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Asma Rashid\*  
Amna Shafique\*\*

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## Resurgence of Cold War (2.0) Rivalry in Latin America: Assessment of US-China Battle for Influence

### ABSTRACT

*After successfully surviving and braving the harsh blazing winds coming in from the giant of the eastern hemisphere, US has somehow relegated itself to the same position again but this time with an enemy hell bent on reducing US to dust as far as its title as a superpower is concerned. China is not only reading United States really well to counter it but is bring proactive by anticipating its moves and neutralizing it. China and United States are up against each other in every single field and corner of the world. Wherever one lays foot, the other tries to hoist its flag there. This version of cold war has crept into the South America and Central America which are already suffering politically and economically. United States for a long time incentivized these states to sing its praises by concluding Free Trade Agreements with the Dominican Republic, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Peru and Mexico. Due to other commitments, the last few decades saw the demotion of these states in the list of US' priorities therefore limiting its role only to the promotion of security and democratic ideals. Meanwhile China used this opportunity to infiltrate deep into this region by striking Free Trade Agreements of its own with Brazil, Chile, Costa Rica, Per and Uruguay and is in talks with other countries one of which is Ecuador to join the list. This paper holds to pin point and then trace the path of these two major powers in navigating the Latin American front of the Cold War 2.0. It is set to be a qualitative study banking on primary and secondary data by accessing archives, journals, articles, newspaper, magazines, think tanks, policy makers etc.*

**Keywords:** Free Trade Agreements, Summit of the Americas, Hegemony, Cold War 2.0, Foreign Direct Investment

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\* Lecturer, Department of Politics and IR Institutional affiliation: International Islamic University, Islamabad, asma.rashid@iiu.edu.pk

\*\* Student at Department of Politics and IR Institutional affiliation: International Islamic University, Islamabad, amina.bsir728@iiu.edu.pk

## **1. Introduction**

The crashing down of the sand castle of the Soviet Union relegated United States to the throne of the Super power, the position it has and is willing to retain and protect by hook or by crook. But if history has taught us anything it would be that there has never always been sunshine and rainbows for any power, the rainy days are part and parcel of this position. China an East Asian which during its infant years struggled to get its legitimate seat at the United Nations, is all set to steal United States' position as a super power. Naturally, the former has identified the latter as a competitor and is trying to lay out speed bumps in its way. Both of these states try to outclass and outshine each other.

The said hostility can be observed in Latin America where United States and China are actively trying to engage with these states to leverage this relation to contain each other. It is not the first time United States is mapping backyard. The history is a witness to its ruthless interventions and regime change operations which are still fresh in the memory of the Latin Americans. Cold War 2.0 relatively tamed so far has also crept into Latin America. As all the beginnings, this one is humble with these two powers focusing on increasing their sphere of influence and making their alliances. Due to the United States principal stance regarding respect for Human Rights and democracy, the authoritarian states are inclining towards the Chinese. Having said that, China is determined to include as many Latin American states in its camp as possible. China in the last few years has multiplied its economic engagement in the region through trade, investments and extending loans. In just two decades of its turn to the region, China has already taken the spot of the leading trading partner of South America. (Roy, 2022). However, China is no match to the United States when it comes to Central America. US- Mexico trade volume according to the figures of 2021 was \$895 million which was more than double of China- Mexico trade volume (Bonner, 2022). To deal with any unfortunate event, United States is maintaining bases almost all over Latin America. It shows that United States has edge over China in military domain in Latin America but many scholars believe China's port construction projects in the region are a ploy to acquire bases to check United States. China and United States are using their engagement in the region to solidify their position as an important power for the concerned region as well as in the world.

Denying the existence or turning a blind eye to the blossoming of season 2 of Cold war which is this time between incumbent superpower and an eligible contender which are United States and China respectively would be equivalent to being oblivious of the very existence of these states. The aforementioned powers are doing everything they can to buy loyalties of states all over the world by forwarding different attractive packages to

undermine each other. Recently, scholars have picked upon a scent of a great power rivalry brewing with its full might in Latin America. This study assumes the responsibility to map out the presence of United States and China in the political, economic and security domains in the said region. In order to avoid digression, this research is to stay dedicated to answering the following two questions:

1. What tactics are being used by United States and China to entice the Latin American Countries to join their side?
2. What lessons can be learned from the experiences of Latin American countries in managing the rivalry between China and the United States, and what strategies can be employed to promote regional stability and development?

