China's Growing Influence in Latin America: Navigating Geopolitical Rivalry and Economic Dependency

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Abstract

This article examines the shifting power dynamics in Latin America, focusing on the decline of the United States' (US) influence and China's growing economic presence since the early 2000s. As the US shifted its geopolitical priorities, China expanded its trade and investment in the region, becoming a key partner for many Latin American economies. This article argues that China's engagement in the region has reduced the US' dominance in some areas, but it has also created new dependencies, challenging Latin American countries' pursuit of autonomy, through the lens of dependency and autonomy theories. China's economic relations with Argentina, Brazil, and Mexico from 2000 to 2022 are examined, utilizing empirical data on trade and investment flows. The article highlights how China's increasing influence reshapes autonomy, long-term development prospects, and strategic alignments. By examining the varying stances of the three largest Latin American economies in their engagement with China, this article aims to enrich the discourse on the region's autonomy and China's role in it.

Keywords: Autonomy, Argentina, Brazil, Mexico, United States

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Introduction

Since the early 2000s, Latin America has undergone a significant hegemonic transformation attributed to the United States' (US) shifting foreign policy priorities as well as to the power transition from the US to China. The US, which historically viewed the region as its natural sphere of expansion and later solidified its hegemony through the Monroe Doctrine, constructing the region as its backyard, embraced the "New World Order" approach after the Cold War. Under this doctrine, instead of ideology and security concerns, economic integration of Latin American countries into the capitalist system became the US's priority. However, following the September 11 attacks, the US government used terrorism threats to counter drug trafficking and illegal migration, a concern in some Latin American countries, namely Colombia and Mexico. Concurrently, China began formulating a global approach to its foreign policy, which initially involved a gradual engagement with several countries in Latin America, primarily driven by commercial objectives. The shift in power dynamics between the US and China has yielded both positive and negative consequences for the countries in the region.

There is a contentious debate (Hakim 2006; Domínguez and Castro 2015; Long 2016) about the diminishing power of the US in Latin America. Williams (2015: 204) explains the US's decreasing impact in three dimensions: "domestic dynamics in Latin America, broad shifts in the global distribution of financial power, and regional reactions to US foreign policy". Since the end of the 1990s, neoliberal crises increased social unrest against the US and US-led institutions in the region while bringing "Pink Tide"[1] governments to power. These governments pursued policies aimed at reducing US influence in the region. With the commodity boom,[2] they gained economic autonomy and began to take a stance against the US on international platforms. An example of this is the Free Trade Area of the Americas negotiations, which failed due to the positions of Brazil, Argentina, and Venezuela (Philips 2015: 87).

Over the past two decades, China's role in global trade has expanded remarkably, with varying implications for different regions of the world. This orientation began in 1999 when the Chinese government implemented the "going out" strategy, encouraging Chinese companies to seek international opportunities for raw materials to boost the industrial sector and find new markets for their goods. Entering the 21st century, China intensified its efforts to exert influence in Latin America, which became vital to its opening strategy for several reasons. First, the region is rich in raw materials crucial for Chinese industry. Second, China's challenges in producing enough food to support its massive population made agricultural imports from Latin America an attractive solution. Third, after the 2008 financial crisis, the demand for Chinese exports in the US and Europe declined, leading Latin American countries to emerge as crucial markets for China due to raw materials and agricultural products. Between the early 2000s and 2022, China solidified its position as the top trading partner for most countries in the region. This demand has triggered Latin American countries to grow through exports of primary goods while weathering economic downturns. Nonetheless, dependency on raw material exports has sparked discussions about potential risks, such as extractivism, altering national development strategies, and hindering long-term growth rates.

This article explores the effects of China's expanding economic ties with Latin America on the autonomy and dependence of countries in the region. The research question is to what extent have the deepening of bilateral economic ties with China altered the external dependency structures of Brazil, Mexico, and Argentina in the context of declining US influence. These countries were chosen because they are the region's biggest economies, and they follow different paths in their relationship with China regarding autonomy and dependency. It is indisputable

1 The expression "Pink Tide" refers to the electoral cycle starting with Hugo Chávez in 1999 and lasting during 2000s that brought left-wing parties to power in Latin America.

2 The "commodity boom" is an expression that became widespread in the early 2000s and refers to the surge in demand for raw materials driven primarily by the most populous countries, notably China and also India.

that a significant transformation has occurred in the South American subregion regarding trade and investment patterns, favoring China. However, the US is still the top trading partner of the Latin American region, mostly due to its trade volume with Mexico. Thus, examining Mexico is significant for this discussion given its unique relationship with the US.

This article employs a qualitative, multi-case analysis approach, utilizing a process tracing technique to analyze primary sources, such as trade and investment data from selected countries, as well as policy documents, white papers, and articles. The analysis covers the period from 2000 to 2022, starting with China's entry into Latin America as a key aspect of its outward strategy, as data after 2022 are either unavailable or not adequately comparable for this study. This period coincides with the decreasing US impact in Latin American, and key developments such as the commodity boom, the 2008 financial crisis and trade wars, which affect the region's dependency and autonomy vis-à-vis China and the US.

The article begins with a brief overview of the historical patterns in Latin America's political and economic structures through the lens of the dependency and autonomy theories, and the conditions of China's entrance into the region. We then discuss the argument by looking into three cases – Argentina, Brazil, and Mexico – resorting to empirical data related with trade and investment flows. Finally, we provide some concluding remarks that point to future research.

