

# The Great Game in Latin America

by [Deepak Bhojwani](#) [August 28, 2018](#) [0 comments](#)

US Secretary of State Rex Tillerson told an audience in Texas in February that ‘...it (the Monroe Doctrine<sup>[2]</sup>) clearly has been a success... as relevant today as it was the day it was written.’ The statement did not go down well in a Latin America conscious of US interventions the previous century. The US is still the predominant power in the region, with institutional ties through the Washington-based Organisation of American States, Inter-American Development Bank; vibrant political and diplomatic links; deep economic penetration; and a magnetism that powers immigrant flows from the region.

Though it pursues its strategy through the Fourth Fleet, forward operating locations in central America and the Caribbean, and military training programs, and has Colombia as a ‘global partner’ of NATO since May 2018, it is losing ground. US priorities – narco-traffic, immigration, promotion of democratic institutions –resonate mildly south of the Rio Grande.

Looming large is the challenge from China. The Asian power’s links to Latin America date back to the sixteenth century. After a hiatus in the twentieth century, the People’s Republic of China today maintains embassies in 24 states in the region that recognise it – nine recognise Taiwan. On 20<sup>th</sup> August El Salvador switched recognition to the PRC. Other dominoes will fall in a diplomatic game the PRC is winning. China has strategic partnerships with Brazil, Peru, Mexico, Argentina, Venezuela, Chile and Ecuador and regular meetings with the leadership of the Community of Latin American and Caribbean States (CELAC)<sup>[3]</sup>. Policy papers on Latin America, in 2008 and 2016<sup>[4]</sup>, meticulously detailed its priorities -especially the one-China policy – and extensive political, economic and cultural initiatives. China has increased military, space and nuclear collaboration with Venezuela, Chile, Bolivia, Cuba, Brazil and Argentina.

In 1990 trade between China and Latin America was almost non-existent. In 2017, it reached \$266 billion, equalling trade between the US and South and Central America<sup>[5]</sup>. China scored a surplus of \$67 billion<sup>[6]</sup>. It is the largest commercial partner of Brazil, Chile, Peru and Uruguay, and the second for many more in the region.<sup>[7]</sup> China’s Development Bank and ExIm Bank have provided approximately \$150 billion in finance to the region since 2005, mostly for exploitation of hydrocarbons, mining and infrastructure in Argentina, Venezuela, Brazil, Colombia, Ecuador and Peru<sup>[8]</sup>. In January 2018, China formally invited Latin America to its Belt and Road Initiative<sup>[9]</sup>. Bolivia and Panama have signed up.

Russian influence declined in Latin America in the 1980s but has resurfaced<sup>[10]</sup>. Focus is on ALBA<sup>[11]</sup> members Venezuela, Cuba, Nicaragua and Bolivia, and on Brazil, Argentina and Peru. Russia has expanded military exchanges and supply of hardware, from AK47s to Sukhoi aircraft. Its investments in energy, infrastructure and high technology, including space exploration and nuclear energy, and talk of a base in Nicaragua, worry the US.

The EU, especially its principal protagonist Spain, has been losing ground. Investments have been significant but not all profitable, for instance in Venezuela, Argentina and Bolivia. Political relations have been cordial with most countries but comparatively tepid. Negotiations on free trade between EU and Mercosur (Brazil, Argentina, Uruguay and Paraguay) have stalled.

The Great Game got underway in the mid-twentieth century, when the USSR began fishing in troubled Cuban waters. The US won that round but Russia is still in the ring and selectively challenges US authority. The contest between western values and the pragmatic authoritarianism of China and Russia, is well and truly joined. The struggle for influence is even more stark between the US and China, with the latter gaining economic heft. Initially focussed on ALBA countries, China today is ideologically agnostic. Massive Latin American deficits and global risk aversion make Chinese financing attractive, with fewer strings attached. Latin America’s immense resources make it a natural partner for China, whose industry aggressively exploits the middle-income markets of the region.

US functionaries point to the dangers of Latin American indebtedness, over dependence on Chinese commodity imports, China’s hold on strategic sectors such as energy, infrastructure, and the menace of Chinese expansionism. Latin American governments, especially the left leaning, however relish this alternative to overbearing US presence and a multilateral financial system under western dominance. Chinese soft power is expanding through Confucius Institutes, scholarships, language programs, and Chinese cinema.

China and Russia make common cause, especially with the ALBA, in multilateral forums, offering even the cover of the veto in the UN Security Council. Since 2013, President Xi Jinping has paid three visits to Latin America. President Putin of Russia has also visited the region. Donald Trump has still to visit a Latin American country but brandishes the Mexican wall, immigration controls and unilateral tariffs. Little wonder the Chinese proposition looks attractive. The US has reason to be worried as Latin America asserts its independence and consolidates ties further east.

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<sup>[1]</sup> The term refers to the political and diplomatic confrontation between British India and Russia over domination of central Asia in the 19<sup>th</sup> century: Peter Hopkirk (1990) *The Great Game: On Secret Service in High Asia*. The current piece traces the brewing struggle for influence in Latin America between the US and China, with Russia and the EU playing minor roles.

<sup>[2]</sup> US President James **Monroe** first enunciated the **doctrine in 1823**, outlining US policy of opposing European colonialism in the Americas.

<sup>[3]</sup> [www.chinacelacforum.org](http://www.chinacelacforum.org)

<sup>[4]</sup> Xinhua 24/11/2016

<sup>[5]</sup> United States Census Bureau: <https://www.census.gov/foreign-trade/balance/c0009.html#2017>

<sup>[6]</sup> <https://www.latinfinance.com/magazine/2018/may-june-2018/latin-america-widens-trade-relations-in-the-time-of-trump>

<sup>[7]</sup> UN statistics [www.cepal.org](http://www.cepal.org) all figures cited in this piece are in US dollars.

<sup>[8]</sup> Inter-American Dialogue – [www.thedialogue.org](http://www.thedialogue.org)

<sup>[9]</sup> China’s Belt and Road lands in Latin America, Dialogo Chino 9 July 2018, Ricardo Barrios

<sup>[10]</sup> THE NEW RUSSIAN ENGAGEMENT WITH LATIN AMERICA: STRATEGIC POSITION, COMMERCE, AND DREAMS OF THE PAST R. Evan Ellis. Strategic Studies Institute, US Army War College, June 2015

<sup>[11]</sup> ALBA is a grouping of like-minded leftist countries in the region. An initiative of Presidents Hugo Chavez and Fidel Castro, it now has nine members in Latin America and the Caribbean. Economic and social cooperation have dwindled with the passing away of Chavez and the fall in oil prices since 2013, but political solidarity persists.