### **Hypothesis**

A hypothesis can be referred to as a statement that provides the logical, reliable explanation of a phenomenon under study. In other words, we can say that it is a prognosis, the validity of which is tested through the research. The hypotheses for this research are Directional as they decode the effect of the independent variable on the dependent variable. As this study has two research questions, the two simultaneous hypotheses can be developed which are given below:

H1: Latin America is a region that builds itself by cherry picking states from the Americas.

H2: United States and China are enticing Latin American States by extending their support in political, economic and security sector.

## **2. Literature Review**

The world's current superpower, United States and the leading contender, China are involved in a game of tug of war for the title of leader of the world. These two powers are campaigning region to region to show their eligibility. If we take a look at Latin America, we can see how both of these states are involved in intense competition to dominate the region. This literature review is a result of a deep dive into the internet in which every relevant book, paper, article has been accessed. In order to make it easy to comprehend, the review is sliced into two parts. The first deals with the US- Latin America and second deals with US – China.

The literature on United States- Latin America suggests that their relation has been quite bitter sweet. It does not matter what United States does it can wipe its interventionist past from the minds of the Latin Americans. Michel Grow in his Pursuing Regime change details generously United States' sinister past from 1954 in Guatemala to 1989 in Panama (Grow, 2008). He concludes that United States' engagement with Latin America is mostly

security driven be it covert or overt. These operations which rarely achieved their targets made those nations more suspicious of US and its backed ideals. Grier finds these interventions to be quite damaging and holds that no good can ever come out of them (Grier, 2021). Howards predicts in his thesis different triggers of United States' intervention in the Central America and the Caribbean. He regards Panama Canal to be of utmost importance to US in the future (Howard, 1999). Now switching gear to the positive aspect of US- Latin America relations which are represented by the strong economic ties. Weintraub writing after Cold war, forecasts blue skies for US and Latin America by building on the achievements like that of NAFTA, FTAA and ECLAC (Weintraub, 1997). O' Neil maintains that despite all the speculations about US' loss of interest in the world, US' trade with the region shows an upwards trend making it the largest trading partner of the region (O'Neil, 2012).

China relatively stayed uninterested in Latin America during the years of Cold War. It was not until the turn of the 21<sup>st</sup> century that China started looking at Latin America. Lafargue rightly points that the growing ties between China and Latin America are making United States insecure (Lafargue, 2006). Chen argues that China is moving toward Latin America with no hostile intentions (Chen, 2021). Its interest in the region is only economic driven.

This study is aimed at bridging the gap in the literature by digging out United States' economic, political and security presence in the region and look for the signs of Cold War 2.0. a phenomenon which has been explored in regions other than Latin America where its symptoms are visible clearer than ever.

### **3. Theoretical Framework**

Theoretical framework is the most important chunk of any research piece as it provides with the foundations on which the research is built upon. It makes the research a lot more credible. In order to articulate the phenomenon unfurling in Latin America where the two major powers of today are head to head, the researcher has picked up a lens of Balance of Power.

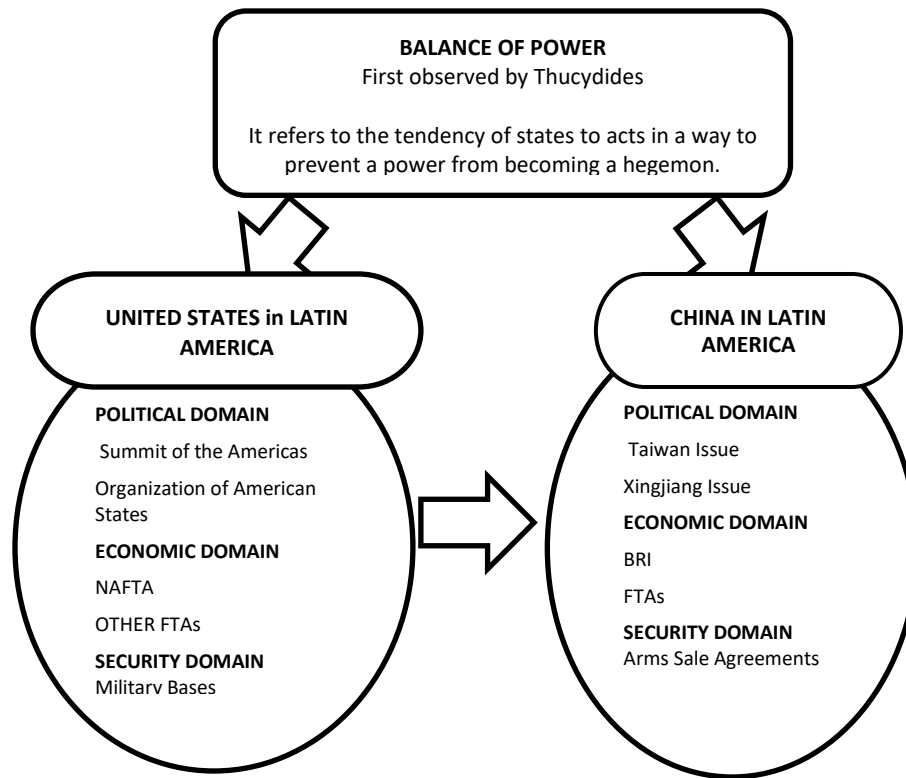
The concept of Balance of Power existed since the dawn of the time from the time period of Greeks. Thucydides credited as the only way peace can be achieved in a conflicted system. It was further elaborated by different scholars according to their distinct views. Kenneth Waltz entered the club by defining it as the policy adopted by the states in a system with two poles by opting for the relatively weaker side to balance the dominant one (Sun, 2014). This is exactly the same scenario that is being played out in Latin America.

