

# The Impact of the Political Orientation of Latin America, on the Advance of the People's Republic of China in the Region\*

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Latin America is currently undergoing unprecedented political shifts. This phenomenon is characterized by the recent electoral victories of left-of-center candidates in Mexico in 2018; Argentina in 2019; Peru, Honduras, and Chile in 2021; and in Brazil and Colombia in 2022, and the consolidation of power by authoritarian populist regimes in Venezuela and Nicaragua.<sup>1</sup> It has also witnessed the emergence of non-left populist regimes, exemplified by the Nayib Bukele regime in El Salvador, which are less inclined to cooperate with US (US) principles on democracy and human rights.<sup>2</sup> On the other hand, regimes elected to power in Argentina, Ecuador, and Paraguay in 2023, have adopted a strongly pro-US orientation, rejecting political partnerships with the People's Republic of China (PRC) and other extra-hemispheric actors, and have looked to the US for help in addressing grave economic, security, and other challenges. In both Chile and Peru, regimes with politically left-of-center political orientations have proven strong allies of the US in the region, yet face serious internal political and socio-economic challenges.

Coinciding with Latin America's political shift is the continuing engagement by the PRC and its corporate entities in the region. This engagement encompasses a growing political component, exemplified not only by China's Belt and Road Initiative (BRI), but more recently by its Global Development Initiative (GDI) and Global Security Initiative (GSI), which broaden the scope of PRC's involvement in the region.<sup>3</sup> Moreover, the PRC has fostered closer ties with Latin America through initiatives like the China-CELAC forum and its ongoing working groups.<sup>4</sup> Diplomatic recognition of the PRC by Nicaragua and Honduras, and the rapid expansion of PRC infrastructure and other projects with those countries, as well as ongoing military engagements such as delivery of thousands

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of bulletproof vests and helmets to Panama and Costa Rica, underscores how PRC's involvement in the region goes beyond military cooperation.<sup>5</sup> A record number of Latin American leaders traveled to the PRC in 2023, with the prospect of trips by PRC President Xi Jinping to the region in 2024. At the same time, economic difficulties in the PRC have limited the number of major new PRC loans and investment projects for the region.

US government officials and academics have issued warnings regarding the negative relationship between PRC engagement and authoritarian and left-oriented governments in the Latin American region.<sup>6</sup> Reciprocally, the erosion of US influence due to the region's political shifts, coupled with escalated US-China tensions and the potential for a conflict stemming from a PRC invasion of Taiwan, have collectively heightened concerns over China's advancement, particularly in the US near abroad.<sup>7</sup>

While the PRC and its corporate entities engage with governments across the political spectrum in various regions, Chinese leaders maintain that their progress is not aimed at undermining the US.<sup>8</sup> Although China generally refrains from forming politically allied blocs or actively supporting the overthrow of noncooperative governments, existing literature suggests the presence of a reciprocal relationship in which political shifts toward leftist and authoritarian populist governments benefit the PRC, while PRC engagement supports and reinforces those shifts.<sup>9</sup>

This study examines the relationship between regime type in the changing political landscape of Latin America, and the position of the PRC in the region, with a focus on the historical records of political, commercial, investment relations, infrastructure projects, and security arrangements over the past two decades. The findings indicate that the PRC engages in a distinct and often comprehensive manner with ideologically sympathetic governments. However, this does not necessarily imply a greater volume of PRC investment or overall trade. The study reveals evidence suggesting that this relationship provides personal benefits, technical assistance, and economic advantages that contribute to the consolidation of power within nondemocratic regimes. Nevertheless, the data does not definitively establish the PRC as the primary factor behind their success. Conversely, for the PRC, this research suggests that its association with authoritarian populist and leftist governments yields strategic advantages, opportunities for expanding markets in military and digital technologies, and proves commercially lucrative for its companies, despite being accompanied by political and contractual perils.

