



# Cooperative counter-hegemony, interregionalism and ‘diminished multilateralism’: the Belt and Road Initiative and China’s relations with Latin America and the Caribbean (LAC)

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## Abstract

This article examines the institutional rationale of China’s Belt and Road Initiative for Sino-Latin American interregionalism and global multilateralism. Applying Pedersen’s ideational-institutional realism approach and research on interregionalism, we provide a more nuanced analysis than mainstream realist theorising dominating research on China’s foreign policies. We argue that China’s interregional relations with Latin America and the Caribbean (LAC) entail a cooperative strategy to counter US hegemony in its own ‘backyard’. At a cognitive level, we show that the worldviews of Chinese foreign policy elites are informed by the tenets of realism. At an institutional level, interregionalism serves as a soft balancing device. In the power dimension, China uses cooperative relations with LAC to create soft power, enhancing access to raw materials, and promoting Chinese values, worldviews, and policies to the region. Hence, China-LAC interregionalism qualifies as ‘diminished multilateralism’, a pragmatic variant of multilateralism that favours particularistic interests while hampering collective problem solving.

**Keywords** Belt and road initiative · China · Interregionalism · Latin America and the Caribbean · Multilateralism

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## Introduction

Launched in 2013 to strengthen China's global connectivity, the Belt and Road Initiative (BRI) is a long-term infrastructure development scheme and a major component of Beijing's foreign policy agenda. While building on memories of the ancient Silk Road and an estimated funding of US\$1 trillion,<sup>1</sup> the BRI seeks to enhance China's international status by expanding land-based, maritime and polar links to other parts of Asia, Africa, the Middle East and Europe.

The Chinese government envisions the BRI as a multi-stakeholder platform for the provision of public goods, which encompass large-scale physical infrastructure projects such as sea- and airports, railroads, highways, industrial parks and energy facilities. The BRI also envisages other kinds of connectivity including people-to-people exchange and the creation of institutions to manage cross-border issues such as trade, security, environmental protection, transport, anti-narcotics, and health emergencies. China expects to finance these projects by establishing a Silk Road Fund, which provides financial backing to China's own banking system, as well as to new international banks initiated by Beijing including the Asian Infrastructure Investment Bank (AIIB).

This article is primarily interested in analysing the BRI's institutional rationale. The focus is placed on China's increasingly diversifying relations with Latin America and the Caribbean (LAC). This relationship is significant for three reasons. First, Chinese interregional overtures to LAC under the BRI are largely unexplored. Second, LAC was not on the Chinese radar when the BRI was launched. The region was eventually included in January 2018 as a 'natural extension of the Maritime Silk Route'.<sup>2</sup> This was a reference to the thriving Pacific trade route connecting Asia and Spanish Latin America between the sixteenth and eighteenth century<sup>3</sup> and signified the BRI's tacit upgrading to a geopolitical strategy of global scale.<sup>4</sup> Third, finally, LAC is a diverse region that has traditionally been considered a US domain; a condition that illuminates the multiple pathways through which the BRI is expected to strengthen China's presence in the Western hemisphere.

As China—especially after the Trump administration's populist push for a protectionist and nationalist foreign policy—postures as a firm defender of multilateralism, its institution-building calls for systematic scrutiny. Is China's interregionalism devoted to a 'principled' multilateralism (Ruggie 1992) defending multilateral institutions against the current revival of geopolitics and opportunistic realpolitik? Or do Chinese policies rest on a shallow multilateralism complementing a fundamentally bilateral foreign-policy agenda? We argue that China uses Sino-LAC

<sup>1</sup> National Bureau of Asian Research, 11 April, 2019.

<sup>2</sup> Special Declaration of Santiago 2018, The China-CELAC Forum on the Belt and Road Initiative, available at <http://www.itamaraty.gov.br/images/2ForoCelacChina/Special-Declaration-II-CELAC-CHINA-FORUM-FV-22.1.18.pdf> (last accessed on 13 May, 2020).

<sup>3</sup> *The Diplomat*, 24 January, 2018.

<sup>4</sup> Ambassador Lu Kun, Embassy of the People's Republic of China in the Commonwealth of Dominica, 25 April 2019, available at <http://dm.china-embassy.org/eng/zdgx/t1658824.htm> (last accessed on 29 April, 2021).



interregionalism as a formally multilateral, yet chiefly nationalist quest to establish a cooperative counter-hegemonic strategy against the US beyond its traditional Asian perimeter of interests.

The article is organised as follows. The section following the introduction outlines the analytical framework that draws on Pedersen's (2002) approach of ideational-institutional realism and research on interregionalism. The third section explores the complexity of Sino-LAC relations empirically by applying analytical categories derived from these two theoretical lenses. The fourth section examines the consequences of the empirical findings for the global multilateral architecture, arguing that Chinese interregionalism towards LAC reinforces the emergence of 'diminished multilateralism' (Rüländ 2012), a noticeable phenomenon in the reconfiguring landscape of international relations. The fifth and last section concludes the article.

## Analytical framework and methodology

The analytical framework of this article is inspired by Pedersen's (2002) ideational-institutional realism. Pedersen's framework is an essentially realist approach, albeit one that incorporates liberal-institutionalist and reflexivist arguments under an overarching concept of power. It thus bridges epistemological and ontological divides of IR theory, thereby enhancing context sensitivity beyond Western settings (Katzenstein and Sil 2008), while reconciling IR with Area Studies knowledge.

We favour Pedersen's approach over dominant neorealist stances that understand China's rise exclusively in terms of great power competition entailing 'considerable potential for war' (Mearsheimer 2010: 382). Our approach avoids neo-realism's 'black box' dilemma, that is, the negligence of domestic and cognitive factors influencing the elites in charge of a state's foreign policy. While neoclassical realism sidesteps this trap by considering how internal resentment over 'the century of shame and humiliation' and domestic perceptions of 'the relative decline of the United States' (Sørensen 2013: 377) influence Beijing's foreign policies, Pedersen's approach is in a better position to capture the institutional dynamics in China's interstate relations. Institutional politics are also at the centre of institutional realism (He 2008), which, however, neglects cognitive factors. Finally, Pedersen's approach escapes the frequently implicit teleology of liberal-institutionalist and constructivist approaches towards an apparently increasingly cooperative world order (Landolt 2004).

