



A photo with the late Chairman Mao Zedong at the Gate of the Forbidden City, located at the edge of Tiananmen Square. During the massive rallies of the Cultural Revolution, Chairman Mao greeted his parading partisans from atop this ancient gate. Back row, left to right: Bryan Roberts, Benjamin Narváez, Randy Diehl, Jonathan Brown, Lynore Brown. Front row, left to right: He Congzhi, Mary Diehl, and Huang Ying.

REINVIGORATING OLD TIES: China and Latin America in



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CHINA HAS HAD important connections with the region of Latin America for centuries, but the relationship between them has strengthened in recent years

as China has begun to take its seat as a world power, economically, politically, and militarily. China and some countries of Latin America have shown marked economic development and both have begun to look across the Pacific once again in hopes of sustaining and increasing this growth. The ties between China and Latin America will become deeper over the course of the next several decades. This relationship, however, has not been free of obstacles.

China and Latin America have interacted in significant ways dating back to the middle of the sixteenth century. Christopher Columbus left Spain in 1492 in search of the Far East, but instead stumbled upon the Americas. Spanish ships began crossing the Pacific soon after this “discovery,” directly linking China and the New World. The year 1565 marked the first Manila Galleon voyage, which brought Asian goods from the Philippines back to the Spanish colony of New Spain (Mexico). What developed in the aftermath of this initial voyage was a dynamic system of trade that linked Spain (and Europe), its American colonies, and Asia. Spanish merchants sent New World silver to the Philippines in exchange for spices, silks, porcelains, and other luxury

goods. These goods, many of which originated in China, made their way back to the port of Acapulco in colonial Mexico. Some of these goods stayed in the Americas, while merchants sent many of them across the Atlantic back to Spain. An estimated one-third of all silver produced in colonial Mexico and Peru made its way to China and the rest of the Far East under this arrangement. The official Manila galleons lasted until the early nineteenth century when most of Spanish America erupted in struggles for independence.

TRADE VOLUME
BETWEEN CHINA AND
LATIN AMERICA AND
THE CARIBBEAN IN 1990
REACHED 1.8 BILLION U.S.
DOLLARS AND CLIMBED
TO 12.5 BILLION IN 2000.
BY 2007, THAT FIGURE
EXCEEDED 100 BILLION.

Trade continued between China and the new Latin American countries, but a new factor began to shape this relationship beginning in the 1850s: migration. As a response to war and famine, more than one million Chinese began leaving their homeland for different parts of the world during the middle of the nineteenth century. Many of these emigrants headed to South-

east Asia, Australia, and the United States, but several hundred thousand also made their way to Latin America. Cuba and Peru became the focal points of this early migratory movement, with approximately 125,000 arriving in Cuba and another 100,000 in Peru. The Chinese who went to these two places went as indentured laborers and worked under harsh conditions on sugar plantations and in other industries. Chinese immigration in Cuba and Peru essentially halted in 1874 due to international concern that this form of labor migration represented slavery. Yet, freer Chinese immigration

the Twenty-First Century

by BENJAMIN N. NARVÁEZ

UT HOLDS SYMPOSIUM IN CHINA

In March 2009, eight UT administrators and professors traveled to China to open up academic communications with four universities located in Beijing and Shanghai. Dean Randy Diehl of the College of Liberal Arts led the delegation, accompanied by Bryan Roberts and Jonathan Brown, Director and Associate Director of LLILAS.

On March 17 and 18, Peking University (PKU) and UT Austin convened the international symposium *China and Latin America in the Global Age*, with sessions devoted to history, sociology, and China's trade in the region.

UT faculty and staff presenting conference papers included Bryan Roberts, Jonathan Brown, Madeline Hsu, Nestor Rodriguez, Seth Garfield, Ning Lin, and Benjamin Narváez. Dean Diehl initiated the symposium with a talk on the internationalization of higher education at UT Austin, highlighting its training of foreign students. Also participating were three professors from the Colegio de México: Ana Covarrubias, Gerardo Esquivel, and Patricio Solis. A wide number of Chinese universities and academies were represented among faculty presenters.

The delegation also visited the campuses of China Agricultural University (CAU) in Beijing, and Shanghai University (USH) and Fudan University in Shanghai to discuss areas of collaboration, including expansion of existing research collaboration in migration patterns. LLILAS also will be welcoming Chinese student Chen Yu to our graduate program in fall 2009.

continued throughout the region during the latter half of the nineteenth century and throughout the twentieth. Soon Mexico, Panama, Brazil, and other countries boasted noticeable Chinese populations. Many of these immigrants worked on the railroads and then settled in larger cities and established small businesses, thereby creating Latin America's various Chinatowns. Chinese immigrants faced much hardship and discrimination, but eventually became an integral part of society throughout Latin America without losing their Chinese identity. Chinese immigration continues to this day, reinvigorating Chinatowns and the maintenance of Chinese culture throughout Latin America.