## **Methodology**

This qualitative study selectively incorporates quantitative data on trade, investment, and other aspects of PRC interaction with the region. Given the extensive

scope and multidimensionality of the relationship being addressed within limited space, this work is necessarily preliminary in nature. Additionally, the availability of data imposes multiple limitations on this study. While there exists credible, albeit imperfect, trade, investment, and infrastructure project data covering the region's initial wave of leftist populist governments in the mid-2000s, the analysis of the most recent political shift, which arguably began in 2018 with the inauguration of Andrés Manuel López Obrador (AMLO) in Mexico, followed by the return of a leftist Peronist government in Argentina in December 2019, and expanded in 2021 with left-wing victories in presidential elections in Peru, Honduras, and Chile, as well as in 2022 with the triumph of leftist presidential candidates in Colombia and Brazil, is limited due to the scarcity of data. Most time-series data conclude in 2021, which hampers the examination of the latest developments.

Complicating analysis, agreements between the PRC and authoritarian populist governments often lack transparency, particularly regarding the details of the contracts and other agreements involved.<sup>10</sup> Consequently, this analysis relies on the limited publicly available data found in press reports concerning such deals.

Furthermore, PRC engagement with the most recent cohort of leftist and populist authoritarian governments coincides with the challenges posed by COVID-19 and the inflationary effects resulting from Russia's invasion of Ukraine. These factors have distorted economic engagement and public contracting across the political spectrum in governments.<sup>11</sup> Therefore, this study places particular emphasis on examining the differences in relative performance within the region, specifically comparing authoritarian populist, leftist, and other governments in their relationships with the PRC, while attempting to account for regional and global distortions.

For analytical purposes, this work employs an imperfect but useful categorization of the various regime types in the region, dividing them into four distinct categories: the "anti-US populist left," the "democratic left," the "populist right," and the "democratic center and right." The anti-US populist left includes Cuba and Venezuela, Ecuador's government under Rafael Correa from 2006–2017, Bolivia under Evo Morales (2006–2018), and Nicaragua under the Sandinista government of Daniel Ortega (2007–present). The democratic left includes Argentina's government (except that of Mauricio Macri, 2015–2019), Brazil under the governments of Luiz Inacio Lula da Silva and Dilma Rousseff (2003–2014, 2022–present), Chile (with the exception of the Sebastián Piñera governments of 2010–2014 and 2018–2022), Peru under Pedro Castillo and Dina Boluarte (2021–present), Honduras under Manuel Zelaya (2006–2009) and under Xiomara Castro (2022–present), El Salvador under Mauricio Funes and Salvador Sánchez Cerén (2009–2019), and Mexico under AMLO (2018–present). The government

of Nayib Bukele in El Salvador (2019 to present) is included as the sole case of the “noncooperative” (by contrast to US-aligned) populist right.

## **PRC Political Engagement**

Over the past two decades, governments spanning the ideological spectrum have actively engaged with the PRC, as evidenced by state visits, such as Colombia’s conservative President Álvaro Uribe’s trip to Beijing in April 2005 and Cuba’s Miguel Díaz-Canel’s visit in December 2022.<sup>12</sup> Anti-US populist regimes have generally exhibited a greater inclination toward political cooperation with the PRC, although the PRC has generally refrained from endorsing anti-US statements made by those regimes.

Nearly all the states recognized by the PRC as “strategic partners” or “comprehensive strategic partners” were left-of-center when the relationship was established. However, it is worth noting that the Communist government in Cuba, the first to diplomatically recognize the PRC in 1959, has never been recognized as a strategic partner.

Regarding adherence to the BRI, the precise obligations for both the PRC and participating members remain unclear. Nevertheless, governments across the political spectrum in Latin America have signed onto the BRI, following China’s recognition of the concept’s extension to the Western Hemisphere with Panama’s adherence in June 2018.<sup>13</sup> However, a small number of Latin American states, primarily non-leftist and strongly aligned with the US, such as Brazil under Jair Bolsonaro and Colombia under Iván Duque, have chosen not to join the BRI. Conversely, the shift from a right-leaning to a left-leaning government in Argentina in 2019 seemed to be a crucial factor in its decision to sign on to the BRI in March 2022. Similar changes in Brazil’s and Colombia’s governments have sparked speculation that the left-oriented regimes in both countries will join the BRI during forthcoming presidential visits.<sup>14</sup>

## **Trade**

In trade, anti-US populist left regimes have witnessed an expansion in their share of total trade with the PRC compared to their proportion of trade with the US. While other types of regimes have also experienced an increase in trade with the PRC, the growth has generally been more substantial for anti-US populist left regimes. Surprisingly, even after the replacement of anti-US populist left regimes by others, the percentage of trade with the PRC continues to expand. This trend may indicate the establishment of strong ties with the PRC during the populist

era, coupled with the enhanced feasibility of conducting business under more institutionalized governments.

