

BOOK REVIEW ESSAYS

Red Is the New Green: The Rise of China's Influence in Latin America

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This essay reviews the following works:

China on the Ground in Latin America: Challenges for the Chinese and Impacts on the Region. By R. Evan Ellis. New York: Palgrave Macmillan, 2014. Pp. ix + 291. \$51.33 hardcover. ISBN: 9781137439765.

The China Triangle: Latin America's China Boom and the Fate of the Washington Consensus. By Kevin P. Gallagher. New York: Oxford University Press, 2016. Pp. vii + 221. \$27.95 hardcover. ISBN: 9780190246730.

Diaspora and Trust: Cuba, Mexico and the Rise of China. By Adrian H. Hearn. Durham, NC: Duke University Press, 2016. Pp. vi + 255. \$24.95 paperback. ISBN: 9780822360735.

The Changing Currents of Transpacific Integration: China, the TTP, and Beyond. Edited by Adrian H. Hearn and Margaret Myers. Boulder, CO: Lynne Rienner Publishers, 2017. Pp. vii + 163. \$58.00 hardcover. ISBN: 9781626375642.

How China Is Reshaping the Global Economy: Development Impacts in Africa and Latin America. By Rhys Jenkins. Oxford: Oxford University Press, 2019. Pp. ix + 407. \$80.00 hardcover. ISBN: 9780198738510.

On September 19, 2016, six leading scholars and practitioners convened for a daylong conference at Texas A&M University's Bush School of Government and Public Service to analyze postelection US–Latin America relations. While all six had dedicated much of their distinguished careers to studying and building US–Latin American relationships, none thought that the US presidential election of 2016, regardless of the outcome, would result in an improvement in US–Latin American relations. At the end of the day, the consensus was that these relationships would either be a very low priority for the incoming president or that they would take a turn for the worse. With the possible exception of a fixation on Mexico (in terms of both trade and the border), this consensus seems, at least to date, to have been accurate.

The relative indifference of the United States toward Latin America created a tremendous opportunity for China. China has responded *con gusto*. The growth of China's presence in Latin America over the last two decades has motivated a prolific group of scholars to focus on the China–Latin America nexus. With a range of styles and methodological approaches, these five books are examples of the growing body of work that details and analyzes the significant changes that have occurred throughout Latin America in the context of China's rise in the global economy.¹ Although coming from different perspectives, common themes emerge and weave a consistent narrative of a dramatic increase in China's influence in Latin America. While the long-term economic, political, and security implications are mostly left open to speculation, it seems clear from all five books that the United States will have to revise its vision of and, perhaps, its approach to Latin America.

¹ Carol Wise, "Slippery Slopes: Globalization, Market Reforms, and Austerity Politics," *Latin American Research Review* 52, no. 5 (2017): 933–941. DOI: <http://doi.org/10.25222/larr.230>.

These books suggest that China's complex relationships with Latin America can be organized into three broad categories. The first is the Chinese diaspora. Ethnic Chinese populations in Cuba, Mexico, and other Latin American countries are becoming more important both to China and to the host governments as China's engagement expands. Adrian H. Hearn's *Diaspora and Trust* compares the Chinese diaspora in Mexico and in Cuba.

The second is Chinese investment, broadly defined to include infrastructure, loans, and cultural initiatives. Evan Ellis's *China on the Ground in Latin America*, Kevin Gallagher's *China Triangle*, Rhys Jenkins's *How China Is Reshaping the Global Economy*, and Hearn focus on these investments with different approaches. The Chinese invested the proceeds from their spectacular export growth throughout the world in Africa, Southeast Asia, and Latin America. These authors agree that these investments differ from loans from development agencies such as the World Bank or the International Monetary Fund because for the most part Chinese loans come without the kind of conditionality that had accompanied traditional development-institution lending.