The pre-eminently realist perspective in Pedersen's approach is the belief that international relations are strongly informed by contestation over power. Power distribution matters, especially for rising states such as China or countries restoring lost power such as Russia. Hence, the key question is *how* power matters to this type of actors, especially in the establishment and development of diplomatic relations with other states or regions. The centrality of power in Pedersen's approach is embodied in the concept of 'hegemony', even if confined to a 'cooperative' hegemony. 'Cooperative hegemony' denotes a grand strategy, i.e. an 'intellectual architecture that lends structure to foreign policy' (Brands 2014: 1), employed by declining or rising



great powers, which compensates for relative weaknesses in military capacities through institutional policies (Pedersen 2002: 684). However, slightly modifying Pedersen, we believe that powers in ascendance like China should be more precisely characterised as ‘cooperative counter-hegemonies’. ‘Counter-hegemony’ does not mean that a country is against hegemonic policies *per se*, as often stated by the Chinese government.<sup>5</sup> It merely indicates that a country is challenging a specific hegemonic configuration. In the case of China, the main rival is the existing hegemon, the US, but military contestation is not the prime option. Instead, we argue, China seeks to establish a diversity of footholds in Latin America and the Caribbean by (1) providing public goods to endear the region’s governments to Beijing’s search for ‘soft’ power (denoting the ‘ability to get other people and governments to want what you want without having to compel their cooperation’);<sup>6</sup> (2) facilitating access to the continent’s natural resources; and (3) influencing values, worldviews and regional as well as national policies to make them compatible with those promoted by China (*ibid.*: 685–86).

One of the strengths of Pedersen’s approach is that, apart from power distribution, it captures the cognitive requisites for a power-sensitive foreign policy. The reflexivist dimension it entails – including a genuine concern for a *long durée* perspective and culture – enables us to take into account the worldviews of foreign-policy decision-makers. Focusing on China, we argue that there is a century-old path-dependent strategic culture that is informed by the tenets of political realism. As Johnston (1995: 249) has persuasively shown, it strongly relies on the *para bellum* doctrine – ‘if you want peace, be prepared for war’. The underlying skeptical worldview has been persistently reproduced by adverse historical experiences. Thinking and actions guided by a realist worldview translate into policies that treat institutions as power resources instead of fora facilitating collective action.

Pedersen’s eclectic framework also allows us to incorporate institutional realists’ argument that rising powers unable to challenge the existing hegemons by military means (Pape 2005), and enmeshed in a dense web of interdependencies (He 2008), shift power struggles to institutions. This transforms the latter from fora for collective problem solving into arenas in which membership, decision-making procedures, norms and mandates are primarily at stake. Meanwhile, institutions are downgraded to ‘soft’ balancing resources at the global and regional levels. Great powers or regional organisations dominated by them have a tendency to (ab)use interregional fora, the governance layer at the centre of this article, to ‘soft’ balance power shifts elsewhere (Rüland 2010). Interregional fora thus hamper the consolidation of a ‘principled’ multilateralism, which many analysts saw unfolding after the end of the Cold War. Instead, they are part and parcel of a shallow or ‘diminished’ multilateralism, which increasingly shaped international politics from the late 1990s onward. In accordance with Ruggie’s (1992) seminal definition, a truly cooperative multilateralism must rest on ‘generalised principles of conduct’, refrain from strategic

<sup>5</sup> China’s National Defense in the New Era, The State Council Information Office of the People’s Republic of China, July, 2019.

<sup>6</sup> *The Diplomat*, 22 September 2017. For the term ‘soft power’, see Nye (1990).



action for the pursuit of particularistic interests and, as stressed in the more recent literature, facilitate accountability, inclusiveness and legitimacy by providing non-state stakeholders participatory channels (Bexell et al. 2010). By contrast, traits of a ‘diminished’ multilateralism are (1) the circumvention of international organisations by short-lived coalitions of the willing; (2) the (mis)use of institutions for ‘soft’ balancing; (3) shallow institutions characterised by contingency, ‘soft law’, informality, flexibility and pragmatism; (4) forum shopping; (5) institutional redundancy; (6) a new bilateralism; and (7) state-centrism (Rüländ 2012).

Research on interregionalism has furthermore shown that interregional relations can adopt three forms: bi-regionalism, transregionalism and hybrid interregionalism (Rüländ 2010). Bi-regionalism denotes group-to-group interaction, for instance between the European Union (EU) and regional partners such as ASEAN, Mercosur, ECOWAS, SADC, etc. Transregional dialogues are more diffuse. They bring together member states of more than two regional organisations of which not necessarily all member states belong to the forum. Examples are the Asia-Europe Meeting (ASEM), the Asia-Pacific Economic Cooperation (APEC), the Indian Ocean Rim Association (IORA) and the Forum of East Asia-Latin America Cooperation (FEALAC). Finally, hybrid interregionalism refers to institutionally shallow fora including a regional organisation on one side and an individual nation state, usually a major power, on the other. Cases in point are the strategic partnerships of the EU and the dialogue relations of ASEAN with major powers including the US, Russia, China, India, and others (Hänggi 2006). We assume that the forms of interregionalism China chooses provide additional insights into China’s policies towards the LAC region and the resulting type of multilateralism.

The subsequent analysis rests on cognitive, institutional and power-related analytical categories derived from Pedersen’s concept of ‘cooperative hegemony’ and interregionalism research: (1) the penchant of Chinese foreign policy decision-makers for worldviews informed by the tenets of political realism (cognitive dimension); (2) the forms of interregionalism Beijing uses for ‘soft’ balancing purposes (institutional dimension); (3) the provision of public goods to the LAC region for the creation of ‘soft’ power; (4) the search for access to Latin America’s natural resources; and (5) the promotion of Chinese ideas, preferred norms and policies to Latin America and the Caribbean (power dimension).

Following Gerring (2007), we consider LAC a ‘crucial case’ entailing a wide range of political and economic settings in terms of nation-states and regional organisations that are key to and representative of China’s counter-hegemonic policies in the Western hemisphere. At the same time, it is a ‘least likely’ case, because, given the long predominance of the US in the region, we would not expect China to challenge the hegemon successfully in its immediate perimeter of interests. Our empirical analysis draws on extensive sources of contextual knowledge gained through fieldwork in China and Latin America, including 65 expert interviews conducted over the 2016–2019 period. In this paper, we draw from some of these interviews to



analyse the institutional rationale of the BRI,<sup>7</sup> while pointing to the most important policies and projects that provide traceable links to the strategic objectives of this agenda. Our empirical sources further consist of quantitative data on trade, investment, and loans as well as qualitative sources of documentary analysis, including data bases such as Nexis and the analysis of websites, blogs and videos.