As a baseline, in 2002, Latin America's trade accounted for 5 percent of its trade with the US. This figure grew to 12 percent in 2006 and reached 47 percent by 2021.<sup>15</sup>

In Venezuela, in contrast to the benchmark, the proportion of trade with the PRC relative to its trade with the US increased from 2 percent in 2002 to 54 percent in 2017. Subsequently, it experienced uneven expansion, reaching 166 percent of Venezuelan trade with the US by 2021, during the peak of US sanctions against the regime of Nicolás Maduro.<sup>16</sup>

Ecuador's trade with the PRC experienced significant growth during the tenure of the anti-US populist leftist government of Rafael Correa. At the beginning of Correa's term in 2006, trade with the PRC accounted for 8 percent of Ecuador's trade with the US. By the election of Lenin Moreno in 2017, this figure had risen to 37 percent. Subsequently, trade with the PRC continued to rise, reaching 83 percent of Ecuador's trade with the US by 2021.<sup>17</sup>

In Bolivia, when leftist populist Evo Morales assumed power in 2006, the country's trade with the PRC constituted 18 percent of its trade with the US. By the time Morales left office in 2018, trade with the PRC had reached 110 percent of Bolivia's trade with the US. As of 2021, Bolivia's trade with the PRC had further expanded to 156 percent of its trade with the US.<sup>18</sup>

To compare the growth of trade between the PRC and more democratic leftist regimes, in Argentina, trade with the PRC represented 28 percent of its trade with the US in 2002. This percentage decreased to 0.97 percent when Peronist leftist Cristina Fernández de Kirchner assumed office in 2007. During her tenure, trade fluctuated unevenly but eventually reached 110 percent by the end of her term in 2015. Under the center-right Mauricio Macri regime, trade with the PRC declined to 81 percent of Argentina's trade with the US before rebounding to 138 percent under the Alberto Fernández government by 2021.<sup>19</sup>

## **Investment**

The data reveals that anti-US populist leftist regimes in the region have received minimal Chinese investment, particularly in comparison to loans from PRC-based policy banks. For instance, Cuba, despite contributing approximately 2 percent to the region's GDP, received only 0.2 percent of Chinese foreign direct investment (FDI) from 2001 to 2021.<sup>20</sup> Similarly, Venezuela, with a GDP share of 9 percent, received a mere 1.9 percent of PRC FDI during the same period.<sup>21</sup>

During Evo Morales' tenure as Bolivia's anti-US populist leader from 2006 to 2018, his regime received only 0.1 percent of PRC FDI directed toward the

region, despite Bolivia accounting for 0.7 percent of the region's GDP, as estimated by the World Bank.<sup>22</sup> Among anti-US populist left regimes, Rafael Correa's Ecuador performed comparatively better, attracting 2.9 percent of PRC investments to the region during his presidency from 2006 to 2017, despite Ecuador's GDP share being only 1.9 percent.<sup>23</sup> This can be attributed to Ecuador's more favorable market conditions in comparison to Venezuela and Cuba, enabling the country to attract investments primarily in the petroleum and mining sectors from the PRC.