Dependency and Autonomy: Two Faces of the Same Coin

Latin America's international relations have long been defined by asymmetrical power structures, first through European colonialism and subsequently under US hegemony. While formal independence was achieved in the 19th century, the Monroe Doctrine and Cold War-era interventions entrenched a regional order characterized by political and military interference, employing "big brother" and protectorate policies in countries such as Cuba, Nicaragua, and Chile (Livingstone 2009). As Crandall and Crandall (2021) assert, Latin American autonomy has existed as both a political aspiration and foreign policy logic since the beginning of inter-American relations, consistently oscillating between accommodation and contestation.

The theoretical traditions of dependency and autonomy emerged as regional responses to this historical condition. Initially developed by Economic Commission for Latin America and the Caribbean (ECLAC), structuralist critiques centred on Latin America's peripheral integration into the global economy, where its dependence on commodity exports and foreign capital reinforced underdevelopment (Prebisch 1950). In the 1970s, dependency theory evolved further through the works of Cardoso and Faletto (1979), who argues that underdevelopment was not a pre-modern residue but a structurally produced condition involving the interaction between global capitalism and domestic elite interests. Their concept of "dependent development" introduced a dynamic reading of political economy in which development might occur, but only within limits set by existing dependency structures.

Latin American scholars, Helio Jaguaribe and Juan Carlos Puig developed the autonomy doctrine as a complementary critique and normative proposal. Jaguaribe (1979) emphasizes the material and institutional conditions required for peripheral autonomy, such as technological capacity, social cohesion, and elite commitment. Puig (1980: 149), on the other hand, defines autonomy as "the maximum capacity for self-determination that can be achieved under real-world constraints." They both saw autonomy not as isolation, but as the ability to strategically navigate the international system in pursuit of national development goals. As Blaney (1996) emphasizes, dependency theory implicitly questions the liberal ideal of sovereignty by exposing how the global economy constrains national agency. He proposes a relational understanding of autonomy, not as a binary of dependent/independent, but as a contingent capacity negotiated within structural asymmetries (Blaney 1996). In this view, autonomy is less about formal sovereignty and more about a state's ability to shape its own developmental trajectory despite international constraints.

This vision was expanded by Pinheiro and Soares de Lima (2018: 4-5), who underscore the concept's dual dimensions: internal (e.g., national viability, resource endowments) and external (e.g., elite strategies and international permissibility), following Jaguaribe's perspective. They argue that autonomy is a function of both agency and structure, requiring the activation of domestic capacities alongside the navigation of global power hierarchies. This perspective resonates with Arlene Tickner's (2014) call for Latin American International Relations theories that offer alternative lenses to the dominant Western paradigms. For Tickner (2014), autonomy functions not just as a foreign policy goal but as a critical epistemological tool, a way to expose the embedded hierarchies of the international system. Importantly, autonomy does not imply complete disentanglement from global structures. As Bernal-Meza (2013) argues in his concept of heterodox autonomy, states can pursue multiple, flexible strategies, such as diversification, selective integration, or confrontation, depending on context. Autonomy, in this reading, is not static but adaptive: it can coexist with certain forms of dependency, provided that national interests and policy space are preserved. This aligns with the idea of autonomy with adjectives (Míguez 2017), which emphasizes its historical variability and political flexibility.

The increasing presence of China in Latin America must be situated within this dynamic framework. While Beijing is often perceived as a counterweight to the US dominance, its engagement has largely reinforced extractivist economic patterns, especially through infrastructure loans, commodity-for-credit deals, and foreign direct investment (FDI) focused on natural resources. This raises critical questions about whether China offers an avenue for greater autonomy or simply reproduces dependency in new forms (Philips 2015). While some analysts emphasize the expansion of foreign policy options through South-South cooperation (Diko and Sempijja 2021), others caution against overestimating the transformative potential of these ties, especially when structural asymmetries persist (Destradi and Gurol 2022).

In this context, autonomy becomes a relational and contested space. As Pinheiro and Soares de Lima (2018) note, autonomy requires not only diversification of external partners but also the capacity to strategically align foreign engagement with internal developmental priorities. Yet, as Míguez (2021) points out, much of the literature conflates diversification with autonomy, overlooking the fact that some of these new partnerships may reinforce old hierarchies under a different guise. The notion of horizontal (Míguez 2017) or regional autonomy (Rapoport 2013) suggests that collective regional strategies may enhance policy space and reduce external dependency if rooted in solidarity-based cooperation.

In sum, dependency and autonomy are not mutually exclusive conditions but rather part of a dialectical relationship shaped by global structures and domestic agency. The rise of China introduces new variables into this equation, offering Latin American states expanded foreign policy options, yet often within unchanged structural constraints. Examining Argentina, Brazil, and Mexico through this lens allows us to assess how autonomy is exercised or constrained in practice.

China's Growing Influence in Latin America's Pursuit of Autonomy

In the early 2000s, China implemented an international insertion strategy, which culminated in its accession to the World Trade Organization (WTO) in 2001, supporting its development policies. Beginning in 2003, China's growth increased demand for key commodities such as soybeans, meat, grains, fuels, and minerals, driving rapid economic growth in African and Latin American countries. This surge resulted in unprecedented price levels for various resources. Although some commodities faced price decreases due to a weak US economy, oil, wheat, and iron ore were expected to reach record highs. By 2008, China, representing a fifth of the global population, accounted for half of the world's cement consumption, a third of its steel, and over a quarter of its aluminum (The Economist 2008).