In the last twenty years, however, what has taken center stage once again in this relationship is the issue of trade. Trade volume between China and Latin America and the Caribbean in 1990 reached 1.8 billion U.S. dollars and climbed to 12.5 billion in 2000. By 2007, that figure exceeded 100 billion. China has become critical to economic development in a number of Latin American countries. China's hunger for natural resources and foodstuffs appears to be boundless, and countries such as Brazil, Peru, and Venezuela have much to offer. China now turns to Brazil for iron, oil, gas and soybeans, to Venezuela for oil, and to Peru for copper and fish products. In exchange for these commodities, Latin American countries receive manufactured goods from China and much-needed hard currency. Latin American countries have signed new trade deals with

China to cement this relationship in the last several years. In February 2009, China and Brazil signed an agreement ensuring China that it would receive 100,000 to 160,000 barrels of oil a day in exchange for financing Petrobras (Brazil's state-owned oil company) with 10 billion dollars in loans so it could develop new oil and natural gas reserves along the Brazilian coast. Based on agreements of this sort, it should come as no surprise that as of May 2009 China became Brazil's number one trading partner instead of the United States. In April, Peru also finalized a free trade agreement (FTA) with China, making it the first Latin American country to reach such an agreement.

Ties between Cuba and China also have expanded recently. With the fall of the Soviet Union, Cuba lost its most important ally and trading partner. An expanding tourism industry has helped Cuba since then, but the Cuban government continues to look for new foreign trade opportunities in the face of the U.S. embargo. Despite rocky relations between the two countries during much of the Cold War, Cuban and Chinese leaders have been holding up the two countries' revolutionary pasts as a reason for cooperation. The Chinese recently invested 500 million dollars in developing Cuba's nickel mines and are now the top importers of the island's nickel and sugar. The replacement of Cuba's *camellos* (semi-drawn trailer buses) with 3,000 new Chinese buses in 2008 is a more visible sign of this budding relationship. Overall, China is now Cuba's second most important trading partner after



Peking University and UT faculty assemble for the opening ceremony of the China and Latin America conference. Because of the national prominence of the faculty and students at Peking University of Beijing, the conference also attracted researchers from government think tanks and Latin Americanists from several other Chinese universities.



China's rising trade with Latin America passes through the port city of Shanghai, whose financial district mixes the twentieth-century Pudong Shangri-La hotel with futuristic skyscrapers. The UT delegation met with faculty and administrators of two universities located in Shanghai: Fudan University and Shanghai University.

Venezuela. Cuba clearly needs China more than the other way around, but China is able to demonstrate solidarity with the communist world by encouraging this relationship.

By no means has Latin America become China's main trading partner, but both sides of the Pacific are finding themselves increasingly in need of each other. With the Chinese economy expected to continue impressive growth, trade between Latin America and China is bound to grow significantly in the coming decades. Chinese economic growth reached unprecedented levels during the last ten years. In 2008, largely due to the global economic crisis that began that year, Chinese GDP slipped below double digits for the first time in seven years, dropping from the previous year's 13 percent to 9 percent (still a remarkable figure). The Chinese economy, like nearly all economies throughout the world, will continue to slow down during the next year or so, but with the size of the country's population, its resources, and industrial potential, the Chinese will continue to be central players in the world economy. This is good news for Latin America because, as China becomes an increasingly important industrial power in the world, it will continue to turn to Latin America to meet some of its needs. Thus, it should come as no surprise that Chinese leaders have been visiting Latin American nations more and

more, and vice versa, in hopes of establishing better diplomatic relations and promoting trade. Within the past several years, Chinese President Hu Jintao has visited Brazil, Argentina, Chile, Peru, Cuba, and Costa Rica.

Future relations and trade between China and the countries of Latin America will not be entirely smooth. The fear of Chinese manufactured goods wiping out industries in Latin America has held back this relationship to a degree. Mexico has voiced the biggest opposition to Chinese economic expansion in the Americas. The United States is the most important trading partner for both Mexico and China, meaning that Mexico sees increased trade between China and the U.S. as a direct threat to its economic well-being. These fears help explain why Mexico has charged China with dumping violations before the World Trade Organization. Some in the United States also have voiced concern that Chinese expansion into Latin America will hurt American economic and national security interests (China also has established military ties in the region). The issue of Taiwan poses a final barrier to increased trade and partnership in parts of Latin America. China competes economically with Taiwan and wants Taiwan isolated and brought back under Chinese control, so the government in Beijing sees any country supporting Taiwan (mostly Central American

countries) as being in conflict with Chinese national interests. Costa Rica's decision in 2007 to recognize the PRC instead of Taiwan was an important step in improving China's relationship with Central America.

The Chinese insist that their relationship with Latin America is mutually beneficial, and many in Latin America and the rest of the world agree. They may be right as long as Latin America does not become too dependent on trading certain commodities to China at the expense of pursuing sustainable economic development. The challenge for Latin American nations is to take advantage of what China is offering without repeating the economic dependency of the past. The fact that China has been cultivating relationships with governments across the political spectrum suggests that China's agenda in Latin America is economic, and should calm those who fear that China is ideologically motivated and is promoting anti-American governments and movements. Finally, in order to advance the relationship between China and Latin America, both parties would be wise to highlight Latin America's Chinese communities, which provide a natural link between both places.

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