Regarding the left-leaning regimes, they generally fell short of expectations based on their share of the region's GDP in attracting investment. For instance, Argentina, which accounted for 8.9 percent of the region's GDP, received only 5.2 percent of Chinese FDI directed toward the region during Peronist governments.<sup>24</sup> Similarly, Mexico, despite representing over 23 percent of the region's GDP, received a mere 8.4 percent of PRC investment.<sup>25</sup> The only exception to this trend was Brazil, which surpassed expectations based on GDP. During the administrations of Presidents Lula and Dilma, Brazil received 41 percent of the PRC's investment in Latin America, exceeding its share of the continent's GDP, which stood at 29.5 percent.<sup>26</sup>

It is worth noting that several Chinese investments encountered challenges stemming from the politically charged environments surrounding nascent populist regimes with limited control over their populations. Notably, oil investments by PRC-based companies in the jungle region of eastern Ecuador and mining investments in the southern part of the country faced significant issues. Instances include the violent takeover of a PRC-operated oilfield in Tarapoa, Ecuador, in November 2006, and violent protests against another Chinese oil operation in the Department of Orellana in 2007.<sup>27</sup> In the mining sector, local indigenous communities protested against Chinese plans, initiated during the Correa regime, to develop the massive open-pit Mirador mine in the southern Ecuadorian province of Zamora-Chinchipec.<sup>28</sup>

Chinese investments, however, encountered various challenges related to labor, community relations, environmental compliance, and other issues across the countries where they took place. Notable incidents include frequent strikes against PRC-owned mining operations in Marcona, Peru, e.g., Piura/Rio Blanco and Las Bambas, among others.<sup>29</sup> These incidents transpired under both right-leaning and left-leaning governments. Similarly, Chinese difficulties arose in relation to the Zijin-operated Buriticá gold mine in Antioquia, Colombia, during the conservative Duque regime, with the situation persisting under the leftist government of Gustavo Petro.<sup>30</sup>

Chinese investments also faced obstacles due to actions taken by populist regimes that targeted the private sector. For instance, the Correa regime in Ecuador forced the renegotiation of oil sector royalties shortly after the PRC-based Andes consortium made a significant investment in the country. Similarly, the AMLO government in Mexico initiated initiatives to nationalize the lithium sector following a crucial investment in the sector by China's Ganfeng.<sup>31</sup> These instances prompted negotiations between the PRC-based companies and the populist government, ultimately resulting in partially favorable agreements for China.<sup>32</sup>

### **Loans and Infrastructure Projects**

In contrast to trade and investment, anti-US populist leftist regimes, along with certain left-leaning regimes, have enjoyed significant advantages in terms of PRC loans and PRC-funded infrastructure projects.

Regarding loans from China's two policy banks, namely China Development Bank and China-Ex-Im Bank, anti-US populist regimes accounted for three out of the top five recipients of such loans between 2005 and 2019. According to the Inter-American Dialogue's China–Latin America Finance Database, Venezuela's USD 60 billion in loans constituted 44 percent of all funds disbursed during the period, despite the country representing less than 9 percent of the region's GDP.<sup>33</sup> Similarly, Ecuador received USD 18.2 billion, which amounted to 13.3 percent of all funds disbursed by PRC-based policy banks, an impressive figure for a country representing only 1.9 percent of the region's GDP.<sup>34</sup> Bolivia received USD 3.2 billion, accounting for 2.3 percent of PRC policy bank loans disbursed, a noteworthy achievement considering the country's GDP contribution of only 0.7 percent to Latin America.<sup>35</sup>

The other two countries among the top five recipients of PRC loans, Brazil and Argentina, primarily received funds during left-of-center governments. Brazil's USD 31 billion constituted 22.7 percent of all PRC funds disbursed, slightly less than its share of 30 percent in the region's GDP.<sup>36</sup> Argentina's USD 17.0 billion accounted for 12 percent of PRC funds disbursed, surpassing its 8.9 percent role in the region's economy.<sup>37</sup>

Regarding infrastructure projects, the Latin America and the Caribbean Network on China (abbreviated to RED ALC-CHINA in Spanish) based in Mexico demonstrates a similar trend. Work is disproportionately awarded to authoritarian populist and sympathetic leftist countries. However, PRC-based companies have progressively enhanced their capacity to engage with more institutionalized regimes in the political center and on the right.