If we pan in on Latin America, we see traces of East Asian and North American giant all over the region. It is not a coincidence that these two powers have made deep inroads into the region. Each is there to serve its own interest by bringing more and more states under their influence. Where United States have Colombia, Peru, Chile and Argentina to count on (Garamone, 2018). China has Venezuela, Nicaragua, Cuba etc pulling their weight on its side. If United States is bribing states with its Foreign Assistance program, China is showering them with easy-to-get loans.

Not only that, China is using this region to show United States that if it can buy off China's surrounding states, it can also make United States insecure in its backyard. United States recently signed a deal called AUKUS under which it will provide Australia with nuclear powered submarines and even renewed its agreement with Philippines to patrol South China Sea with a sole motive to encircle China and put an end to its aim to be a lone wolf in the South China Sea (Strangio, 2023). United States has also intensified its diplomatic support of Taiwan and continuously express its resolve to shield the island in case the Mainland goes rogue. These sly tactics by United States to suppress and deter China made China look westwards to teach United States a lesson. By launching projects like Belt and Road Initiative in Latin America, China now has the attention of the majority of the Latin states. The feeling of abandonment, neglect and harsh treatment by the United States has provided China with the favorable environment to make its advances in the region and couple with the Latin American states to balance United States not only in the region but also use its engagement in the region as a balance to United States ventures in the Asia Pacific.

Currently, both countries are carefully monitoring each other's moves. If one chokes, the other immediately jumps in to capitalize on that opportunity. It is true that these powers are trying to out-influence each other elsewhere in the world too but the Latin America theatre holds significance in that it is set right under the nose of the current insecure superpower.

### Conceptual Framework



**Reference:** Compiled by the Author.

## 4. Methodology

In the statement, 'Analyzing the Latin American Theatre of Cold War 2.0', the independent variable is the Cold War 2.0 and the Latin American Theatre is a dependent variable. Cold War 2.0 is an independent variable because this study seeks to find out how Cold War 2.0 is being revealed in Latin America or how it is affecting Latin America. The Latin American Theatre is a dependent variable because it is the region on which the effects of Cold War 2.0 are being measured.

Exploratory research design is being applied to this study as it is a research design which is used when the area being looked at under the study has not been previously explored and the researcher takes it upon himself to investigate it.

This research endeavors to map the presence of China and United States in Latin America and to identify the ways these powers are competing and balancing each other. Although there is plethora of research papers written on United States –China rivalry, its presence in Latin America has never been pointed at. Since, this is an angle that is being analyzed for the first time, exploratory research design fits perfectly with the scope of this research.

This research is a qualitative study. Primary and secondary sources have been accessed to conduct this research by making use of the extensive online resources like journals, articles, records and archives. To draw inferences from the primary data, archives and official sites like Department of Defense of United States, US Southern Command, Chinese Embassies to Latin American states, Congressional Reports etc. have been accessed. The researcher has shaped the narrative of his paper by using the secondary sources like the articles from journals/ think tanks like JSTOR, Center for Strategic and International Studies, Latin American Perspectives, Council on Foreign Relations etc., from magazines like The Diplomat, Foreign Policy and content from news publications like CGTN and different webpages.

The qualitative data gathered to write this paper has been analyzed by using content analysis. it is one of the most reliable ways qualitative data can be analyzed. By using content analysis, researcher looked for economic, security and political engagement of United States and China in the region and then found patterns attesting to their rivalry reflecting the same hostility as was the case in the Cold War between US and USSR proving the hypothesis to be true. The temporal domain of this study stretches over a time period of the last three decades in general and of the last decade in particular.