The other key instrument of China's strategy is the Belt and Road Initiative (BRI), which aims to establish trade agreements with countries across various regions of the world (Bunskoek and Shih 2021). Its impact in Latin America is also quite evident, although the political and economic effects vary significantly from country to country. Today, 21 of the 33 countries in the region are BRI members. Economically, China's BRI in the region encompasses infrastructure investment, trade growth, financing, and access to natural resources (Jenkins 2022; Liang 2019). However, it also presents potential challenges, including debt traps and de-industrialization (Bernal-Meza 2020). Politically, the BRI offers the potential to strengthen regional autonomy, which could influence relations with the US and enhance China's presence in the region (Tokatlian 2007; Gallagher 2016; Niu 2015). China can use the BRI as a tool to increase its soft power, leading to significant effects such as improving the perception of FDI, gaining support in international organizations, and establishing friendly policies in other countries (Xing 2020). The varying approaches of Latin American countries towards the BRI significantly affect how these outcomes will materialize and the distinct paths in their engagement with China. (Wu 2024).

At the beginning of the 2000s, two dynamics favored China's strategy: the declining US interest and the rise of left-leaning leaders in Latin America. This prompted countries to adopt a favorable approach toward China, seeking greater autonomy. Rich in natural resources, the region leveraged trade with China to enhance "national viability" to increase its autonomy vis-à-vis the US.[3] While China's initial influence was primarily economic,

3 Jaguaribe (1979) describes "national viability" as the existence of adequate human and social resources, the capacity of international insertion, and the degree of sociocultural cohesion within national borders.

and thus focused on securing raw materials, its engagement gradually evolved to include political dimensions as well.

The literature on China-Latin America relations during the commodity boom identifies two primary perspectives: one highlights China's positive impact on Latin America's economic development (Kaplan 2016; Li and Zu 2019) while the other argues that China's influence in the region has led to an increased dependency on primary products, which could be disadvantageous in the long-term (Ferchen 2011; Lopes Afonso, Bastos and Perobelli 2021). According to the first view, Latin American countries benefit from China's demand. The World Bank report says, "[t]he rising correlation between the growth of the two Asian economies (China and India) and Latin American economies (except Central America and the Caribbean) seems to have been driven mainly by demand externalities and higher prices for commodities where Latin American and Caribbean countries' comparative advantage lies" (Lederman, Olarreaga and Perry 2009: 4). Additionally, as Chinese incomes rise, demand for a wider range of Latin American products will increase, enhancing trade across various sectors (Devlin, Estevadeordal and Rodríguez 2006). Latin American countries perceived this approximation as a way to enhance their autonomy, specifically autonomy from the US. Some factors contributed to this view. Gachúz Maya and Urdinez (2022) highlight key factors regarding China's influence in the region. Firstly, China's presence serves as a counterbalance to US dominance, granting countries in the region greater autonomy in foreign policy and reducing reliance on the US. Secondly, Chinese loans have provided crucial funding for infrastructure projects, enabling economic growth and allowing nations to prioritize development independently.

Table 1 shows this transformation, especially the increase in trade in the early 2000s. To better understand the implications of these two views on China's growing relations with Latin America, it is necessary to examine the data showing the evolution of China's trade relations with the region. The growth of Chinese exports to the region between 2000-2022 highlights Latin America's increasing importance as a trading partner, with its share of China's exports rising from 2.8% to 7.0% and imports from 2.4% to 8.5% (WITS 2024). This remarkable change in trade reveals, as mentioned above, the extent to which China's economic relations with the region have developed.

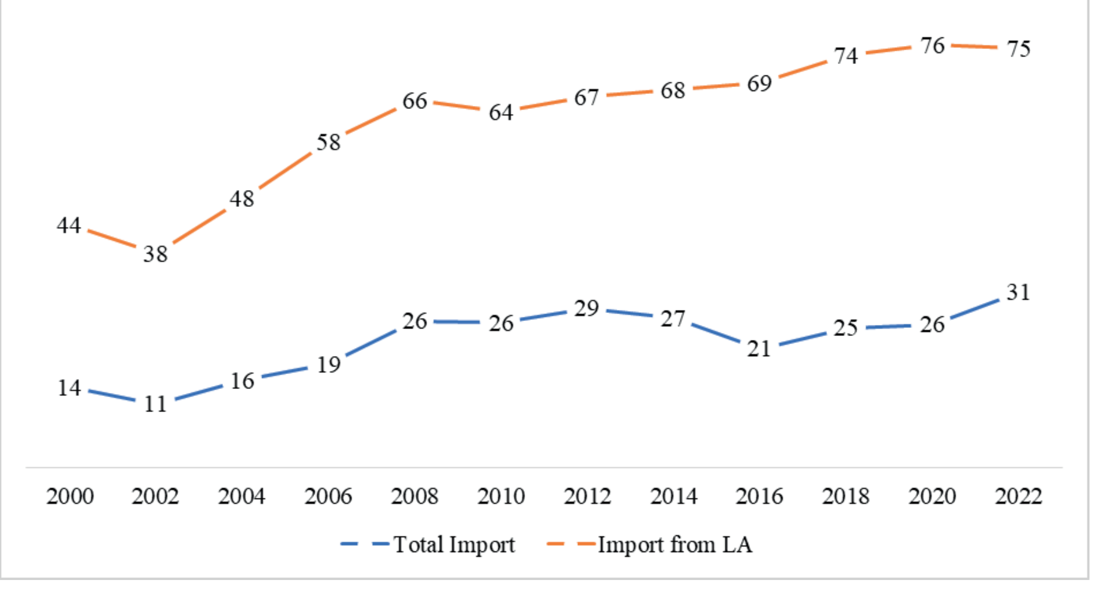
Table 1. China's Trade with Latin American Countries (2000-2022)