In terms of anti-US populist countries, Venezuela secured 8.2 percent of the total PRC infrastructure projects, roughly on par with its 8.8 percent share of the

region's GDP.<sup>38</sup> In contrast, despite accounting for only 1.9 percent of the region's GDP, the Correa regime in Ecuador captured 15.2 percent of PRC infrastructure projects.<sup>39</sup> Similarly, during its time in office, the Morales administration in Bolivia obtained 9.9 percent of the PRC infrastructure projects, despite the country contributing a mere 0.7 percent of the region's GDP.<sup>40</sup> Notably, Cuba, despite its isolation, secured 5.2 percent of PRC infrastructure projects, more than double the expected amount based on its 2 percent share of the region's GDP.<sup>41</sup>

Among other leftist governments, the ability to capture Chinese infrastructure projects varied significantly, indicating the influence of country-specific factors. Among leftist governments, Argentina stood out by overperforming, securing 29 percent of PRC infrastructure projects awarded during the tenure of Argentina's Peronist governments.<sup>42</sup> This accomplishment is noteworthy considering Argentina producing only 8.9 percent of the region's GDP, although this figure is distorted due to inclusion of the very large but currently stalled Atucha-III nuclear reactor.<sup>43</sup>

On the other hand, Brazil underperformed in receiving infrastructure projects during the administrations of Lula and Dilma, obtaining only 10 percent of the projects awarded by the PRC.<sup>44</sup> This outcome can be attributed to the dominant presence of Brazil's own construction company, Odebrecht, and its policy bank, Bandes, prior to the exposure of the "Car Wash" scandal, which led to Odebrecht's downfall. Mexico also fell short, receiving a mere 9.1 percent of PRC infrastructure projects during AMLO's time in office, despite Mexico accounting for 23.3 percent of the region's GDP.<sup>45</sup> Similarly, Peru, among leftist governments, received only 0.3 percent of Chinese infrastructure projects awarded in 2021, during Pedro Castillo's first year in office, despite its GDP share of 4.1 percent.<sup>46</sup> This outcome likely reflects the prevailing political chaos and the associated uncertain investment environment in the country during that period.

In contrast, Chile, under leftist governments, performed in line with expectations, securing 7.9 percent of infrastructure projects during the Concertación governments led by Michelle Bachelet. This achievement aligns well with Chile's contribution of approximately 5.8 percent to the region's GDP.<sup>47</sup>

In addition to numerical considerations, Chinese companies faced significant challenges in the region, particularly regarding project quality and performance. Their infrastructure projects were mired in conflicts with local governments and communities due to noncompliance with environmental and labor norms, as well as inadequate community consultations. In Venezuela, almost none of China's major infrastructure projects were successfully completed.<sup>48</sup>

Similarly, in Ecuador, China's major hydroelectric projects encountered a multitude of issues. The Coca Coda Sinclair hydroelectric facility suffered from



thousands of structural defects, and there were unfortunate incidents of deaths during the construction of the Coca Coda Sinclair and Delsitansagua facilities.<sup>49</sup> China Water and Electric, the PRC-based company responsible for the Toachi Pilaton project, faced fines, as did China National Electric Equipment Corporation (CNEEC) for poor project performance on the Mazar Dudas and Quijos facilities. As a result of project noncompliance, CNEEC was ultimately removed from the Quijos project in 2016.<sup>50</sup>

In Bolivia, all three major hydroelectric projects, as well as road and rail projects undertaken by China, were plagued by strikes and delays. Consequently, two rail projects were taken away from the PRC-based contractors due to their inability to meet the project requirements, among other actions.<sup>51</sup>

Chinese projects also encountered difficulties in non-populist countries, but the presence of stronger government oversight arguably facilitated corrective measures before the situation escalated to extreme proportions.

## Taiwan

Since 2007, six countries in the region have transitioned diplomatic relations from Taiwan to the PRC. These countries are Costa Rica, Panama, the Dominican Republic, El Salvador, Nicaragua, and Honduras. Despite historically close relations with the US, as seen in the cases of Panama, the Dominican Republic, and previously El Salvador, the regimes that changed relations have had a range of ideological orientations.<sup>52</sup> However, in almost all cases except Costa Rica, a divergence from the country's political alignment with the US appeared to have influenced the decision to switch diplomatic recognition. Conversely, the remaining countries that firmly support Taiwan include ideologically conservative regimes in Guatemala and Paraguay, which have been reluctant to make themselves vulnerable to PRC influence by establishing diplomatic relations and expanding other ties with it.

