany its rise as a global economic and political power? Yes and no, it would seem. Riordan Roett believes the Chinese are "coming to realize for the first time" that they have a role to play in international peacekeeping and border security. He points, for example, to the participation of Chinese police in a United Nations peacekeeping force in Haiti.

Yet he also acknowledges that China's leaders have been so preoccupied with "how to keep economic growth going and how to control internal social and political tensions" that they don't fully appreciate it is in their interest to be "internationally responsible." Roett hopes the next generation of Chinese leaders, which he sees as "more confident in China's return to international prowess and influence," will exhibit a better grasp of this. "The Chinese so far have been blind to Darfur and other areas of tremendous ethnic and social conflict. Thank God, we don't have any of those opportunities to exploit in Latin America at the present time," he says.

The Future of U.S. Primacy in the Region. As our time together drew to a close, I asked Riordan Roett what the United States should do to avoid further erosion of its leadership in Latin America. More specifically, I wondered how he would advise presidential candidates Barack Obama and John McCain on this question.



Officially an advisor to Senator Obama's campaign, Roett believes that no matter who wins the White House in November the next president must "begin revisiting some of the policy differences between the United States and Latin America."

First, he faults Democratic and Republican administrations alike for not having "the good sense to develop a Western Hemispheric energy policy." Among other things, he believes we should assist Mexico in opening its oil sector, support the development of biofuels, and stop favoring U.S. corn-based ethanol over more cost-effective sugar-based fuel from Brazil. We also should "do some imaginative thinking about...reducing our dependence on the Middle East."

Second, Roett laments that "our trade policy is in a true mess." In his view, the next U.S. president must have fast-track authority to negotiate new trade deals and bring them to the floor of Congress. Absent U.S. leadership, he says, "It's [also] going to be very difficult to get free trade negotiations going again at the global level, which is what we really need."

Third, the United States should invigorate our soft power in Latin America by expanding consulates, increasing cultural exchanges, and investing more in educational endeavors like the Fulbright Scholar Program. A Fulbright student in Brazil in the 1960s, Roett waxes nostalgically about the visits of American philharmonic orchestras and other cultural ambassadors such as the Alvin Ailey American Dance Theatre. "People [in Latin America] are still very much influenced by American culture, not Chinese culture,"

he says, "but if they don't see very much of American culture...the Chinese will begin to fill that vacuum."

Ultimately, Riordan Roett believes China's expansion into Latin America should serve as a "wake up call for the United States." Despite widespread sentiment that the United States simply forgot about Latin America after September 11, 2001, we remain a major trade partner, investor, and guarantor of security interests in the region. As Roett sees it, the Chinese recognize this and are unwilling for now to challenge U.S. primacy in the region. Nevertheless, he counsels against complacency and assumptions that the United States will remain preeminent in the Western Hemisphere forever.

Amanda Schnetzer is executive director of the Dallas Committee on Foreign Relations. Riordan Roett is the Sarita and Don Johnston Professor at Johns Hopkins University's Paul H. Nitze School of Advanced International Studies.

Published by The Dallas Committee on Foreign Relations
5550 LBJ Freeway, Suite 380
Dallas, Texas 75240
972.455.4905
www.dallascf.org

The Dallas Committee on Foreign Relations takes no institutional positions on policy issues. The views expressed and facts presented in DCFR publications are the responsibility of the author or authors.