## China's interregional relations with LAC

### The cognitive dimension: worldviews of Chinese foreign policy elites

It is a well-known fact that in their overwhelming majority Asian foreign policy elites are guided by strategic cultures that are strongly informed by the tenets of political realism, a fact that has been amply documented for Southeast Asia and India (Sebastian 2006; Michael 2013; Mitra and Liebig 2017; Rüländ and Michael 2019). In China, too, albeit not unrivaled, pragmatic and power conscious worldviews have a long tradition among political leaders. While the moral teachings of Mencius, Xunci and Confucius challenge strategic cultures based on pragmatic cunning (Yan 2011: 42), 'cultural realism' (Johnston 1995) has dominated statecraft for many centuries and across dynasties in a path-dependent way. The strategic literature on China is replete with hints that the contemporary political and military leadership is well familiar with what is known as the 'seven military classics' (Ota 2014).

Part of this political realism is the leadership's firm belief that under unfavourable circumstances, warfare is to be avoided. Often cited in this respect is the dictum attributed to Deng Xiaoping, 'hide our capabilities and bide our time', allegedly drawn from Tai Gong's 'Six Secret Teachings'.<sup>8</sup> Current leader Xi Jinping is linked to another military classic, Tian Rangu's 'Simafa' ('Methods of the Minister of War'), and the latter's teaching that 'even though a state may be vast, those who love warfare will inevitably perish'.<sup>9</sup> They echo Sun Tzu's warning in his widely read 'Art of War' that war is always the costliest option and that 'the skillful leader subdues the enemy's troops without any fighting'.<sup>10</sup> These insights are reflected in the current leadership's strategy to shift power contests to institutions, since China does not (yet) possess the military, economic and technological capacities to win a war against the US, the globe's leading hegemon.

The predominance of political realism among Chinese leaders is the result of frequent adverse historical experiences. While in the past the perennial fight against the Mongols and other nomadic peoples have shaped threat perceptions, today it is the traumatic humiliations by Western imperialist powers, Russia and Japan between

<sup>7</sup> We have been careful not to disclose the identity and/or detailed institutional credentials of our interview partners, because they explicitly requested us to proceed in this manner.

<sup>8</sup> *Global Times*, 6 November, 2018.

<sup>9</sup> Defense & Foreign Affairs Special Analysis, 21 February, 2019.

<sup>10</sup> Sun Tzu, *The Art of War*, Chapter 3(6), Leicester: Allandale Online Publishing, 2000.



the first Opium War (1839–1842) and the establishment of the People’s Republic of China (1949) that strongly permeate the thinking of China’s political elite (Shambaugh 2013: 14). Also, in the aftermath of the Chinese Revolution, the country time and again found itself pitted against a hostile external world led by the US and, between 1960 and 1990, the Soviet Union over pre-eminence in the socialist camp. As a result, and contradicting the dominant scholarly belief that China eschews violence (Johnston 1995), China is the Asian great power most frequently embroiled in warfare between 1945 and 1979.<sup>11</sup> It was only with the reform policies initiated by Deng Xiaoping in the 1980s that China began to shy away from armed encounters in an attempt to avoid jeopardising its economic modernisation. This risk-averse behaviour is embodied in slogans like ‘peaceful rise,’ later ‘peaceful development’, that originated in the 1990s under the former leader of the Chinese Communist Party and State President, Hu Jintao (Shambaugh 2012: 19), and the slogan of a ‘harmonious world’.<sup>12</sup> It was the time that China began to intensify its presence in international institutions (Johnston 2003).<sup>13</sup>

### The institutional dimension: interregionalism as a strategy of ‘soft’ balancing

The formation of the China-CELAC Forum in 2014 opened a new chapter in Sino-Latin American relations. With this new interregional dialogue mechanism, Beijing attached heightened significance to Latin American and the Caribbean states as partners for its foreign policy agenda. It complements the hitherto largely bilateral relations based on strategic partnerships and limited cooperation in global multilateral organisations such as the United Nations (UN) and the World Trade Organisation (WTO). While interregionalism helps China to interact with all CELAC members at the same time, bilateralism enables it to come to grips with the LAC region’s heterogeneity.

The existing interregional relations with Latin America through joint membership in transregional fora such as the Asia-Pacific Economic Cooperation (APEC) and the Forum for East Asian Latin America Cooperation (FEALAC), played only a subordinate role in Beijing’s relations with the region. APEC membership helped China advance its presence in Latin America by striking free trade agreements (FTA) with Chile (2005) and Peru (2009),<sup>14</sup> which became a tool that China could subsequently use in its successful negotiations with Costa Rica (2011), a Central American country that is not a member of APEC.<sup>15</sup> FEALAC has been less visible

<sup>11</sup> Including the occupation of Tibet (1950), the Korean War (1950–1953), the Taiwan Straits crises in 1954 and 1958, the Sino-Indian war (1962), the Vietnam War (1964–1973), the border encounter with Russia at the Ussuri (1969) and the Chinese-Vietnamese War (1979).

<sup>12</sup> *Global Times*, 6 November, 2018.

<sup>13</sup> *Ibid.*

<sup>14</sup> Interview with Peruvian Lead Negotiator of the Peru-China FTA, 16 March 2017; interview with former Chilean Diplomat and Government Advisor, 8 November, 2017.

<sup>15</sup> As we write this article, China is actively seeking a similar (bilateral) deal with Uruguay and supporting this Mercosur member in its decision to break with the principle that no FTA negotiations shall take place outside of this regional block.



than APEC, but provided valuable ideational input for China to develop a cognitively sensitive balancing strategy for Latin America. Created in 1999 as one of several mechanisms to mitigate the devastating effects of the Asian Financial Crisis of 1997/1998, FEALAC set a useful stage for diplomatic exchange and policy learning. In this transregional forum, Asian and LAC leaders could share their frustration with the political conditionalities built into the rescue packages of US-dominated multilateral financial institutions led by the International Monetary Fund (IMF) (Paz 2018: 168).