## **5. Historical Background**

In order to understand the nature of the relationship between states, it is extremely important to trace their past with each other. It not only tells us about the gravity of their existing relationship but also helps us in grasping their motivations. For the purpose of this study throws it back to the budding of the relationship between Latin America and United States first and explore the past of China- Latin America relations.

### **5.1-United States and Latin America**

United States opened its account with the Latin America not on good foot. The initial years of this relationship were plagued with offensive actions like starting war with Mexico, intervention in Argentina, Nicaragua, Uruguay and Panama. However, some decades into twentieth century, United States turned a new leaf and changed its approach to its engagement in Latin America by floating Good Neighbor Policy in the year 1933 (Longley, 2021). This policy was a brainchild of the then US President Franklin Roosevelt.

Marking the end of the Monroe Doctrine, it called for the greater economic cooperation and respect for the sovereignty of its immediate and extended neighbors. This sentiment led the signing of Inter American Treaty of Reciprocal Assistance which assured the security of the region from any foreign threat. Organization of American States was also an outcome of this approach.

United States' actions during the Cold War were neither good nor neighborly. It used the Latin American land to settle its scores with its ideological rival Soviet Union. From shameless invasions (Bay of Pigs) to the regime change operations, United States tried every trick in the book to stay a step ahead of Soviet Union in the Cold War (Dietz, 1984). Cuban Missile Crisis further alarmed the Americans. Countries having government with the communist undertones like that of Jaoa Goulart in Brazil and Salvador Allende in Chile were toppled and replaced with the ones which fancied United States over USSR. United continued to view Latin America as an important front to defeat communism throughout cold war. The demise of USSR in the year 1991 subsequently dulled the shine of the Latin America and demoted it in the list of US' priorities.

### **5.2-China and Latin America**

China is relatively a new power in the region which has brought with it the motive to revise the existing regional order. After its independence in 1949, China bought a back row ticket to the spectacle of Cold war. China itself subscribed for communism but juggled between USSR and US depending upon its interests. The Latin American States were also least interested in a relatively unknown state at the time of the Cold War. It was not until 2000s that China decided to lay its foot in Latin America (Wintgens, 2022). China's South – South Cooperation policy paved the way for its engagement with the region. Brazil, Bolivia, Venezuela and Ecuador were among the first few countries which gave Beijing a green signal for trade.

## **6. Contours of Latin America**

Latin America is a region that stretches from Mexico in North America to Argentina or Chile in South America. It is a cocktail of cherry-picked states from different sub regions of the Americas like North America (Mexico) Central America (all seven states from Belize to Panama), the Caribbean (Cuba, Dominican Republic, Haiti and some dependencies) and South America (almost all of the states of South America excluding the three Guianas) (Britanica, 2017). These states come from the same past, they were ruled upon and exploited by the Spanish Crown and by Portuguese. The region saw the intrusions by former and latter starting from the late fifteenth

century and was colonized until the nineteenth century when most of the states broke away from the shackles.

These states are characterized by their distinct culture. Romance language is spoken throughout the region notorious for rolling of Rs with some variations as we move from country to country. The region is known for its love for music and dance. Salsa is the most popular genre of music they bop and dance to. Their soap operas are known in the world for being overly emotional and over the top. These have strong family bonding as compared to the residents of Anglo America.

### **6.1-Cold War Season 1: Latin American Theatre**

For United States, the Latin American Theatre of the Cold war season one started off on good foot as it had already primed the region through policies like Dollar Diplomacy and Good Neighbor Policy to see US as a natural choice (Aguirre, 2005). The policies mentioned were aimed at cultivating economic relations with Latin America. The Cold War also brought a lot of covert and overt aid into the region by the US. USSR's first predicament was the recognition which was first granted by Argentina, Uruguay and Mexico when World War II was about to end. Soviet Union although was not quite versed on the political and economic landscape of the region but it had made inroads into the region with Comintern which as it perceived it, was an organization at the international level that carried out task of coordinating the activities of the communist parties to achieve their desired ends. It also served as a base for Soviet Union to cultivate its ties with the like-minded Latin American states.