The third category is international trade, including trade agreements (which are instruments of both commercial and foreign policy) and trade with third parties, such as the United States. Published in early 2017 (and therefore written before the US departure from the agreement was even considered to be likely), the compilation edited by Adrian H. Hearn and Margaret Myers focuses on the Trans-Pacific Partnership. Gallagher focuses on Latin America's 2003–2013 "China boom" and highlights the links to (and, arguably, the results of) Chinese investment and trade. Jenkins compares the growth of China's trade and investment in Latin America with China's trade and investment in Africa. Ellis presents what amounts to essentially a catalog of Chinese investments in Latin America and complements the comprehensive coverage of investment with keen insights into policy challenges faced by the relevant stakeholders. In the following sections, I discuss each of these three categories in turn.

The Chinese Diaspora

The Chinese diaspora is widespread. About 65 percent of the Chinese population outside of China lives in Indonesia, Thailand, Malaysia, and the United States.² The only Latin American country in the top twenty-three destination countries for Chinese migrants is Peru, with 2.5 percent of the total. But in the late nineteenth and early twentieth centuries, Cuba and Mexico were important destinations for Chinese workers helping to build infrastructure. In many cases these immigrants established vibrant communities that took on enclave characteristics and generally enjoyed a harmonious relationship with their host cities. At times, however, relationships with their host countries could be contentious and tense. In Mexico, for example, the Chinese were excluded from the 1910–1917 revolution.

The tension from the early period did not generally dissipate through time. Hearn offers very personal stories describing the difficulties faced by Chinese immigrants, such as finding capital to start businesses or facing hostility from the native communities. Pooling resources into community organizations helped immigrants confront these challenges, but they are also sometimes met with indifference or worse from their host governments. This success and tension generates interesting anecdotes that complement aggregate data. For example, as trade increases, Chinese Latin Americans are sometimes the target of frustration from import competition. Personal conversations with Chinese Latin Americans who have had their stores vandalized or have been the target of other kinds of attacks help inform and put a personal touch on the larger economic and political issues involved.

Hearn and Ellis highlight the importance of the Chinese diaspora both to China and to the Latin American host countries. Ellis (10) asserts that China considers Chinese at home and abroad to be part of the Chinese civilization and as such, part of the responsibility of the Chinese state. China must decide how to support these populations in the context of their historical policy of nonintervention. Hearn argues that China's rise signals a reengagement with the Chinese diaspora.

The Chinese community in Havana was no exception. Chinese migration to Cuba dropped considerably in the 1960s, when the Cuban government nationalized Chinese businesses. During the Cold War Sino-Soviet split, Cuba's gravitation toward the Soviet Union left the domestic Cuban-Chinese population neglected. Since then, the Chinese area of Havana has become a focal point for tourists, and its residents make important economic contributions. The government of Cuba is rediscovering ways to engage as China becomes more important. The Soviet Union's fall induced a turn toward China. Chinese goods are common throughout Cuba, and the Chinese Cubans can help deepen these economic relationships in at least three ways.

² Chee-Beng Tan, ed., *Routledge Handbook of the Chinese Diaspora* (New York: Routledge, 2013).

First, rising Chinese investments create the opportunity to link with local Chinese communities. Hearn suggests that the Chinese diaspora is a “powerful but often overlooked human asset” for China (10). The Chinese government has been cautious about reaching out to these communities. Specifically, Hearn argues that ideology limits government engagement. In Cuba, centralization limits the ability (or desire) to address Chinese concerns. In Mexico, politicians may fear popular backlash from overt engagement. Chinese populations are often scapegoated for problems with trade, which makes Mexican politicians hesitant to reach out.

Nevertheless, the Chinese diasporic communities have reached out to both the Chinese and national governments. Hearn documents several examples of proactive Chinese business leaders organizing and getting results. At the same time, local governments, such as the Mexican and Cuban governments, might also be missing an opportunity to connect with these communities as potential stakeholders that could enhance each country's relationship with China.

Investment

Economic development requires investment. Low Latin American savings (a source of domestic investment funds) are often cited as a drag on economic development. To achieve economic development, investment levels must reach 25 percent of GDP (Gallagher). Latin America's, however, only reached 20 percent during the post-liberalization period. China's reached 40 percent since 1978. Foreign investment augments domestic investment and can contribute to economic growth.