With the hybrid interregionalism of the newly established China-CELAC Forum, China chose an institutional format that promised to be much better suited to its interests in the region. The forum sidelined the much 'under-institutionalised' earlier relationship with Mercosur which China had cultivated since the 2000s (Nolte 2021: 43) and coincided with the escalation of Sino-American rivalries. In the view of the Chinese leadership, the Pivot to Asia, unveiled by President Obama in 2011, was an American strategy of containment, if not encirclement of China (Yu 2015: 1048). The Pivot to Asia may thus have been as much a catalyst for China's heightened interest in Latin America<sup>16</sup> as the simultaneous shift under President Xi Jinping from Beijing's reform era practice of 'keeping a low profile' towards a more assertive posture with the objective of 'national rejuvenation'.<sup>17</sup> Freed from the need to coordinate and compromise with other major Asian players such as Japan or ASEAN and denying them a venue for bilateral meetings with Latin American counterparts in the margins of transregional fora, hybrid interregionalism best combines for China the advantages of bilateralism with a multilateral agenda. Among a plethora of regional integration schemes in Latin America, CELAC has been identified as the single most important platform for Sino-LAC interregionalism: it is the regional grouping gathering all LAC states, while excluding the US and Canada.<sup>18</sup> To highlight the new forum's significance, the Chinese President himself hosted the first ministerial meeting of the China-CELAC Forum on 8 January, 2015, situating this event in the context of 'profound adjustments in the international system and international order' (China-CELAC Forum 2016: 71). As this statement indicates, for China, the establishment of interregional relations with LAC is indeed a device of 'soft' balancing the US in a region where American hegemony has been particularly pronounced since the early nineteenth century.

The hybrid interregionalism China practices with LAC markedly expands the institutional channels of its foreign policy agenda in the Western hemisphere. The China-CELAC Forum is not just a sequence of triannual high-level meetings of foreign ministers. Instead, it is a multi-sectoral platform enabling persistent and *ad hoc* exchanges with ministerial bureaucracies and a wide range of non-state functional bodies such as business fora, sectoral associations and think tanks whenever needed (China-CELAC Forum 2016: 25; Alden and Alves 2017: 156). Unsurprisingly,

<sup>16</sup> *The Diplomat*, 13 December, 2016.

<sup>17</sup> An objective persistently stressed by Xi Jinping and in numerous speeches of Chinese diplomats, *Xinhua*, 11 October, 2020.

<sup>18</sup> *The Diplomat*, 9 January, 2015.





agenda-setting in these fora is strongly China-centric with a priority on economic objectives but also includes other areas of cooperation such as security, culture, education, science and technology, health, people-to-people ties, tourism, anti-narcotics policy, anti-corruption and cyber-crimes (Jakobowski 2018).<sup>19</sup> For China, CELAC has become an important coordinating space for the implementation of the BRI in Latin America.

While hybrid interregionalism adds a useful additional institutional layer to China's relations with Latin America, its bet on CELAC has its limits. Intraregional power asymmetries alongside a wide spectrum of political regimes and divergent state interests make this regional grouping susceptible to internal conflicts and external interventions. Given that CELAC was created with support from left-wing leaders including former Brazilian President Lula da Silva, its institutional foundations have come under attack in the current political context. Since far-right President Jair Bolsonaro took office in Brazil in January 2019, his government has called CELAC's legitimacy into question because of Cuba's, Nicaragua's and Venezuela's membership, countries that he denounces as 'communist threats'.<sup>20</sup> Accordingly, in January 2020, Brazil took the unilateral step of cancelling its CELAC membership,<sup>21</sup> for former Brazilian Minister of Foreign Affairs, Celso Amorim, 'a total submission to [former US President] Trump's policy' to bring Brazil back to Washington's fold.<sup>22</sup> With the new leadership in the White House after the November 2020 presidential elections, Brazil's relationship to the US may cool down markedly, although its common geopolitical denominator, that is, preventing China's counterhegemonic inroads from expanding into the LAC region, will remain intact.<sup>23</sup> Moreover, cautious diplomatic relations with China have been the norm in Mexico and Colombia. Mexico has been aligned to the US through the North American Free-Trade Agreement (NAFTA) and its successor, the United States Mexico Canada Agreement (USMCA), and considers China more as an economic competitor than a partner (Ferchen 2021: 100). For their part, Colombia and the US maintain a strong security alliance with substantial financial support from the latter. This leaves limited room for the former to endorse the BRI (Serrano Moreno et al 2020), as this move could incite potentially costly reactions from Washington.

## The power dimension

### Charming LAC partners with public goods

Providing scarce public goods is a strategy hegemons and their challengers frequently apply to build up soft power. Under the BRI, China projects a benevolent image of itself as a generous provider of public goods that shares its newly acquired

<sup>19</sup> *Xinhua*, 23 January, 2018.

<sup>20</sup> *El País*, 24 September 2019; *Radio Televisión Martí*, 9 December, 2018.

<sup>21</sup> *DW América Latina*, 17 January, 2019.

<sup>22</sup> *Nodal*, 30 April, 2019.

<sup>23</sup> *South China Morning Post*, 28 February, 2021.



prosperity with economically less advanced nations.<sup>24</sup> In LAC – as elsewhere – this strategy rests on the promotion of trade, investment, concessional loans and the provision of physical infrastructure. Beijing thereby exploits the fact that for many decades, LAC nations had almost no choice other than turning to US-led financial institutions and Western investors to (co-)finance development. Latin American countries greatly appreciate that – in contrast to Western conditionalities – Chinese trade, aid and investment come without political strings attached. Countries facing difficulties to borrow on international capital markets such as Argentina have readily taken advantage of these arrangements (Wintgens and Kellner 2020: 75). In return, Beijing hopes that these transactions bolster its economic and ultimately political position in the region.

Interregionalism under the auspices of CELAC offers China a suitable institutional platform to build up soft power through the provision of public goods. As of now, 19 of the 33 CELAC members have joined the BRI. Although to China's chagrin Latin America's four largest economies – Brazil, Mexico, Argentina and Colombia – have not yet officially acceded to the BRI, this did not prevent Brazil and Argentina – unlike Mexico and Colombia – to become involved in the BRI (Serrano Moreno et al 2020). Beijing's unilateral decision to create the China-CELAC package financing facility in 2014 is a clear indication that China recognised the cooperative framework of this forum as a strategic venue to advance infrastructural projects, even as the BRI was yet to be officially launched in the region. Without naming a specific time frame, Beijing provided US\$35 billion for three mechanisms: the Preferential Loan Program with US\$10 billion, the Special Loan Program for China-Latin America Infrastructure Projects with US\$20 billion, and the China-LAC Cooperation Fund with US\$5 billion (China-CELAC Forum 2016: 39). Together with the investments of Chinese firms, China may invest in Latin America up to US\$250 billion<sup>25</sup> to finance the continent's infrastructure backlog, which the UN estimates to amount to US\$320 billion per year.<sup>26</sup> These funding schemes increasingly replaced bilateral loans to LAC governments as did the extension of direct credit lines by Chinese banks to Chinese companies carrying out BRI-projects in the LAC region (Myers and Gallagher 2020: 2).