USSR's increasing presence in Latin America was answered by US with the signing of Inter American Treaty of Reciprocal Assistance which was a prequel to the NATO. Its article 5 also called for the mutual response in case of a foreign aggression against one. During the Cold War, US kept providing the aid and economic assistance to states like Cuba about which US feared that they might fall for the Communist ideology. USSR was also not holding back, it spent millions of rubles in luring Latin American states through trade. For instance, when US imposed an economic embargo on Cuba, USSR helped lift off some of the pressure by buying sugar. For the same reason USSR provided Cuba with oil and arms during hard times in the 1960 (Blasier, 2002). Last but not the least, where USSR was assisting Communists and communist sympathizers coming to power like Castro in Cuba, Allende in Chile etc., US had charged CIA to stage overthrow of these regimes (unsuccessful in the case of Castro, Allende ousted in a military coup by Pinochet etc.).

### **6.2-Cold War Season 2: Latin American Theatre**

Now fast forwarding to the twenty first century, where same patterns can be observed between US and China regarding their engagement in Latin

America. The region that was economically close to US is on its way to make China as its number one trade partner displacing US. If US has military bases in the region, China is acquiring the control of the important ports. Where US is stifling and isolating the authoritarian states like Nicaragua, Cuba and Honduras, China is showering them with different incentives to get their backing on Taiwan and Xinjiang issue. Therefore, we can regard this rivalry as the Second Cold War and their competition in Latin America as its Latin American Theatre. Given below is a detailed description of the Cold War season 2: Latin American Theatre in Political, Economic and Security domain:

## **7. Political Domain**

### **7.1- Associations**

#### ***United States Political Associations in Latin America***

After a failed attempt to show relevance in the Central and South American affairs in 1826 at the Congress of Panama, United States took it upon itself to take the driving seat. Due to the close geographical proximity with Latin America and aspirations to dominate the Western Hemisphere, United States contacted its extended Latin neighborhood in 1880 by arranging the First International Conference of American States ("Organization of American States", 2004). Suffice to say, it was called to convince these countries to prioritize United States over Europe, a proposition which Latin American states rejected. However, this initiative paved the way for the creation of multiregional arrangement called '**Organization of American States**' down the line.

Organization of American States was formally created with the adoption of its charter in 1948 and then its subsequent entry into force in the year 1985. It originally started with twenty-one members but now its membership has ascended to thirty-five states (Prange & Lozano, 2022). It is an organization that is charged with weaving together Northern America, Central America, South America and some of the Caribbean states. This organization ensures peace and security, backs democracy, supports peaceful resolution of disputes and furthers economic, political, security and cultural cooperation and development amongst its member states.

OAS is one of the many organizations where the powerful states like United States seek to promote their own interest. The 1992 Washington Protocol which permits the member states to evict the state whose government is not democratic. A protocol Cuba fell victim to in 1962 (Krepp, 2017). Venezuela considers OAS as an organization that fulfills US' imperialist appetite.

### ***China's Political Associations in Latin America:***

China does not enjoy historical ties with Latin American countries like United States. After its independence, it concentrated on setting its matters straight instead of influencing other regions which has paid off as now it is in a position to entice any region and any state to further its interests. Under President Xi Jinping, China is intensifying its political engagements with the concerned region. He made his first visit to the Latin America in 2013 and then his second visit in 2014. His latter visit was the most significant of the two. During this visit, he not only attended BRICS Summit but also assured its presence at the First China- CELAC Summit (Swaine, 2014). China-Community of Latin American and Caribbean States' First Summit then birthed China- CELAC Forum which provides these states with opportunities to maximize their cooperation with each other. This forum has allowed China to establish its political presence in the region marked and dominated by the United States.

## **7.2-Alliances**

### ***Taiwan Issue***

China has increased its efforts to show the world the seriousness of its claims on Taiwan in the last decades. This power projection has repeatedly met with opposition by United States and its allies. United States continues to show support for Taiwan and its willingness to protect the island if China decides to attack it. Under these circumstances, China is incentivizing states to not only side with it but also luring those states which recognize Taiwan to pull back their recognition. Taiwan is in total recognized by just fourteen countries. Due to China's successful lobbying, Panama withdrew its recognition of the Island in 2017 with Dominican Republic and El Salvador closing its doors for Taiwan in 2018 (Kahn, 2018). It did not just stop there, in the last two years, Nicaragua and Honduras, have also severed their ties with Taiwan which is a biggest diplomatic 'L' for the United States. Now, there are only seven states in Latin America which prioritize Taiwan over China but this number is expected to decrease with the increasing Chinese presence in the region (Mowla & Bernhard, 2022). Lack of the attention paid by United States allowed China to turn the loyalties of these states in its favor. If US' policy towards the Latin America is not changed, it might also make US retreat from its stances like that of defending Taiwan.