Chinese outward investment has been rising significantly. In 2006, Chinese investments made up 1.6 percent of global FDI flows, while the US flows were 16.5 percent. By 2016, Chinese global FDI flows were 12.6 percent of the global total, while the United States made up 20.6 percent.³ The fact that no Latin American country is among China's top ten investment locations⁴ underscores the tremendous quantities of Chinese investment worldwide, and does not mean that the impact in Latin America has not been significant. On the contrary, the consensus in these books is that Chinese investment in Latin America is widespread, pervasive, and different than investments from the United States.

The discussion of investment in these books can be roughly sorted into two groups. The first discusses investment policy broadly. Rhys Jenkins puts investment policy in the context of China's internal reforms and development. The first third of this volume explains how China's internal dynamics evolved in such a way as to create the conditions necessary for China's expanding global reach. Chapter 5 in particular focuses on China's role in the global financial market, carefully illustrating how Chinese domestic policy contributed to China's eventually very significant role as a global player in portfolio markets, trade credits, and loans. The seventh chapter of the Hearn and Myers volume (by Kevin P. Gallagher) provides additional context by pulling out specific provisions of recent trade agreements and clearly explaining the implications of each. Together these sections paint a comprehensive picture of the environmental conditions that paved the way for China's increase in investment.

The rest of the treatment of investment across these books focuses on specific Chinese investments in Latin America. China's perceived physical presence increased considerably in November 2004 during the Asian Pacific Economic Cooperation (APEC) forum. Chinese president Hu Jintao announced millions of dollars in trade and investment. By the 2008 APEC summit, China had produced a “white paper” that outlined China's expanding engagement throughout the region. Acquisition activity increased considerably, and China expanded its development of the mines and oil fields it had previously acquired. In 2015, China presented its Regional Cooperation Plan with Latin America that included a vision of US\$250 billion in investments and \$500 billion in trade.

China's physical investments have grown in natural resources, construction, retail, manufacturing, commercial services (e.g., telecommunications and electricity), infrastructure, and other sectors. Few sectors have gone untouched. The first half of Ellis's book carefully and extensively documents these investments on a country-by-country and sector-by-sector basis. The thoroughness of the work is not only impressive in its own right but it also helps build the case that the Chinese presence in Latin America is far more extensive than most Americans would assume.

Ellis shows that Chinese investment, predictably, focuses on Chinese interests of securing sources of raw materials and providing retail outlets for Chinese products. Ellis focuses on natural resources, construction

³ Economic Commission for Latin America and the Caribbean (ECLAC), *Foreign Direct Investment in Latin America and the Caribbean 2017*, LC/PUB.2017/18-P (Santiago: ECLAC, 2017).

⁴ David Dollar, “China's Investment in Latin America,” *Geoeconomics and Global Issues*, Paper 4, January (Washington, DC: Brookings Institution, 2017).

(especially loans), retail outlets, and commercial services. In each chapter, examples of Chinese investment are presented country by country, covering, for example, investment in construction in each of twenty-six countries. While it is easy to happily lose oneself in the rich sea of detail, the bird's-eye impression is that the Chinese investment is widespread in terms of countries and pervasive in terms of industries.

The commodity boom ended around 2011–2013 as Chinese growth slowed. **Figure 1** shows that Chinese and Latin American growth move together starting around 2002, with an increase between 2002–2011 and a decline after 2011. China's new direction seems to be focused on fostering domestic consumption rather than export-led growth and investing in North America, particularly the United States.⁵

China has three specific investment goals. The first is food. In Chapter 9 of the Hearn and Myers volume, Hearn discusses Chinese investments, specifically in agriculture, that are part of China's plan for securing food. Second, China is now focusing on producing more complex goods (moving up the value chain). Third, China wants to promote industrialization and integrate Latin American small and medium-sized enterprises (SMEs) into the value chain. In 2015, China met with the Community of Latin American and Caribbean States (CELAC) and initiated an economic agreement designed to achieve these goals (Gallagher).

Chinese investment is still small compared to overall US and European investment.⁶ The main contribution of the investment discussion was not that Chinese investments exceed those from the United States per se, nor are they expected to in the short run. Nevertheless, Chinese investment was rising quickly in the 2000s while investments from the three US-led sources (World Bank, the Inter-American Development Bank, and the U.S. Export-Import Bank) have waned. As Gallagher summarizes: "While the United States wasn't paying attention, Latin America quickly became of the utmost strategic importance for China" (8).