With the provision of these huge funds – more than three times the annual FDI average between 2005 and 2013<sup>27</sup> – China seemed to prepare the field for the BRI to be sufficiently accepted in the region by the time of its launching and to implement it in a way that is suitable to its core interests. The package financing facility provides ample competences for Chinese agencies and state-owned banks to steer and monitor the selection, design, and implementation of projects. Unsurprisingly, these include sectors of special interest to China such as 'energy, road[s], communication,

<sup>24</sup> See, for instance, Xi Jinping's speech at the opening of the first Belt and Road Forum. See *Global Times*, 14 May, 2017.

<sup>25</sup> According to Chinese President Xi Jinping in his Opening Address to the First Ministerial Meeting of The China-CELAC Forum, Beijing, 8 January 2015. *The Diplomat*, 28 June 2019.

<sup>26</sup> *International Business Times News*, 19 May, 2015.

<sup>27</sup> *The China Global Investment Tracker*, available at <https://www.aci.org/china-global-investment-tracker/> (last accessed on 13 May, 2020).



port[s], logistics, electricity, mining and agriculture' (China-CELAC Forum 2016: 41). Contrary to the seemingly altruistic marketing of the BRI, and in consonance with previous investments as well as with China's two Policy Papers on Latin America and the Caribbean (The People's Republic of China 2008, 2016), the envisaged connectivity infrastructure has the predominant objective of further boosting trade, which phenomenally expanded from US\$12 billion in 2000 to some US\$300 billion in 2019.<sup>28</sup> Infrastructure development is thereby a key requisite for bringing much-needed products, especially raw materials, to China's own ports. Moreover, the Chinese government expects to create opportunities for Chinese banks and companies to maximise profits overseas. The Special Loan Program for China-Latin America Infrastructure, which comes under the supervision of the Chinese Development Bank (CDB), and requires Chinese companies, many of them state-owned, to participate in the implementation of the selected projects, is a case in point (China-CELAC Forum 2016: 41).

These financial packages seek to promote infrastructure projects under the BRI label, many of which had already been envisaged before launching the scheme in Latin America (Serrano Moreno et al. 2020: 1). While interregionalism is an institutional vehicle to advance projects involving more than one partner country, such multinational projects have progressed slowly due to the preoccupation of LAC governments with national sovereignty and the great diversity of foreign policy and economic priorities in the region. Examples are the 'Twin-Ocean Rail', that is set to connect Brazil's Atlantic coast with Peru's Pacific coast over a 5000 km railway crossing Bolivia, and the 'Two-Ocean Tunnel' which is expected to connect Chile's Pacific with Argentina's Atlantic coast (Yu 2015: 1058–1059). Yet a few triangular projects have advanced under the aegis of the BRI. Noteworthy is an agreement between Bolivia and Peru to rebuild a railway connection that will enable China to import minerals from Bolivia through the Peruvian port of Chancay, where the China Ocean Shipping Company (COSCO) is investing US\$225 million.<sup>29</sup>

Much more frequent are bilateral deals. Here, China's partnership with Panama is emblematic. Panama was the first LAC country to join the BRI in June 2017 and has become, as *The Diplomat*<sup>30</sup> titled, 'China's front door to America's backyard'.<sup>31</sup> Besides getting the country to end diplomatic relations with Taiwan, China accomplished the integration of the Panama Canal, a key interoceanic infrastructure long dominated by the US, into the Maritime Silk Road.<sup>32</sup> In return, China has invested nearly US\$2.5 billion to build the fourth transit bridge over the Canal alongside a cruise terminal. Moreover, bilateral agreements have enabled Chinese IT giant Huawei to establish operations in the Colón Free Economic Zone. Chinese banks have rapidly come to participate in Panama's financial networks while China Air has begun operating the first direct flight connection between Panama and Beijing,

<sup>28</sup> National Bureau of Asian Research, 6 May, 2020.

<sup>29</sup> *Silk Road Briefing*, 24 March, 2020.

<sup>30</sup> *The Diplomat*, 28 June, 2019.

<sup>31</sup> *The Diplomat*, 4 January, 2018.

<sup>32</sup> *The Diplomat*, 14 June, 2017.



serving as a new interregional hub.<sup>33</sup> In Argentina, a country that has yet to join the BRI, China Construction America (CCA), a subsidiary of China State Construction and Engineering Corporation (CSC), is building a 538 km highway worth US\$2.1 billion that will connect key areas of agricultural production in La Pampa with the port of Buenos Aires.<sup>34</sup>

As the Covid-19 pandemic is raging in Latin America, with mortality rates (deaths per 100,000 of the population) reaching record highs in Brazil, Peru and Mexico in 2021,<sup>35</sup> medical equipment, technical assistance, logistic infrastructures and vaccine have become scarce and desperately needed public goods. China has quickly responded to these emergencies by making vaccines available to much affected countries,<sup>36</sup> as well as by providing different kinds of medical equipment, mostly through donations.<sup>37</sup> Through its ‘mask diplomacy’, China has been extending its newly pronounced ‘Health Silk Road’ to Latin America, irrespective of the reservations by some countries including Brazil, where the government had initially opposed medical experiments with Chinese vaccines.<sup>38</sup> Moreover, the pandemic emergency, and the fact that the US had been busy solving its own domestic crisis, opened up the well-taken opportunity for Beijing to improve its ties with Mexico and Colombia.<sup>39</sup> On 20 March, 2021, the occasion of China’s third supply of vaccines to Colombia, President Xi Jinping delivered a nationally televised speech upon the invitation of his Colombian counterpart Iván Duque.<sup>40</sup> In this context, both leaders expressed their willingness to deepen the bilateral relationship – an event, which Chinese media outlets<sup>41</sup> and the Chinese Ministry of Foreign Affairs highlighted as a ‘new historical starting point’<sup>42</sup> for both nations.

Like in Southeast Asia and Africa, Chinese infrastructure projects may generate soft power among economic elites and governments, but increasingly face popular head winds. In Ecuador, for example, the financing and technically flawed construction of the Coca-Codo hydropower dam in a geologically sensitive area have been the subject of intense controversy.<sup>43</sup> Also other projects have come under intensifying criticism for irregular land acquisition practices, the forced displacement of

<sup>33</sup> Global Affairs & Strategic Studies, Universidad de Navarra, 1 June, 2018.

<sup>34</sup> China Construction America (CCA), 26 July, 2018.

<sup>35</sup> Johns Hopkins Corona Virus Resource Center, data updated 18 May, 2021, available at <https://coronavirus.jhu.edu/data/mortality> (last accessed on 19 May, 2021).