Year	Export to Latin America (US$ Billion)	Import from Latin America (US$ Billion)	Trade Balance (US$ Billion)	Export to Latin America/Total	Import from Latin America/Total
2022	252	232	20	7.0	8.5
2020	150	168	-19	5.8	8.1
2016	113	102	11	5.4	6.4
2012	134	125	9	6.5	6.9
2008	71	71	0	5.0	6.3
2004	18	22	-4	3.0	3.9
2000	7	5	2	2.8	2.4

Source: Authors' calculations based on World Integrated Trade Solution (WITS)

According to the second perspective, there is a growing concern in the China-Latin America relations literature that China's engagement in Latin America could alter production structures and create dependency on commodity exports. Latin American countries could risk losing comparative advantage due to deindustrialization and less technology-intensive production (Lall, Weiss and Oikawa 2005). Figure 1 shows that China's raw material imports rose from 14% to 31%, reflecting its resource-intensive economy. Specifically, Latin America's share as a supplier increased from 44% in 2000 to 75% in 2022, underscoring the region's importance to China.

Figure 1. Raw Material Ratio in China's Imports (2000-2022)



Source: WITS (2024)

Despite such a pattern strengthening China-Latin America ties, it risks excessive reliance on primary commodities, hindering industrial diversification. Figure 1 also shows how China's reliance on the region for raw materials has increased, which emphasizes the need for policies that diversify exports and reduce dependence on a single market, impacting Latin American countries' long-term production and development structure. In 2017, five key products, soybeans, iron ore, copper ore, refined copper, and oil, accounted for 70% of the region's exports to China. This concentration makes the region vulnerable to global commodity demand shifts and fluctuations in China's economic growth. A significant concern linked to this dependency is "Dutch disease",[4] which can lead to de-industrialization, currency value issues, and decreased competitiveness (Sachs and Warner 1995). Barbier (2004) highlights that this risk could also exacerbate Latin America's inequality, poverty, and environmental concerns. Another concern was that the region was losing competitiveness in international

4 The Dutch disease is an economic phenomenon where a surge in natural resource revenue leads to declining competitiveness in other sectors.

trade while China was rising to global leadership in manufacturing exports (from 0.4% in 1985 to 10.1% in 2005). Lastly, trade structure impacts countries' decision strategies (Serdaroğlu Polatay 2020).

Regarding the complementarity of Chinese and Latin American exports to third countries, an Inter-American Development Bank study highlights that their export baskets have become similar, and competition between China and Latin American countries has become inevitable (Devlin, Estevadeordal and Rodríguez 2006). Additionally, ECLAC research by Artecona, Perrotti and Welslau (2022) indicates that South American countries have lost market share in the US to China, particularly in low-tech and high-tech industries. A further study comparing Chinese and Latin American exports to the global and US markets reveals a direct threat in sectors where Chinese market share has increased, along with a partial threat in sectors where both China and Latin American countries have expanded their trade share, as China is growing at a faster pace (Lall, Weiss and Oikawa 2005). Another concern is the impact of Chinese investments via commodity-backed loans to secure resource supply by funding regional infrastructure and transportation projects. Additionally, Chinese entities may require countries to purchase their products as part of loan agreements (Myers 2015). Moreover, China's debt diplomacy has created other problems for countries, where the regional countries rely heavily on China's goodwill and have limited bargaining power in renegotiating loan terms. Also, Latin America has the highest debt service payments globally, exceeding 4% of its GDP, particularly with "hidden loans" from China (Horn, Reinhart and Trebesch 2021). This considerable financial obligation restricts the fiscal autonomy of countries, leaving them vulnerable to a potential economic crisis in China.

Commodity prices decreased in 2011, concluding the boom by 2013 due to China's slowing economic growth. However, Chinese demand for many South American commodities remained stable. China has been providing economic incentives to secure international support from the region. According to Morales-Fajardo and Franzoni (2024), since 2004, Argentina, Brazil, Chile, Peru, and Venezuela have acknowledged China as a market economy, a prerequisite for obtaining loans. Costa Rica and Uruguay followed suit in 2008 and 2009, respectively. Notably, Mexico has not recognized this status. China must strengthen its position within the WTO against the US and EU while leveraging bilateral relations with countries eager to deepen economic ties. Therefore, China has capitalized on the political advantages of these bilateral relations.

Having examined the broader contours and challenges of China's strategy toward Latin America, the next section presents how these policies have concretely materialized within national contexts, namely Argentina, Brazil, and Mexico.

Argentina, Brazil, and Mexico's Divergent Patterns of Dependency and Autonomy

China's economic engagement with Latin America has intensified since the early 2000s, reshaping trade and investment flows across the region. While often interpreted as offering new avenues for South–South cooperation and diversification, empirical evidence suggests that these relations are deeply embedded within historically rooted dependency structures. This section illustrates differentiated trajectories shaped by domestic political economies and global market dynamics.