Perhaps not surprisingly, China is winning the hearts and minds of many Latin Americans. Jenkins focuses on the scale and goals of Chinese financial aid. Gallagher reports public opinion polls that show that 68 percent of Latin Americans surveyed by at least one poll have a favorable impression of China, which is 6 percentage points higher than the rate of positive impression accorded to the United States.⁷

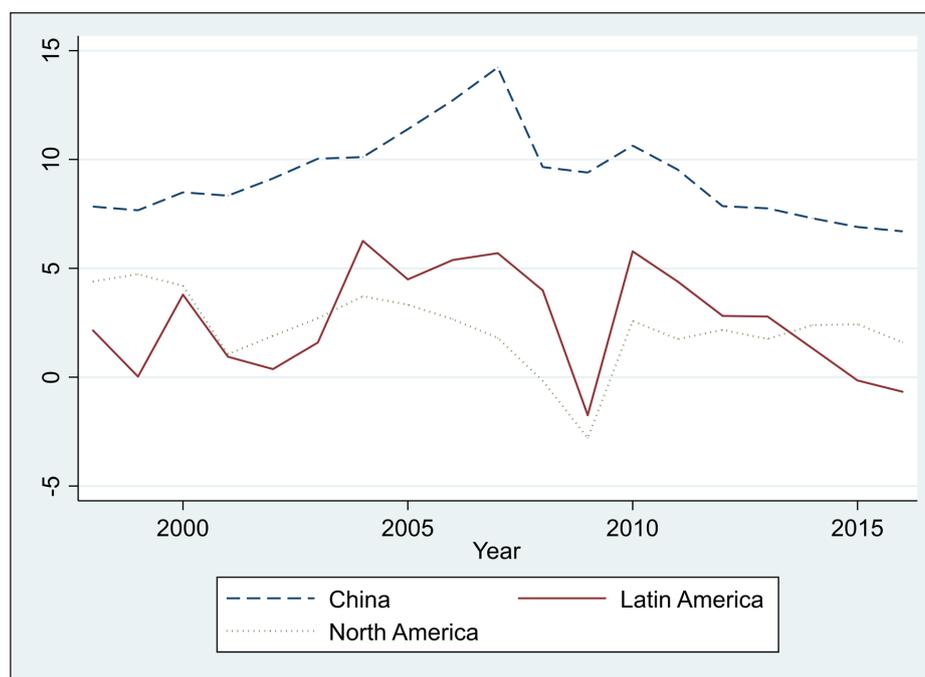


Figure 1: Average growth rates by region and year, 1997–2016. *Source:* Author's elaboration using data from the World Bank Development Indicators. Data are the annual percentage growth rate of Gross Domestic Product.

⁵ ECLAC, *Foreign Direct Investment in Latin America and the Caribbean 2017*.

⁶ ECLAC, *Foreign Direct Investment in Latin America and the Caribbean 2017*.

⁷ For these statistics, Gallagher cites Brian Faughnan and Elizabeth J. Zechmeister, "What Do Citizens of the Americas Think of China?," *Americas Barometer: Topical Brief*, June 3, 2013, Latin American Public Opinion Project, Vanderbilt University, www.vanderbilt.edu/laptop/insights/ITB007en.pdf.

International Trade

While the diaspora and investment are very important, it is possible that China's greatest impact has been through trade. Chinese trade with Latin America dates back to the 1500s. In 1899 Mexico and China signed the Treaty of Friendship and Navigation, but many Mexican officials remained suspicious (Hearn, 168). Although some suspicion of Chinese trade lingers within Mexico in particular, changes in the global environment reflected an increasing acceptance of China's growing role in international trade. Early on, Jenkins describes the changes in the World Trade Organization (WTO) and China's 2001 accession to the WTO. China's membership in the WTO is a watershed moment in global trade, and Jenkins describes the growth in trade that can be linked to WTO membership.