<sup>36</sup> AS/COA Americas Society Council of the Americas, data updated 17 May 2021, available at <https://www.as-coa.org/articles/timeline-tracking-latin-americas-road-vaccination> (last accessed on 19 May, 2021).

<sup>37</sup> *The Dialogue*, 22 May 2020, available at <https://www.thedialogue.org/blogs/2020/05/chinas-medical-outreach-in-lac-facts-and-features/> (last accessed on 19 May, 2021).

<sup>38</sup> *The Guardian*, 10 November, 2020.

<sup>39</sup> *Diálogo Chino*, 8 April, 2021.

<sup>40</sup> *El Tiempo*, 21 March, 2021, available at <https://youtu.be/JKqyxBBwEhE> (last accessed on 20 May, 2021).

<sup>41</sup> *Xinhua*, 21 March 2021; *CGTN en Español*, 22 March, 2021.

<sup>42</sup> Ministry of Foreign Affairs of the People’s Republic of China, 21, March 2021, available at [https://www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/t1863080.shtml](https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1863080.shtml) (last accessed on 20 May, 2021).

<sup>43</sup> *The New York Times*, 24 December, 2018.



indigenous people living in the project areas and the resultant lack of the projects' social and environmental sustainability (Wintgens and Kellner 2020: 77).

Yet China's charm offensive based on the provision of physical infrastructure and, under the impact of the Covid-19 pandemic, vigorous 'mask diplomacy', is provoking increasing concerns in Washington. In 2018, the US government responded by passing the BUILD Act (Better Utilisation of Investments Leading to Development) and creating the International Development Finance Corporation.<sup>44</sup> In a most surprising move, in May 2021, Washington announced its support for waiving patents on Covid-19 vaccine, envisaged to enable poor countries to produce and access generic versions thereof.<sup>45</sup> This policy stance resonated with a previous multilateral call by the UN to treat vaccines as 'global common goods'.<sup>46</sup> These dynamics amply demonstrate that China's strategy to establish a cooperative counter-hegemony is indeed receiving recognition *as such*.

### Facilitating access to natural resources

Soft power is an important prerequisite for China to achieve two of its BRI core interests in Latin America and the Caribbean: (1) access to natural resources and (2) mobilising support for its worldviews and normative preferences. A key role in facilitating access to the continent's natural resources plays the 1 + 3 + 6 framework of 2014, which is the '*Magna Carta*' of China's interregional agenda with CELAC. The label stands for 'one plan', that is, the China-LAC Countries Cooperation Plan, 2015–2019; 'three driving forces', including trade, investment and finance; and 'six' areas, focusing on energy and resources, infrastructure construction, agriculture, manufacturing, scientific and technological innovation, and information technology.<sup>47</sup> While this agenda has incorporated the promotion of economic activities beyond the primary sectors, China's presence in LAC has remained largely confined to the extraction of oil and minerals alongside the promotion of large-scale agricultural schemes. China's critical bottlenecks in these sectors are no state secret. In its Energy Policy (The People's Republic of China 2012), Beijing expresses 'grave concerns' in the light of the nation's long-term reliance on foreign sources of oil. Anticipating shortages, China's Policy on Mineral Resources (The People's Republic of China 2003) began urging Chinese state-owned enterprises (SOEs) to 'go out' in search of mining operations much earlier. In fact, China is now responsible for almost half of the world's consumption of minerals, with import dependence representing a growing challenge regarding key industrial and construction materials including iron ore, copper, aluminium, lead and zinc.<sup>48</sup> Moreover, China's middle classes have grown from 3.1% in 2000 to 50.8% of the population in 2018.<sup>49</sup>

<sup>44</sup> Reuters, 3 October, 2018.

<sup>45</sup> Nature, 6 May, 2021.

<sup>46</sup> UNESCO, 24 February, 2021.

<sup>47</sup> Xinhua, 23 January, 2018.

<sup>48</sup> STREAD European Policy Brief, March, 2018.

<sup>49</sup> China Power Team. "How well-off is China's middle class?" *China Power*, 29 May 2019, available at <https://chinapower.csis.org/china-middle-class/> (last accessed on 23 May, 2020).



This was equivalent to approximately 707 million people with daily expenditures between US\$10 and US\$50. Although economic growth rates declined since 2014, increasing prosperity markedly spurred the demand for fruit, vegetables, grain, fish, meat, and vegetable oils from LAC and elsewhere.<sup>50</sup> Hence, the extraterritorial access to these products is key for China's economic metabolism and political stability, especially since the Chinese Communist Party's legitimacy relies heavily on GDP growth and consumption.

The most prominent case in China's quest for Latin American resources is Venezuela, the largest recipient of Chinese loans in exchange for guaranteed oil shipments by the state-owned enterprise *Petróleos de Venezuela* (PDVSA). Chinese loan-for-oil deals have also played a key role in Brazil, where the state-led enterprise *Petrobrás* has used these to expand oil production from ultra-deep waters (7000 m below the surface), 300 km off the Atlantic coast, in exchange for increasing shipments to China (Rodríguez 2018). The Ecuadorian state has replicated this model by tying large portions of its state-owned oil production to Chinese loans and imports.<sup>51</sup>

However, China's natural resource diplomacy in Latin America remains a contested issue. Venezuela is a case in point. Although the Chinese government has significantly benefited from Venezuela's authoritarian and state-centric approach to the exploitation of its oil resources (Rosales 2016), the country's socioeconomic tragedy has ended the continued allocation of loans. In Brazil, *Petrobrás* executives have been found guilty of allocating overvalued contracts to the giant construction company Odebrecht, which according to media reports had in turn bribed other LAC governments in exchange for advantages in public procurement.<sup>52</sup>

China's demand for LAC minerals has also aggravated preexisting conflicts in the extractive sector. Although countries like Chile and Peru continue to bet on the economic windfalls of surging copper exports to China, the socio-ecological consequences of Chinese mining projects have proven visibly problematic. In Peru, Chinese, like many other mining companies, have enjoyed governmental support to hire public security forces to neutralise local protests against the violation of national and international transparency and consultation standards, as in the case of Las Bambas (Bazán Seminario 2020). Owned by the Australia-based Chinese consortium MMG/Minmetals, this mining investment has been the subject of lethal conflicts over a range of irregularities including its environmental impact assessment and the construction of a national road for the transport of copper from the highlands of Apurímac to the port of Matarani (ibid.). Local communities have recurrently blocked this road to voice environmental concerns and to defend local economic interests, causing the mine to stop copper shipments for more than 320 days between 2016 and 2020.<sup>53</sup> Increasingly, civil society organisations denounce mining, oil drilling, and energy infrastructure as targets of Chinese investment. Focusing on eighteen projects in Argentina, Bolivia, Brazil, Ecuador, and Peru, a recent report identifies a

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<sup>50</sup> Ibid.