Argentina: Politicization and Financial Dependency

Argentina's relationship with China characterizes the challenges of commodity-dependent integration. Trade data reveal that Argentina's exports to China are overwhelmingly raw material based, with soybeans alone constituting a significant share. Between 2000 and 2022, the share of raw materials in China's imports from Argentina increased from 68% to 85%, underscoring Argentina's limited progress in diversifying its export profile (WITS 2024).

Table 2. US and China Trade with Argentina in Relation to Latin America (2000-2022)

Year	US Export to Argentina (US$ Billion)	US Import from Argentina (US$ Billion)	Argentina/ US Export to Latin America (%)	Argentina/ US Import from Latin America (%)	China Export to Argentina (US$ Billion)	China Import from Argentina (US$ Billion)	Argentina/ China Export to Latin America (%)	Argentina/ China Import from Latin America (%)
2022	12.85	7.29	2.3	1.2	12.77	8.59	5.1	3.7
2020	5.95	4.38	1.7	1.0	7.08	6.81	4.7	4.0
2016	8.53	4.91	2.3	1.2	7.20	5.12	6.4	5.0
2012	10.26	4.58	2.6	1.0	7.87	6.56	5.9	5.2
2008	7.56	6.18	2.6	1.6	5.05	9.36	7.1	13.1
2004	3.39	4.07	2.0	1.5	0.85	3.25	4.7	15.0
2000	4.70	3.10	2.8	1.5	0.61	0.93	8.6	17.2

Source: Authors' calculations based on WITS

Table 2 highlights trade trends between the US, China, and Argentina from 2000 to 2022, emphasizing Argentina's share in Latin American trade. US exports to Argentina reached a peak of USD 12.85 billion in 2022, accounting for 2.3% of total exports to LatAm, whereas its share of US imports from the region decreased from 1.5% in 2000 to 1.2% 2022. In contrast, trade between China and Argentina grew significantly, with Chinese exports rising from USD 0.61 billion in 2000 to USD 12.77 billion in 2022, maintaining a 5–6% share of China's exports to Latin America. Chinese imports from Argentina surged to USD 8.59 billion in 2022, although Argentina's share of Chinese imports from the region fell from 17.2% in 2000 to 3.7% in 2022, indicating China's diversification of trade partners.

Despite an initial surge, Chinese FDI remains low relative to bilateral trade. Cultural differences significantly influence firm-level relations (Dussel Peters 2015). During the 2014 economic crisis, Argentina depended on China for critical financial support, receiving a USD

11 billion currency swap from the People's Bank of China to stabilize its economy. This deal included a loan of 70 billion Renminbi (Vincient 2023). Additionally, the China Development Bank provided a USD 7.5 billion loan for infrastructure projects, such as hydroelectric dams and railway construction. However, these agreements often imposed conditions like mandatory imports of Chinese goods, leading to public and political debate, particularly ahead of the 2015 presidential elections, where opposition parties argued these terms harmed Argentine industries and sovereignty (Dialogue Earth 2015).

Argentina's trade relationship with China, particularly in the soybean value chain, illustrates mixed outcomes. Urdinez, Knoerich and Ribeiro (2018) argue that while Argentina used to export processed soybean, China's enhanced domestic processing capabilities have reduced Argentina's market share in value-added soy products. This shift underscores the challenges of trade relations that favor raw material exports over industrial diversification. Chinese investments in strategic sectors have raised concerns about sovereignty and geopolitical implications, such as the controversy surrounding a Chinese deep-space monitoring station in Argentina (Urdinez, Knoerich and Ribeiro 2018). Critics, mainly from the non-Peronist opposition, express worries about military dependency and corruption, while Peronist supporters view it as a chance for South-South cooperation and a reduction of US influence.

Political shifts also affect relations. After pro-US presidents such as Carlos Menem, the Kirchner governments (2003–2015) pursued a more autonomous foreign policy, viewing China as a key partner for economic stability and development financing. This led to increased dependency on Chinese capital, especially in resource-rich areas like Chubut, where investment in the oil sector rose during Peronist rule (2003–2011). This dynamic illustrates how China leverages local politics to advance its interests while increasing certain regions' reliance on Chinese investment (Giraudy, Urdinez and Freites 2024).

From a theoretical perspective, Argentina exemplifies the tensions identified by dependency theorists, Cardoso and Faletto (1979) and later expanded by Russell and Tokatlian (2015). The country's reliance on China for both trade and financial support (e.g., currency swaps and development loans) highlights the relational nature of autonomy. While Argentina has expanded its external options beyond US influence, this diversification has not eliminated structural asymmetries. The dependency-autonomy nexus here manifests as heterodox autonomy, where new partners provide room for manoeuvre but also deepen sector-specific dependencies.

Brazil: Resource Power and Constrained Autonomy

Brazil presents a more complex case, marked by its relatively stronger negotiating power and strategic importance to China. Since 2009, China has been Brazil's largest trade partner, with exports dominated by soybeans, iron ore, and crude oil. For instance, by 2011, crude oil accounting for 40% of Brazilian multinational energy company Petrobras' exports from 2006 to 2019 (Petrobras 2020). China's energy policy, aimed at securing long-term supplies, leveraged energy-backed loans and loan-for-oil agreements, aligning Petrobras with China's strategic goals (Barbosa 2021). By 2022, Brazil accounted for nearly half of China's Latin American imports. However, raw materials made up 88% of China's imports from Brazil that year, signalling Brazil's continued dependence on commodity exports (WITS 2024). While this relationship offered short-term benefits, it raised concerns about economic vulnerability, deindustrialization, and reduced policy autonomy.