The four volumes that focus on trade discuss three key aspects of trade. The first is trade as Chinese hegemony. The second describes specific pair-wise relationships (describing which products are traded and with which countries China primarily trades). The third is how Latin American imports from China affect Latin American firms and workers.

Trade as Chinese Hegemony

China expands its economic influence through trade. Thus, Hearn and Myers's compilation mostly focuses on trade and the Trans-Pacific Partnership (TPP), which was one of the early fatalities of the Trump administration. President Donald Trump withdrew from the TPP on January 23, 2017, claiming that trade agreements like the TPP were bad for US workers. While on the surface, the US withdrawal from the TPP might make this volume seem irrelevant, reading through the chapters creates quite the opposite impression. The sixth chapter of the Hearn and Myers volume ("Chinese Multilateralism: Diluting the TPP," by Tim Summers) provides a historical context to Chinese economic relationships in Asia (which has included security cooperation).

The essays juxtapose the Chinese-led Regional Comprehensive Economic Partnership (RCEP) against the TPP. The TPP and the RCEP presented very different rules for international trade and investment. Without the TPP, China may now be able to essentially shape Pacific trade rules. For example, the TPP had labor provisions and rules for state-owned enterprises that are not found in the RCEP.

Of course, not every essay in the Hearn and Myers volume laments the loss of the TPP. The book combines essays that carefully document and explain the (popular?) concerns about, and resistance to, the TPP. For example, in Chapter 8, Alan Smart and Josephine Smart argue that the TPP assumes that all products should be freely traded unless proven to be dangerous, which is the opposite of the European approach. The agricultural provisions may adversely affect food quality, food safety, and bring about the loss of "traditional agricultural lifestyles" (105).

These chapters are compelling in making the case that the TPP was the "center of the U.S. pivot to Asia." For example, in Chapter 3 of the Hearn and Myers compilation, Jianmin Jin notes that "U.S. accession to the TPP interrupted China's strategy for regional integration" (37) and describes the potential for the TPP to rebalance Asia. The lack of the TPP, therefore, seems to clear the way for China to become the undisputed hegemon in Asia.

The lack of the TPP may mean China has fewer incentives for domestic reform. Jianmin Jin credits the TPP as the motivation for key reforms in China, especially in the areas of state owned enterprises, environmental policy, labor standards, and agriculture. Smart and Smart (Hearn and Myers, Chapter 8) discuss agriculture regulation and the potential for addressing food safety concerns in trade agreements. The TPP may also explain why China implemented reforms in domestic systems, such as liberalizing markets in eighteen sectors and changing its regulatory focus to negative investment lists. Some of these changes may continue in the absence of the TPP, but these texts offer little guidance for the possibility of the TPP not moving forward. One exception is found in the fifth chapter of the Hearn and Myers volume. Zhang Xuegang points out that the China-Japan-South Korea free trade agreement may be a good foundation for what follows in the absence of the TPP.

China still faces challenges for moving the RCEP forward, such as speeding up bilateral free trade agreements; opening the agriculture, finance, and energy sectors; and reformulating relationships in the absence of the United States. Even though Zhang Xuegang notes that the "Chinese government has stated that the RCEP is not a Chinese-led initiative to counterbalance the TPP" (70), the fact that it is moving ahead now without any concern for conflict from the TPP is indicative of the future of Chinese hegemony in the Pacific.

Changing Patterns of Chinese Trade

China recognized the strategic importance of Latin American commodities and proactively fostered commercial ties. The commodity boom from 2003 to 2013 was the result of China's rising demand for commodities to fuel its 10-percent-per-year growth rates. Ellis notes that trade between Latin America and China increased over this period by a factor of ten. At the beginning of the boom, Chinese trade was less than 2 percent of total Latin American trade, but by the end of the period China was the primary trading partner for many countries in the region. Total Chinese trade with Latin America grew from US\$12 billion to more than US\$289 billion (Gallagher). Rising exports to China were accompanied by rising commodity prices that together contributed to rising incomes, falling inequality, and economic growth for commodity exporters.