<sup>51</sup> *The Diplomat*, 25 February, 2020.

<sup>52</sup> *The Guardian*, 1 June, 2017.

<sup>53</sup> *Gestión*, 5 January, 2021.



‘recurrent pattern of behaviour’ by Chinese banks and companies that fail to consult with the affected population and account for the environmental impacts of their projects (FIDH 2018: 5).

Chinese-LAC interregionalism hence serves the objective of geographically extending the BRI to secure stable sources of food, energy and industrial raw materials. Instead of promoting sustainable development grounded on equal footing, China’s resource diplomacy in Latin America markedly increased the region’s trade deficit with China and its overreliance on the most basic processes of value generation. This problem is not limited to the smaller, resource-dependent states of the region (Gonzalez-Vicente 2017). Even big countries with thriving industrial sectors such as Brazil have seen their economies become the hostage of reprimarisation due to an increasing trade dependence on China (Rodríguez 2018, 2021). Three commodities (oil, iron ore and soybeans) comprise 75% of Chinese imports from Brazil, while Brazil imports mostly manufactured merchandise,<sup>54</sup> a relationship Chinese scholars euphemistically describe as ‘complementary’.<sup>55</sup> Given China’s critical need for primary goods, the BRI agenda is certainly much more beneficial to China’s core interests of economic growth and political stability than to those of the LAC region.

### Promoting Chinese worldviews, norms and policies

Sino-LAC interregionalism represents an additional institutional layer that helps Beijing advance its global position from rule-taker to rule-maker, transforming the incumbent liberal world order that was built under American hegemony into one that increasingly reflects Chinese characteristics. These differ markedly from Western concepts regarding the relationship between government and the market, the role of civil society, human rights and the rule of law. Like other interregional fora in which China is engaged, the China-CELAC Forum enables Beijing to actively coordinate its positions in international organisations such as the UN, the WTO or the Climate Change regime with an entire region (China-CELAC Forum 2016: 69). Regular foreign minister consultations at the UN serve this purpose.<sup>56</sup> China thereby benefits from a ‘Third-Worldist’ worldview, which it promotes as a shared historical tie with Latin American and Caribbean countries. Both sides agree that equitable relations, mutual benefit and respect, development and non-interference are constitutive norms for South-South solidarity. China has long presented itself as the ‘Champion of the Third World’, whose economic achievements legitimise its self-proclaimed authority to voice the political concerns of the entire Global South.<sup>57</sup> By projecting its self-image as ‘the largest developing country’ (The People’s Republic of China 2008), China seeks to attract and consolidate support from LAC states

<sup>54</sup> *Chatham House*, ‘*resourcetrade.earth*,’ available at <http://resourcetrade.earth/> (last accessed on 1 April, 2020).

<sup>55</sup> Interview with Jiang Shixue, Director of the Center for Latin American Studies, Shanghai University, available at <https://youtu.be/8Dfzo-Vjguk> (last accessed on 11 May, 2021).

<sup>56</sup> *Thai News Service*, 3 October, 2019.

<sup>57</sup> *The Diplomat*, 17 May, 2013.



(Strauss 2012: 136) that ‘share’, so the subtext goes, the aspiration of an autonomous pathway to development.

While LAC governments realise that Beijing’s policies are far from being solely a form of diplomatic altruism, they perceive Chinese power as different from others. As a Latin American diplomat put it: ‘we are certainly confronted with a new kind of imperialism, one that does not necessarily impose but induces action in a way that is more respectful and patient [than that of the US]. It’s a soft kind of imperialism’.<sup>58</sup>

Arguably, even if bound by a new type of subalternity to China, gaining relative independence from the US is appealing to Latin American and Caribbean governments. In an interview, the US Ambassador to Panama, for instance, expressed his government’s consternation ‘at the fact that there wasn’t any pre-consultation’ with Washington about the Chinese-Panamanian agreement on the BRI. Panama’s vice president and then foreign minister retorted defending Panama’s ‘sovereign right to do so’.<sup>59</sup>

Examples for Beijing’s attempts to mobilise support for its worldviews can be found in the fields of trade, development, human rights, the One-China policy and people-to-people exchanges. Regarding trade, China has been actively courting LAC states to recognise its Market Economy Status in the WTO since 2001. Interregional interactions help to enhance the urgency of this objective, which LAC governments support in exchange for market opportunities in China. They do so irrespective of the fact that this policy is domestically contested in countries like Argentina and Brazil, where industry stakeholders feel threatened by what they consider Chinese dumping practices (Urdinez et al 2016: 10). In terms of development, statements by Chinese leaders suggest that the country is stepping up efforts to export its state-centric, growth-led and authoritarian development model. This entails the propagation of Chinese norms and standards (Wintgens and Kellner 2020: 79) and the premise that for poor states it is acceptable to prioritise material development over environmental sustainability.<sup>60</sup>

A recent study on China’s behaviour in the UN Human Rights Council (HRC) contends that Beijing has intensified diplomatic efforts to shape the human rights discourse in ways that weaken critics of its authoritarian model. While Cuba and Venezuela voted in favour of all Chinese initiatives at the HRC between 2016 and 2018, the voting behaviour of other LAC states is still mixed. In a China-led resolution in 2017, Beijing highlighted the importance of ‘development’ in terms of a state’s duty to guarantee socio-economic rights while simultaneously disregarding the negative effects that an authoritarian pathway to development can have on other human rights. On that occasion, European states alongside the US voted against the resolution but China got its project approved with the support of Bolivia, Brazil, Ecuador, and Venezuela while Panama abstained. In 2020, more Latin American countries supported than opposed China with their votes on resolutions in the

<sup>58</sup> Interview with Latin American diplomat, 8 March, 2017.

<sup>59</sup> US Ambassador to Panama John Feeley, available at <https://youtu.be/DMIBblyHkXY> (last accessed on 21 April, 2020).

<sup>60</sup> Statements of Chinese scholars at conferences and workshops in Brussels, Phnom Penh and Freiburg.