Table 3. US and China Trade with Brazil in Relation to Latin America (2000-2022)

Year	US Export to Brazil (US$ Billion)	US Import from Brazil (US$ Billion)	Brazil/ US Export to Latin America (%)	Brazil/ US Import from Latin America (%)	China Export to Brazil (US$ Billion)	China Import from Brazil (US$ Billion)	Brazil/China Export to Latin America (%)	Brazil/China Import from Latin America (%)
2022	53.58	41.37	9.8	6.7	61.97	109.52	24.6	47.3
2020	35.05	24.42	10.3	5.8	34.95	85.52	23.3	50.8
2016	30.19	27.05	8.3	6.6	21.98	45.86	19.4	44.8
2012	43.77	33.25	11.0	7.3	33.41	52.28	24.9	41.8
2008	32.91	32.07	11.6	8.3	18.81	29.86	26.5	41.8
2004	13.89	22.74	8.1	8.7	3.67	8.67	20.5	40.0
2000	15.32	13.85	9.1	6.6	1.22	1.62	17.3	30.0

Source: Authors' calculations based on WITS

Brazil plays a key role in US-China trade, especially regarding Latin America. According to Table 3, US exports to Brazil rose from USD 15.32 billion in 2000 to USD 53.58 billion in 2022, while imports grew from USD 13.85 billion to USD 41.37 billion. In contrast, China's exports to Brazil surged from USD 1.22 billion to USD 61.97 billion, with Brazil accounting for 24.6% of China's Latin America exports. China's imports from Brazil also rose significantly, making up 47.3% of its total Latin America imports. This highlights China's dependency on Brazil for essential resources, contrasting with the US's trade surplus. China is now Brazil's largest trading partner; nevertheless, the US remains vital for industrial goods and technology.

Chinese investment further reflects Brazil's resource-centric role. FDI has predominantly targeted the energy sector, particularly in oil, gas, and renewables, aligning with China's long-term strategic needs. Notably, investment patterns evolved, shifting from extraction to infrastructure and utilities, yet reinforcing Brazil's role as a supplier of critical inputs.

Chinese FDI in Brazil demonstrated a targeted approach, focusing on the energy sector, representing 74.1% of total investments between 2005 and 2024. This investment primarily targeted Brazil's extensive energy resources, including renewables, hydropower, and oil and gas, aligning with China's long-term energy security goals. The transport sector followed, representing 7.5%, reflecting China's interest in enhancing Brazil's transportation infrastructure to facilitate trade in Latin America. The metals sector also attracted significant investment, totaling 6.6%, driven by China's need for raw materials.

A shift in Chinese investment priorities occurred between 2003 and 2009, when 92.9% of investments (USD 3.56 billion) were directed toward mining and oil extraction. However, by 2014–2017, the focus had shifted toward infrastructure and utilities, which accounted for 85.6% (USD 25.77 billion) of Chinese FDI, with electricity and water projects dominating (Hiratuka 2019). This evolution highlights China's evolving global investment strategies, including expanding transport and industrial initiatives. However, projects like the Pará steel plant underscore the complexities of Chinese investments, where political, environmental, and economic factors can influence the outcomes. The Pará project, initially facilitated by a political alignment between the federal government and the Pará governorship in northern Brazil, was eventually suspended by Brazilian mining company Vale due to economic sustainability concerns. This case illustrates the intricate balance between autonomy and dependency, showing that while Chinese investment is often welcomed, local contexts and priorities ultimately determine the process (Giraudy, Urdinez and Freites 2024).

Despite Brazil's regional and economic weight, its autonomy remains bounded by global market dynamics and domestic vulnerabilities. As Puig (1984) emphasizes, autonomy is not solely about diversification but about transforming development models. Brazil's persistent reliance on commodity exports, coupled with concerns over deindustrialization and technological lag, reveals the limits of its autonomy. Nevertheless, compared to Argentina and Mexico, Brazil has exercised greater agency in shaping the terms of its engagement with China, reflecting Jaguaribe's (1979) and Puig's (1980) emphasis on national viability and elite-driven foreign policy strategies.

Mexico: Geopolitical Constraints and Limited Autonomy

Mexico's relationship with China diverges sharply from the other two cases. Despite substantial growth in bilateral trade, the pattern remains highly asymmetrical. Chinese exports to Mexico, primarily manufactured goods, far exceed Mexican exports to China, which are modest, diversified, but low in volume. Raw materials constitute a relatively small share of Mexico's exports to China, peaking at 44% in 2012 and falling to 25% by 2022 (WITS 2024). Mexico's trade relationship with the US is unrivaled in the region, marked by strong economic ties and integrated supply chains, especially in automotive and electronics. In contrast, while Mexico is a key market for Chinese goods, its exports to China are limited, facing competition from other Latin American countries for primary commodities. This highlights Mexico's dual role in the global economy: as a vital partner in high-value-added trade with the US and primarily as a consumer of Chinese goods with limited reciprocal trade. In fact, one of the important reasons for the increase in China-Mexico trade in the last few years is the trade war. Due to the high tariffs, China uses Mexico to transport Chinese products to the US (Financial Times 2024).