### ***Violations of Human Rights in Xinjiang***

China is being given tough time at the international level because of its brutal treatment of the muslim community in Xinjiang. People who are visibly muslims are devoted to their religion, they are sent to these camps called the 're-education camps' where they are forced to adopt the haram ways. United

States used this as an opportunity and took this matter to the Human Rights Council to spark a harmless debate on it. Not out of concern but because of its vile motive to humiliate its competitor in front of the international community and to portray it as a state sponsoring the human rights violations. But to United States' dismay, China was a lot more proactive than anyone could have anticipated as China was not only able to get the required votes to block the proposition of the debate but did so with the help of countries from Latin America from right under the nose of the superpower. In order to show the support for China, Cuba went an extra mile to read a statement on behalf of forty- five states which were pro-China in this matter (Putz, 2020). In his statement, he pointed out that this issue was being politicized by some states to settle their scores with China and claimed that the human rights abuse allegations were untrue. Of Nineteen countries which stood by China, three were Latin American which included Bolivia, Cuba and Venezuela. Furthermore, Mexico, Benin, Brazil and Argentina opted to not show up for the voting session therefore pulling weight on China's side with their silence.

From these two instances, it can be deduced that China has already found its allies in Latin America which are willing to board the same boat as China if it means enraging their former provider. It will not be an exaggeration to say that countries like Cuba, Venezuela, Mexico, Nicaragua and Brazil have their sympathies with China in this edition of great power competition while countries like Honduras, Paraguay etc. are still trying to figure out what side to board on.

### ***Summit of the Americas***

Under the framework of Organization of the Americas, almost all the countries come together to attend a summit at least once every three years without a fail. Last year, United States took it upon itself to host the Summit but it did not go as United States had planned. Summit attracted controversy when countries like Cuba, Venezuela and Nicaragua were not sent the invites to it on the pretext that these states were straying from the democratic ideals and human rights commitments. Mexican and Chilean Presidents lambasted United States for trying to isolate these three states. In protest, Bolivia, El Salvador, Honduras, Guatemala boycotted the Summit (Barry, 2022). This Summit is indicative of how China has dulled United States' shine in the region. Number of countries which still appear to be cheering for United States has reduced significantly now. Chief of US Southern Command in 2018 remarked that US viewed Brazil, Argentina, Peru, Chile and Colombia as its close allies equating them with NATO partners but it seems that this exclusive club of US supporters is also shrinking with time (Gramone, 2018). Thus, tilting the balance/ sphere of influence in China's favor.

## 8. US-China Economic Engagements in Latin America

### 8.1 Trade Agreements

#### **United States**

After seeing the success of economic integration in Western Europe, United States decided to replicate that in its region. United States in the year 1992 floated the idea for an agreement drawn on the same lines as the European Economic Community to form free- trade bloc (NAFTA, 2023). It meant that the countries which were to be part of the bloc were expected to facilitate trade and eliminate customs and tariffs on each other. For this venture, US partnered up with its laid back ideological cousin, Canada and its closet Latin American state, Mexico under the label North American Free Trade Agreement. It came into effect in 1994 and inspired and sired various other agreements like Central America Free Trade Agreement and Transpacific Partnership in 2004 and 2015 respectively.

As far as Mexico was concerned, NAFTA did anchor its economy with trade volume of \$3.2 trillion between just US and Mexico and of about \$594 billion between Mexico and Canada while it was in effect. In 2018, Trump raised questions on it for being a one-way street and called for its review. The negotiations resulted in the conclusion of United States, Mexico, Canada Agreement (USMCA) which came into effect in 2022 putting an end to NAFTA.

US gained such access to the markets of Central American states under the agreement called Central American- Dominican Republic Free Trade Agreement (CAFTA-DR) which allows US and five Latin American States (Costa Rica, Nicaragua, Honduras, El Salvador and Guatemala) plus one Caribbean state (the Dominican Republic) to conduct trade without any barriers or tariffs (CAFTA, 2022). Moreover, countries including Colombia, Chile, Peru and Panama in South America also have Free Trade Agreements with the United States.

At the most recent session of Summit of the Americas, an attempt was made by the US President to win Latin America over by forwarding an idea for the agreement called as Americas Partnership for Economic Prosperity (Runde, 2022). APEP would be set to help America intensify and maximize its influence on the Latin American economies.