UN General Assembly's Third Committee on human rights issues in Xinjiang and Tibet.<sup>61</sup> A similar pattern could be identified regarding the HRC's discussion of Hong Kong's authoritarian National Security Law.<sup>62</sup>

Sino-Latin American interregionalism and the BRI also help Beijing advance the 'One China' policy in a region where Taiwan, which it considers a renegade province, maintains its last diplomatic strongholds. China's diplomatic inroads into Central America and the Caribbean have been particularly visible, with countries such as Panama, El Salvador, the Dominican Republic, and Costa Rica having broken diplomatic relations with Taiwan to join the BRI.<sup>63</sup>

Another vehicle for Chinese norm promotion is the forty-one Confucius Institutes that Beijing has set up in twenty different LAC states and the allocation of thousands of scholarships. The institutes are a chief mechanism to propagate a benign image of China.<sup>64</sup> Thus, despite hitherto mixed results, there is increasing reason for concern in both the US and the LAC region regarding the extent to which China will succeed in getting Latin American and Caribbean countries to bandwagon its efforts to weaken liberal norms. As more and more LAC countries grow increasingly dependent on Chinese imports and investments, their behaviour in multilateral fora may continue to shift in Beijing's favour.<sup>65</sup>

## **Sino-Latin American interregionalism: entrenching 'diminished' multilateralism**

In the introduction to this article we raised the question of how Chinese interregionalism with Latin America and the Caribbean helps to preserve a multilateral global order in which cooperative arrangements have come increasingly under siege. The empirical analysis confirms our premise that China's interregional relations with LAC are embedded in a concept of multilateralism which chiefly serves as a diplomatic tool to promote China's rise and to 'soft' balance power disequilibria perceived as jeopardising this agenda. It is a multilateralism driven by the objective of creating a multipolar order curtailing American hegemony. Chinese leaders' notions of multilateralism are thus shaped by a strategic outlook that is strongly informed by political realism.

Sino-LAC interregionalism displays six of the seven criteria defining 'diminished' multilateralism outlined in the theory section. First, Beijing uses interregional fora with LAC less as mechanisms to solve urgent global or regional cross-border policy problems such as economic dependence, climate change, clean energy transitions, migration and pandemics, but rather to 'soft' balance US predominance in the region, to woo LAC partners to support Chinese agendas and normative positions

<sup>61</sup> *The Diplomat*, 9 October, 2020.

<sup>62</sup> *The Diplomat*, 6 July, 2020.

<sup>63</sup> *The Diplomat*, 28 June, 2019.

<sup>64</sup> *Americas Quarterly*, 12 April, 2019.

<sup>65</sup> *The Diplomat*, 17 May, 2013.



in global fora and to ease access to the region's abundant natural resources. Second, Beijing thereby primarily operates with thinly institutionalised forms of interregional relations such as transregionalism and, more recently, hybrid interregionalism that can be flexibly adjusted to changing circumstances. The China-CELAC Forum thus complements a global Chinese web of hybrid interregional fora including the Forum on China-Africa Cooperation (FOCAC), the China-Arab States Cooperation Forum (CASCF), the China-Pacific Islands Forum (PIF) Dialogue and the 17 + 1 Forum with Eastern Europe. Third, this can be qualified as 'forum shopping' (Forman and Segaar 2006), which facilitates institutional overlap: with FEALAC an established forum exists that could improve Sino-LAC relations without excluding other Asian countries. Fourth, the resultant institutional redundancy thus does not denote an institutional division of labour (Faude and Zürn 2013), but rather a process of institutional fragmentation. Fifth, China also pursues a largely bilateral foreign policy agenda, which according to former foreign minister Yang Jiechi is 'strongly boosted' by interregional relations (Yang 2015: 17). A sixth feature of 'diminished' multilateralism is the strengthening of 'executive' multilateralism. Dominated by governments and bureaucracies and ignoring the 'all-affected' principle, it largely excludes non-state stakeholders. While Sino-LAC interregionalism formally includes a business summit, a think tank forum, a political party forum, and a young leaders' forum, it fails to engage with civil society and parliamentarians. Therefore, this particular case of interregionalism contributes little to the democratisation of global policymaking beyond the nation state.

On the one hand, Sino-LAC relations thus provide additional evidence for the fact that interregionalism does not live up to the erstwhile optimistic expectations of a building block for global governance. On the other hand, our findings do not fully support projections that regard China as a revisionist power. As the use of interregional relations and the pragmatic approach towards LAC allies of Washington show, China integrates into the existing international order as long as it serves its needs and in the process seeks to nurture it with Chinese characteristics.

## Conclusion

Drawing on Pedersen's approach of 'ideational-institutional realism' and research on interregionalism, this article has analysed the institutional rationale of China's BRI, as well as its implications for Sino-LAC interregionalism and global multilateralism. By incorporating cognitive and institutionalist factors, Pedersen's approach provides a more nuanced and profound analysis of China's LAC agenda than mainstream strands of realism. Empirically, the article has shown that, concomitant to the BRI, China's interregional inroads into LAC are primarily an institutional device to counter US hegemony in a region where its presence was growing but it was not as diversified as it is today. China is pursuing this strategic objective by complementing the BRI with a flexible institutional agenda that uses cooperative mechanisms to build up non-coercive, i.e. soft power, capacities in Washington's orbit.

Part of this agenda are transregional and hybrid interregional fora, especially the China-CELAC Forum. The latter has been the chosen option for China to advance



its cooperative counter-hegemonic strategy in the Americas and rests on a shallow institutional arrangement. Nevertheless, although China's developmentalist norms of non-interference, South-South solidarity and its emphasis on state-led developmentalism are well received in LAC, attempts to synchronise Latin Americans and Caribbeans with Chinese agendas in international organisations have so far produced mixed results. Through its disproportionately high financial contributions, China enables single LAC governments to pick and choose from different instruments to finance projects they prioritise based primarily on national or particularistic agendas. With the BRI, Sino-LAC interregionalism has increasingly become hostage to China's own economic interests. These include an urgency to diversify its sources of energy, food and industrial raw materials while building new markets for its technological merchandise, and creating new destinations for domestic overcapacities in the financial and construction sectors. While China has certainly succeeded in enhancing its profile as a great power in the LAC region, there have also been obstacles. Bowing to US pressure, Brazil has cancelled its membership in CELAC, which shows how interregionalism has become an arena for US-China competition.

In conclusion, Sino-LAC interregionalism is certainly a multilateral approach, albeit one strongly informed by the tenets of realism. It is hence a shallow multilateralism, which for the sake of flexibility in the power contest with the US provides no incentives for states to invest in institutional deepening. It is a multilateralism devoid of the normative foundations of the 'principled multilateralism', which liberal scholars projected to shape the global order after the end of the Cold War. Its executive multilateralism *à la carte* not only perfectly complements Beijing's bilateral policy networks; this particular case of 'diminished multilateralism' also accelerates the global order's institutional regression into one in which realpolitik, geopolitics and power ambitions increasingly matter.

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