The change in diplomatic relations had political consequences for at least two of the countries making the switch: Panama and the Dominican Republic. In both, the change arguably contributed to the election of new governments.<sup>53</sup> These new governments imposed stricter scrutiny on projects involving China as part of a broader effort to rebalance the relationship with the PRC while maintaining good relations with the US.

Among the countries that switched diplomatic recognition, the PRC and its companies had significant difficulties in advancing its projects in those countries with strong institutional rules and transparency, including Costa Rica and Panama, encountered significant challenges in advancing PRC projects. Conversely, Nicaragua, an anti-US populist nation, has presented relatively few

difficulties for the PRC in advancing its initiatives, including a free trade agreement, yet the Ortega regime in Nicaragua, a politically isolated nation, arguably gained the least from the PRC in exchange for its change in recognition.<sup>54</sup>

## **Military**

In general, all countries in the region that maintain diplomatic ties with the PRC have engaged in military exchanges. They have sent delegations from their military institutions to the PRC and have received visits from the People's Liberation Army (PLA). Additionally, some personnel from these countries have traveled to the PRC for training and professional military education (PME).<sup>55</sup> However, countries with closer ties to the US, such as Colombia under Duque and Brazil under Bolsonaro, have exercised caution to avoid jeopardizing their relationships with Washington by hosting PLA personnel, forces, and Chinese military delegations. In fact, both governments have reversed the policies of previous administrations, including the suspension of invitations to PLA delegations for the Lancero course at Tolemaida Air Base in Colombia.<sup>56</sup>

Regarding military goods, Chinese arms companies have sold or provided a wide range of military equipment to countries in the region. Even conservative regimes, such as the Colombian government under Uribe, have received nonlethal equipment as gifts from China.<sup>57</sup> Chinese donations to military and police forces have been extended to countries across the political spectrum, from left-leaning to right-leaning governments.<sup>58</sup> It appears that smaller and/or underfunded militaries, including those of Guyana and Trinidad and Tobago, as well as Uruguay, have been given priority in receiving such donations.<sup>59</sup>

In terms of arms sales, there is a contrast between donations and purchases, as anti-US populist leftist regimes have taken the lead in acquiring major military equipment from the PRC. Notable examples include Venezuela's purchase of K-8 fighter aircraft, JYL-1 and JY-27A radars, Ecuador's acquisition of radars and more than 700 military vehicles, and Bolivia's procurement of Chinese military helicopters and trucks.<sup>60</sup> Argentina, with its Peronist government often aligning with populist ideologies, has bought Chinese armored vehicles and considered purchasing Chinese FC-1 aircraft, which would be the most advanced Chinese combat aircraft sold to the region.<sup>61</sup>

However, Chinese arms sales have not been limited to anti-US populist or leftist regimes alone. Peru, for instance, has transitioned from receiving Chinese military trucks as gifts to purchasing Type 90B multiple launch rocket system.<sup>62</sup> In 2014, Trinidad and Tobago obtained a Chinese offshore patrol vessel (OPV).<sup>63</sup> Nevertheless, regimes closely aligned with the US have generally drawn a distinction between

accepting nonlethal items such as Chinese dual-use trucks and engineering equipment, versus purchasing major military equipment directly from the PRC.