Table 4. US and China Trade with Mexico in Relation to Latin America (2000-2022)

Year	US Export to Mexico (US$ Billion)	US Import from Mexico (US$ Billion)	Mexico/ US Export to Latin America (%)	Mexico/ US Import from Latin America (%)	China Export to Mexico (US$ Billion)	China Import from Mexico (US$ Billion)	Mexico/ China Export to Latin America (%)	Mexico/ China Import from Latin America (%)
2022	324.38	459.18	59.3	74.4	77.53	17.43	30.8	7.5
2020	212.67	328.86	62.3	77.5	44.83	16.22	29.9	9.6
2016	230.23	296.20	63.4	72.4	32.36	10.32	28.6	10.1
2012	215.88	279.96	54.5	61.3	27.52	9.16	20.5	7.3
2008	151.52	218.07	53.3	56.8	13.87	3.69	19.5	5.2
2004	110.73	157.88	65.0	60.1	4.97	2.14	27.7	9.9
2000	111.34	135.92	65.8	65.2	1.34	0.49	18.8	9.0

Source: Authors' calculations based on WITS

Table 4 illustrates Mexico's status as the largest trading partner of the US in Latin America, both in exports and imports. In 2022, US exports to Mexico reached 59.3% of US exports to the region, while imports totaled 74.4% of US imports from the region. This strong relationship is influenced by geographic proximity and agreements like the United States-Mexico-Canada Agreement (USMCA). China's trade with Mexico is growing but remains modest, with Chinese exports to Mexico at 30.8% of China's exports to the region and imports at 7.5% of China's total regional imports. This highlights Mexico's importance as a market for Chinese goods.

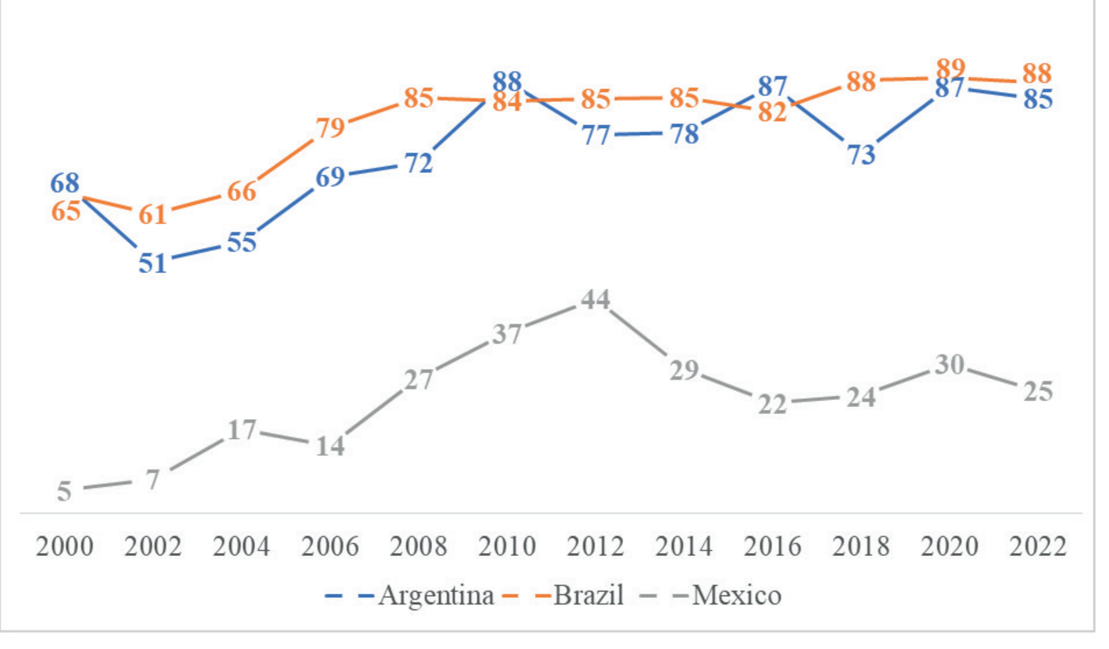
Chinese investments in Mexico are limited compared to other Latin American countries, mainly due to political and structural factors like Mexico's centralized governance and alignment with US economic policies. Investments have focused on resource-rich areas such as Chihuahua and San Luis Potosí. Unlike Argentina and Brazil, political alignment is less influential for attracting Chinese FDI in Mexico, highlighting the country's complex governance dynamics (Giraudy, Urdinez and Freites 2024). Furthermore, Chinese FDI in Mexico has been limited and concentrated in energy and transport sectors, reflecting structural and political barriers to deeper economic integration.

Mexico's position within the US-led economic order, reinforced by the USMCA, significantly constrains its autonomy. Unlike Argentina and Brazil, Mexico's economic and trade policies are closely tied to the US, limiting its capacity to leverage China as a counterweight (Gachúz Maya 2022). Additionally, economic competition, job loss fears, and environmental concerns have shaped perceptions of China in Mexico, leading to a cautious approach. The narrative of "Chinese imperialism" has influenced Mexico's stance in international organizations like the WTO, where it often opposes China (Niu 2015; Myers and Wise 2016). As Bernal Meza (2013) suggests, Mexico exhibits a form of constrained or thin heterodox autonomy, where opportunities for diversification exist but are largely subordinated to geopolitical realities. In relational terms, Mexico's case reinforces Tickner's (2014) argument that autonomy in Latin America is both structural and epistemological. Mexico's limited engagement with China is not merely a matter of preference but reflects the deeply embedded nature of its dependency on the US market. Consequently, while Mexico faces fewer risks of primarization, its strategic policy space vis-à-vis China remains narrow.