#### **China**

China's economic engagement in the region shows an upward or a positive trend. It has come a long way as far as trade volume is concerned since 2004 from \$14 billion to \$450 billion in 2022. Part of the reason China is fancying Latin American markets is for their stock of natural resources like crude petroleum, oil etc which can fulfil Chinese needs. In addition to that, the region houses countries like Brazil, Chile and Argentina with their agriculture

based exports that can help China ensure food security at home (CGTN, 2023). Latin America provides China with a market where it can sell its high-tech products and manufactured goods knocking out the US based companies. Realizing the economic potential of the Latin America, Chinese President Xi Jinping gave a cue about adding the Latin American stop to its multiregional Belt and Road Initiative in 2017. The very next year, Special Declaration was presented in the second meet up of the China- CELAC forum showing willingness to provide Latin American states entry into the formidable project that BRI is. This declaration was embraced whole heartedly by the region with twenty countries putting their trust in China by being part of BRI.

Tracing the path of its competitor, China is luring the Latin American states by signing Free Trade Agreements with them. The first installment of which came in 2005 when China signed FTA with Chile. Then China charmed Costa Rica and Peru with FTA five years later (Roy, 2022). More of such agreements are in the pipeline with Ecuador, Uruguay, Brazil, Argentina etc.

## **8.2-Investments, Loans**

### ***United States***

United States has been holding the title of a major investor in the concerned region for quite some time now. In 2021, 36 percent of the total Foreign Direct Investment that ended up in Latin America were sourced from United States (CEPAL, 2022). United States loosened its purse strings generously for the following countries making it their largest investor. Last year, US poured in \$17.10 billion into Chile, \$8.7 billion into Argentina and \$1 billion into Colombia (according to the statistics of January, February and March of 2022 only) to name a few. Mexico is waiting on a hefty stack of dollars of worth \$40 billion in the course of the coming two years.

When it comes to lending, United States has an exhaustive list of demands for the countries hoping for that cash. The requisites include a clean human rights record, ensuring respect for fundamental rights and freedom and most importantly a legitimate, democratic government which makes United States a less attractive lender as compared to China as the latter shows no interest in conditions like such. The lenders like World Bank and Inter-American Development Bank which tow the same line as United States, their biggest contributor, are currently neck to neck with China lending over \$130 billion dollars. Furthermore, International Monetary Fund also plays its role to rescue the Latin American economies. Argentina alone needs to pay \$42.2 billion back to IMF (FDI, 2022). Ecuador is standing at \$7.2 billion in IMF debt. Colombia also owes IMF \$4.8 billion.

### **China**

After getting blacklisted by the United States and its sycophants in Asia Pacific, Chinese firms like Huawei are investing heavily in Latin America especially in the law enforcement and surveillance systems. For instance, Guyana and Brazil are making use of facial recognition system of Huawei for their Safe City projects. China is also involved in developing Cuba's Tourism industry by financing resorts and hotels construction. Chinese investments in South America are concentrated in Energy, Infrastructure and Mining sector and in that order. Argentina, Bolivia and Peru accounted for over \$16 billion of Chinese investment in the last couple of years ("China Regional Snapshot: South America", 2022). China has shown special love and attention for one of the most neglected Caribbean as well with Investment projects of \$10 billion over the years. Some of the projects that China has spent its money on include; highways in Jamaica, port in Trinidad and Tobago, solar projects in Suriname etc. All these engagements put China really close to United States as the largest trading partner of the region.

Unlike United States, China does not mind lending money to the states with allegedly a bad record in terms of rights and freedoms which makes China a top choice for Latin American States to borrow loan from. China's indiscriminate practices have made China the largest creditor of the region. Venezuela owes China \$62 billion, Brazil has been lent \$30.5 million, Ecuador needs to repay \$5 billion (Sullivan & Lum, 2022). Furthermore, China released \$600 million for the power sector of the Dominican Republic.

## **9. U.S-China Security Ties in Latin America**

The reaction of United States to the Soviet missiles in Latin America during the cold war is indicative of how intolerant it is of its competitors drawing close shores but has different criteria for itself. It kept a very close eye on USSR back then with its missiles stationed in Turkey and is treading the same path by enabling Pacific nations to encircle China but this time China is determined to put up a decent fight by militarily creeping into Latin America unnoticed.

### **9.1-Arms Agreements and Military Bases**

#### **United States**

During the cold war, US was actively engaged in Latin America but the region lost its luster after 9/11 when US pivoted towards Asia. But it does not mean that the region was completely abandoned, US still kept extending its support for the region's unfortunate states like Colombia and Mexico with Plan Colombia and Merida Initiative respectively. Under these initiatives, United States provided these states with the necessary equipment, training, aid and assistance to combat drug trafficking, to curb crimes and to ensure tighter border management. This type of cooperation was provided to all the states of the region except for the

ones with authoritarian regimes (Cuba, Venezuela). Under Central America Regional Security Initiative, US mobilizes funds for equipment, technical assistance and capacity building of the law enforcement agencies of the seven countries. In 2023 alone, United States is expected to spend \$2.4 billion under the banner of security cooperation (Meyer, 2023). This would be the highest US has spent in the last ten years.