There is some evidence to suggest that Chinese military equipment has played a role in maintaining anti-US authoritarian regimes in power. PRC equipment, including VN-4 armored vehicles and other riot control vehicles, has been visibly employed in the repression of Venezuelan protesters on multiple occasions.<sup>64</sup>

The purchase of Chinese equipment has also been associated with corruption on several occasions. There have been investigations into alleged kickback schemes involving overpriced vehicles purchased by both the Bolivian and Peruvian armed forces.<sup>65</sup>

### **Technology Architectures**

Chinese technologies, including surveillance equipment, telecommunications, and cloud computing solutions, have been sold to countries across the political spectrum in the region. The rapid expansion of Chinese ride-share company Didi Chuxing Technology Company (DiDi) has been most notable in countries where commercial opportunities have been abundant, including Colombia, Panama, Brazil, and the left-oriented Morena regime in Mexico. In contrast, anti-US populist regimes have had limited commercial opportunities for DiDi. The growth of PRC-based e-commerce company Alibaba has followed a similar pattern, as have the decisions made by Huawei regarding the location of its cloud computing sites in Chile, Peru, Brazil (all under center or right-oriented governments during Huawei's expansion), as well as Mexico and Buenos Aires (under democratic left-of-center governments).<sup>66</sup>

PRC companies specializing in smart and safe cities architectures have implemented their technologies in various countries, including Argentina and Uruguay, which have left-leaning governments. However, they have also attempted to market their solutions (with limited success) to pro-US right-leaning regimes such as the Iván Duque administration in Colombia.<sup>67</sup>

It is worth noting that anti-US populist leftist governments have been the primary adopters of Chinese surveillance and control architectures, along with associated digital technologies. Notable examples include the implementation of the "Fatherland Identity Card" by Chinese firm ZTE for Venezuela's anti-US populist government. This card has been required for various activities, including voting, obtaining scarce food rations, and receiving Chinese and Russian COVID-19 vaccines.<sup>68</sup> Other instances include the national surveillance and response systems ECU-911 in Ecuador and BOL-110 in Bolivia. Moreover, Chinese companies played a significant role in developing communication architectures for the Cuban telecommunications company ECTESA, aiding in the digital

isolation and censorship of protesters during the Cuban government's repression of nationwide protests in July 2021.<sup>69</sup>

### **Summary Observations**

The pattern of Chinese engagement with anti-US populist leftist regimes, compared to other leftist regimes and US-aligned center and right regimes, and its impact on democracy and regional dynamics, is complex. Generally, the distinguishing factor lies in the quality, rather than the quantity, of engagement. Anti-US populist regimes tend to engage with the PRC in less transparent state-to-state interactions, primarily through loan-based infrastructure projects rather than investments. They also go further than their counterparts in terms of military purchases from the PRC and the implementation of PRC surveillance and control architectures. These architectures, combined with Chinese military and police equipment, assist authoritarian populists to some degree in exerting control over their populations.

On the other hand, there is evidence suggesting that certain countries closely aligned with the US avoid certain types of economic, military, and technological engagements with the PRC.

Superficial evidence indicates that Chinese firms encounter higher levels of corruption and implementation challenges when operating in anti-US populist regimes. This likely reflects a combination of institutional weaknesses and opportunities for corrupt practices on the Latin American side, as well as the PRC's inclination to take advantage of such situations to the extent possible.

While Chinese engagement with authoritarian populists appears to contribute to the survival of those regimes through the provision of resources, security, and technological support, it is challenging to determine whether these regimes would have followed a different trajectory without PRC assistance.

The political landscape of Latin America continues to shift toward a higher number of left-oriented regimes. However, the fragility of these regimes, coupled with economic hardships, fiscal constraints, social polarization, and transitions to new governments, threatens to exacerbate political crises and drive extreme government solutions in the region.<sup>70</sup>

The good news is that the empirical evidence does not suggest an inherent path of PRC engagement that leads at-risk leftist governments toward anti-US populist extremism. On the other hand, it is important to note that the PRC does not possess an inherent strategic interest in promoting or sustaining healthy democratic governments in Latin America if it implies limitations on the PRC's access to goods, markets, and political cooperation.

The US, Latin America, and the Caribbean should continue working with the PRC within the framework of transparency, strong institutions, and a level playing field, to promote the region's economic and democratic health.<sup>71</sup> However, it is crucial not to expect the Chinese to prioritize the interests of partners in the region over their own if those partners are ineffective in governing themselves and pursuing their interests, as the Chinese pursue their own interests in those countries. □

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