Jenkins contributes some econometric analysis by using a gravity model to explain the growth in Chinese–Latin American trade. Interestingly, his results suggest that China's demand for minerals may have had a more significant effect than traditional trade policies (e.g., trade agreements). He concludes that it is individual commercial interests generally, and transnational corporations in particular, that seem to be driving the trade relationship. This conclusion has important political implications as it implies that the increase in trade is less a product of Chinese national security objectives than of its increasingly independent commercial sector.

Latin American Responses to Chinese Import Competition

International trade with China has been a two-edged sword for Latin America. As exports rose, so did imports. Hearn notes that Chinese competition hit Mexico's manufacturing sector especially hard. While tariffs remain high, Hearn notes that tariff aversion is common and allows Chinese goods to compete with Mexican goods effectively tariff free (and at the same time, undermine Mexican confidence in its public sector). Competition is also especially acute in common exports markets. Competition in the US apparel and textile markets between Mexico and China resulted in significant employment losses throughout Mexico.⁸

Mexico is not unique in the degree of competition with China. Gallagher highlights his research estimating the degree of competition Latin American manufacturing exports faced from China. In some cases more than 78 percent of Latin American exports competed directly with often lower-cost Chinese exports. Competition is especially acute in manufacturing goods. Gallagher's fifth chapter begins with a very specific example of how the Chinese started to mass-produce, at much lower costs, the artisanal *vuelitiao* hat, which caused much consternation among native producers. The rise in imports of cheaper manufactured goods, along with rising commodity prices, caused Latin American production to shift away from manufacturing and toward primary products in a phenomenon Gallagher calls "premature deindustrialization" and that harkens back to the early twentieth and late nineteenth centuries, in which Latin American commodity exports for industrializing European and US markets were accused of stifling Latin American development. Such commodity-based economies can find themselves locked into the low end of the value chain.

While China may threaten production throughout Latin America to various degrees, China poses little to no threat to Cuban production. On the contrary, China has helped support Cuban development through investment, technical support, and tourism. Hearn notes that Cuban leaders visiting China consistently recognized China's contributions to the Cuban economy. As China reformed, however, tensions rose. China had been a fellow communist country, but reforms in China have unleashed the power of markets, and China is now trying to convince a more traditional Cuba to follow its example. The government of Deng Xiaoping offered pilot programs to help Cuba introduce markets, but Cuba has not been very enthusiastic. In the mid-2010s the Cuban private sector is growing, albeit slowly (Hearn, 53).

Hearn's first chapter shows that the movement toward markets is contentious, but in many ways advantageous to both governments. In particular, Chinese exports fill Cuban needs. If Cuba were to continue to liberalize, the Chinese would be able to take advantage of the created investment opportunities, just as they have throughout the rest of Latin America (Hearn, 61). The Cubans have some trepidation because they would apparently prefer not to be another *maquiladora* country.

The importance of trade has also caused China to reconsider its noninterference policy. In April 2010 China announced that it was suspending its purchases of soybeans from Argentina. While never explicit, China's move was widely interpreted as a response to rising tensions and conflict with Argentina. The move hit Argentina quite hard and revealed the potential of China's growing influence.

⁸ Raymond Robertson, Timothy Halliday, and Sindhu Vasireddy, "Labor Market Adjustment to External Demand Shocks: Evidence from Mexico," unpublished paper, Texas A&M University, 2018.

Looking Forward

The main focus of these books is the 2000–2014 period, which was characterized by the expansion of the Chinese economy, Chinese demand for Latin American resources, Chinese investment, and the proliferation of trade agreements. In terms of investment and trade, China has been filling a void in Latin America left by the United States that has profound implications for economic development and international relations throughout Latin America. The disappointing growth that followed widespread Washington Consensus reforms (a list of pro-market reforms that Latin America adopted when moving from the closed-economy import substitution industrialization model that had characterized most of the twentieth century) created a desire to consider alternatives. China needed inputs for its rapidly growing economy, and fortunately Latin America had what China needed.⁹

The 2003–2013 period was characterized by falling poverty, falling inequality, and rising incomes among lower-wage populations, potentially illustrating that trade can be “pro-poor,” at least in Latin America. Rising Chinese demand increased the demand for low-wage workers and provided governments with the resources necessary to invest in support programs. Given that Latin America is one of the most unequal regions in the world, falling inequality was a welcome benefit of engagement with China.