After a rough five years, US revitalized its security cooperation with Mexico through an initiative called as the Bicentennial Framework in 2021 which is Merida Initiative in a new and improved packing (Berg, 2021). United States set aside a hefty amount of \$64 million last year. In addition to the military aid, United States deployed Special Operations Forces in various countries of the region including Honduras, El Salvador, Colombia etc. (Isacson & Kinosian, 2016). Under the framework of Joint Combined Exchange Training Program, 13,000 security personnel from different states of Latin America were trained by the US Special Forces from 2007 to 2014.

In order to keep the enemies at bay, United States not only cements its defense but also fortifies its neighborhood. Starting with Guantanamo Bay, from 1898 up to now, United States is now in possession of seventy-six bases in Latin America with twelve as most in Panama and Puerto Rico. (Haddad, 2021) US Southern Command was put together in the year 1963. It takes orders from the Department of Defense and is charged with managing the security issues of the Latin American and Caribbean countries.

### ***China***

China's revised policy toward Latin America involves exploring and benefitting from the prospects of defense and military cooperation. Like a carefully crafted storyboard, it all started with the increase in the frequency of visits of the two love interests which in this case are China and the Latin American States. According to US- China Economic and Security Commission Review report, there have been over 200 of such interactions in a span of last fifteen years ("Why Is China Bolstering Military Ties in Latin America and the Caribbean?", 2022). This relationship has been taken to the next level through the arms sale agreements. Notable mentions include the China- Bolivia agreement for the six aircrafts in 2009, Peru's purchase of Surface to Air Missiles from China in the same year and then of the rocket launchers in the year 2013 (Nixon, 2016). After the historic one billion dollars deal with China, Argentinian government is showing interest in acquiring the JF- 17 thunder fighter jets which are a joint venture of China and Pakistan.

Under China- CELAC Forum, China is training the military personnel of different Latin American and Caribbean countries through initiative like Professional Military Education Program. United States suspects that China might be inculcating Anti-American rhetoric through these programs.

Chinese military officials are also sent to region's countries like Colombia and Brazil to learn the jungle warfare tactics.

As far as the physical presence of Chinese troops is concerned, it has been done under some kind of cover. For instance, peacekeeping operations in Haiti, PLA Navy's normalization of its presence in the concerned region through humanitarian missions conducted by its hospital ship 'Peace Ark' in recent years and the presence of Chinese military in Patagonia's space station in Argentina which is completely overseen by them (Berg and Thiago de Aragão, 2021). In addition to that, in order to strong its foothold in the region China has sweet talked Argentina into signing another such agreement regarding a Santa Cruz base which holds a lot of significance as it is present at the southern tip of South America where down south lies a strait that connects the Atlantic to the Pacific giving Chinese military a smooth segue between the two oceans. Moreover, it is widely believed that Chinese investment in ports in Brazil, Peru, Ecuador, Mexico, Panama in South America and Jamaica, the Bahamas in the Caribbean is a disguise to get as close to the chokepoints as possible for any unforeseen circumstances. (Lazarus & Berg, 2022). The ports construction and investment projects are seen as a step towards obtaining the military and naval bases by China in Latin American and the Caribbean region.

## **10. Conclusion**

Latin America is a region at the door of North America. United states kept really close ties with the region at the beginning under the Monroe Doctrine while keeping the other powers away from it. The region was bombarded with covert as well as overt intrusions during the Cold War by US and USSR. Meanwhile, China was dealing with its own demons. In the Post- Cold War era, the region lost its luster for United States which is where China picked up. China opened up to Latin America in 2000s and since then their relations have progressively gotten stronger which is worrying United States as it sees these relations as China's bid to get close to the US. The latter is revitalizing its relations with the region to keep knock China out of the region. Following United States, China has charmed most states through its Free Trade Agreements and most recently by bringing BRI into the region. as far as military presence is concerned, United States still have an upper hand having 76 military bases in the region. China's defense cooperation with the region is mainly focused around the arms sale agreements. Politically speaking, United States is not on good terms with the authoritarian regimes like in Cuba and Nicaragua but China does not make such distinctions in its relations. United States and China are up against each other in a bid to hold the central position in the region where each move of one is accompanied or balanced by the move of other. The prevailing pattern points at Cold War 2.0 being fermented in Latin America though its scent not as pungent as the first one yet.

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