Comparative Insights: Autonomy in Tension with Dependency

The analysis demonstrates that China's growing presence in Latin America has recalibrated, rather than eliminated, dependency patterns. Argentina exemplifies a case of deepened dependency and politicization, Brazil reveals a mix of constrained autonomy and structural vulnerability, while Mexico highlights geopolitical entrenchment and limited diversification. Regarding raw material export dependency, Figure 2 illustrates the various pathways of these countries.

Figure 2. Raw Material Ratio of Argentina, Brazil, and Mexico in China's Imports



Source: WITS (2024)

These variations highlight the insights of heterodox (Puig 1984; Bernal Meza 2013) and relational autonomy (Russell and Tokatlian 2015) approaches, emphasizing that autonomy emerges not as a definitive condition but as a relational and contingent process shaped by domestic capacities and global asymmetries. Ultimately, the empirical data reaffirm the central argument of this article: China's engagement in Latin America offers expanded foreign policy options, yet the historical and structural dynamics of dependency continue to shape the region's international insertion.

Conclusion: Dependency Reproduced and Autonomy Recalibrated

This article presented the dynamics of autonomy and dependency in China-Latin America relations. The empirical findings reveal important continuities and shifts in Latin America's global economic insertion amid China's growing presence. Trade and investment data indicate that bilateral ties between China and Argentina, Brazil, and Mexico have expanded significantly since 2000; however, the relations largely reflect traditional dependency dynamics. Exports from the region remain concentrated in raw materials and low-value-added goods, while imports from China are dominated by manufactured and technology-intensive products. Similarly, Chinese FDI in the region is heavily skewed towards sectors such as energy, infrastructure, and natural resources extraction, reinforcing existing economic asymmetries.

The asymmetrical nature of China-Latin America relations highlights how China's economic engagement provides alternative financing and trade opportunities, enhancing autonomy vis-à-vis the US. However, increased reliance on China also exposes them to economic and political influence. Beyond altering their development structures through commodity-focused production, potentially leading to phenomena like Dutch disease, China directly and indirectly influences these countries through mechanisms such as oil-backed loans, Renminbi credits, and countercyclical financing during economic crises. China's use of energy-based financing as an instrument of economic statecraft exemplifies its strategy to secure energy supplies while extending its influence in the region.

In theoretical terms, this empirical pattern resonates with the core arguments of dependency theory. As Cardoso and Faletto (1979) and Blaney (1996) have argued, structural dependency is not merely the result of foreign domination but is co-produced by internal and external forces. The reliance on commodities and external capital underscores the continued reproduction of peripheral insertion in the global capitalist system. Despite a shift in dominance from the US to China, fundamental economic subordination persists. This supports Blaney's (1996) view of autonomy as relational, where sovereignty is constrained by the hierarchical logics of global capitalism.

At the same time, the diversification of external relations has introduced new dimensions to Latin America's foreign policy strategies. The expansion of ties with China has provided certain autonomy gains in relation to US-led institutions and agendas. This diversification, however, does not automatically translate into substantive autonomy. As Míguez (2021) and Pinheiro and Soares de Lima (2018) have noted, autonomy must be conceptualized beyond the mere proliferation of partnerships. What matters is the ability of states to transform their development models and reduce their vulnerability to external pressures. From this perspective, the China-Latin America relationship offers limited evidence of a shift towards deeper autonomy, as trade and investment remain centered on extractivist logics.

Country-level variations further nuance this assessment. Brazil, for example, has demonstrated relatively greater capacity to leverage Chinese demand for national development, partially due to its market size, stronger agency, and state-led developmental policies. In contrast, Mexico's deep integration into North American production chains has restricted its ability to diversify effectively and translate new ties into autonomy gains. Argentina follows a different path, experiencing both the economic and political impacts of China more than the other cases. These divergences align with the arguments of Jaguaribe (1979) and Puig (1980), who emphasized the significance of domestic structures, elite preferences, and policy choices in shaping the possibilities for autonomous action. Thus, generalizing their experiences to the other regional countries might be difficult.

These countries' different pathways also highlight the complex interplay between dependency and autonomy in the region. While Chinese investments offer development opportunities, they raise challenges regarding autonomy. China's oil-for-debt policies and reliance on commodity financing impact the region's geopolitical landscape. Jaguaribe and Puig emphasize that establishing regional alliances can enhance autonomy, as Latin American countries have historically sought to counter US influence through alternative alliances. Yet, there is no regional platform established to negotiate with China, which may increase the regional countries' bargaining power vis-à-vis China.

Overall, the empirical findings suggest that Latin America's relationship with China has recalibrated rather than overcome dependency structures. This dynamic is best captured by the concept of heterodox autonomy (Bernal Meza 2013), where autonomy and dependency coexist in a fluid and contested space. While China's rise has offered new diplomatic and economic options, the fundamental asymmetries of the global economy remain largely intact. Autonomy, therefore, continues to emerge not as a definitive condition, but as a relational and strategic process negotiated within enduring structures of global inequality. Further research is needed to understand the long-term implications of China-Latin America relations, particularly regarding political autonomy, environmental effects, and strategies to mitigate dependency risks in a multipolar world.

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