In the middle of the 2010s, the global environment has changed dramatically. Chinese growth has slowed and, with it, the demand for resources from Latin America and investment directed toward Latin America have fallen. To say the least, trade agreements are less in favor now than they were in the 2000–2010 period.

Even with these changes, however, these books remain relevant and informative because the fundamental themes addressed remain critically important and offer lessons for the future. The background and motivations for China's policies that Jenkins describes remain quite relevant and will help us understand future decisions. Furthermore, while they have common themes, the authors offer diverse prescriptions. Hearn's *Diaspora and Trust* highlights the importance of Mexico's industrial policy, which, Hearn argues, could be much more active. At the same time, Hearn argues that Cuba needs to reconcile the rise of China with its own version of communism. Gallagher's argument is more focused on Latin America as a region. Gallagher spends much of his book showing that the commodity boom created the opportunity to save the gains and invest those productively, but that Latin America has not yet capitalized on this opportunity. All of these prescriptions are still relevant in the post-2014 environment.

For the period covered by these five books, the United States has been much less proactive toward Latin America. Some US lawmakers have tried to bring attention to China's rise in Latin America, but with little success. Republican senator John McCain, in 2008, argued that the United States' focus on Iraq “caused (the USA) to be absent from Latin America while the Chinese were actively engaging in the region” (Ellis, 207). Democratic secretary of state Hillary Clinton raised similar concerns. Ellis argues that the United States often dismisses the growing Chinese influence as “just economic” and therefore not a threat, but that this is a “false dichotomy.” While there is clearly a path forward characterized by cooperation, the US paradigm can no longer be how the United States can cooperate with Latin America to address areas of common concern. The relevant question is now how the United States can cooperate with China and Latin America.

Ellis argues that the rise of China poses a “hegemonic threat” to the United States that could potentially affect US security in three ways: migration, money laundering/crime, and intelligence. While the worst situations may be unlikely, Ellis notes that “the anticipation and planning for such scenarios is one of the functions of professional militaries and national security establishments charged with planning for the defense of their countries under a wide range of scenarios.”

Being prepared for a threat and developing proactive policies to foster strong and productive economic relationships are two sides of successful international relations. Hearn (4) argues that the future depends on trust. None of these books recommend that the United States take steps to reduce Chinese engagement with Latin America. None of these books suggest that China's role in Latin America poses an immediate security threat to the United States. On the contrary, several of the books highlight the important positive contributions China has brought to the region and suggest that the basically positive relationship between China and Latin America can be improved on the margin. Jenkins in particular suggests that China's One Belt, One Road Initiative may divert China's attention from Latin America.

Even so, the United States must decide whether or not ceding ground to China in Latin America helps the United States—either in terms of security or economics—in the long run. If the US government were to

⁹ According to the World Bank Development Indicators, the annual rate of growth for Latin America in the 1990–2003 period, which was the period of trade liberalization, was 2.4 percent. The average for the world during the same period was 2.7 percent, and the average for East Asia and the Pacific was 7.8 percent.

decide that a more active diplomatic and economic policy is in its best interests, it will then have to realize that China has fundamentally changed the landscape and has now become a part of the fabric of Latin America. Fostering ties between the United States and Latin America—both politically and economically—and encouraging further integration within the region will help promote the kind of economic growth the Latin America both desires and needs. The World Bank's 2017 report *Better Neighbors* highlights the importance of further regional integration during the slower-growth period Latin American is facing at the end of the 2010–2020 decade.¹⁰ Renewing a positive relationship between the United States and Latin America will help mitigate potential risks from rising Chinese investment in the region and help secure regional cooperation into the future.

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¹⁰ Chad P. Bown, Daniel Lederman, Samuel Pienknagura, and Raymond Robertson, *Better Neighbors: Toward a Renewal of Economic Integration in Latin America* (Washington, DC: World Bank, 2017), <https://openknowledge.worldbank.org/handle/10986/25736>.

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