
China’s trade with Latin America has mushroomed beginning in the early 2000s. Now China is the first or second largest trading partner of most of the region’s countries, making the overall relationship, both trade and non-trade, unexpectedly more important in world affairs. To try to understand it from the perspective of high theory is the theme of this book. The previous literature abounds in studies of sundry aspects of the trade and diplomatic relationships, but few have been able to offer an analysis of the evolution of relations. Barbara Stallings turns to Dependency Theory’s explanatory potential. This school of thought went out of style at the end of the Cold War, mainly due to its proponents’ inability to operationalize any plausible mechanisms. Stallings addresses this by examining “markets, leverage and linkage”. The core economies are positioned to strongly influence the terms of trade and lending (market power); they possess means of non-economic coercion that dependent states cannot well resist, and not limited to military action, like conditionality of accession to international institutions and their multilateral advantages (leverage); and they may hold sway over peripheral countries’ and classes’ identity and desire for recognition, particularly among the elites, *viz.* cultural transmission (linkage). There is of course a great deal of overlap between these mechanisms. Although Great Britain and the United States in succession have taken the role of world hegemon over the past two centuries, China has more than a fair chance to replace the Anglo-Saxon powers in the twenty-first century. Thus, its known and likely characteristics as a future hegemon are pivotal to understanding the prospects of Latin America.

Stallings uses the recent history of China’s relations with Southeast Asia and Africa as a window into the probable future of relations elsewhere in the global South, including Latin America. She finds that these developing countries are showing signs of their “dependency with Chinese characteristics” that in many ways differs little from the patterns of their earlier dependency on the European empires and trading networks and more recently the United States: exports to the core from the periphery of price-volatile but generally low-value primary goods in exchange for capital-intensive, high-value imports. Trade with China today tends to drive out of business the local industries that existed before, as they cannot compete with Chinese manufacturers. Alongside this, Chinese investment and lending policies impose a new conditionality on recipient countries that also undermines local production, such as the compulsory employment of Chinese firms and even labor to construct the entire project. Nearly all projects have been geared to supplying the Chinese economy with the primary resources it needs for manufacturing (and to feed its population). In this way China is financing its own industrial expansion more than its Latin American (or other peripheral) counterparts’. In short, Stallings finds that China-Latin America trade and diplomacy exhibit many of the characteristics of the continent’s history of dependency upon the Western core.

Beijing’s untransparent market transactions have opened the door to political-economic leverage, “the central mechanism used by China to create dependency relationships in
Asia and Africa” (37). Linkage, or cultural attractiveness, is more rarely in evidence. Nonetheless, trade with China hinders self-sustaining growth in developing countries and subtly undermines peripheral agency, a hallmark of dependency and a repercussion that may prove worse than plain imperialism. If the past is any guide, Latin America’s turn is next. So far, the indicators point to worse outcomes to come: e.g., the severely lopsided expansion of primary exports from the region to China.

The most urgent question that this book implies is ‘What can anyone do about it and, more to the point, what can the Latin Americans do about it?’ Latin American (lack of) agency, and indeed that of the broader global periphery, is directly implicated. Stallings personally queried Chinese officials about these issues, but the answers were always that solutions are up to the Latin Americans. The development model crafted by the West in the wake of mid-twentieth century decolonization assumes the West is to be responsible for exerting its agency on behalf of the developing world to compensate for its exploitation of former colonies. What happens, then, when a problematic core-periphery relationship begins to be replicated through South-South trade, investment, and aid? Whose agency is in a position to make a credible response, let alone defense?

Western agency can do little to shield the formerly colonized, leaving the now decolonized to fend for themselves, arguably before they have developed all the requisite capabilities. The impetus of Europe’s outward exploratory expansion since 1500 was empowered or facilitated by the fact that subaltern Europe was simultaneously emancipating itself from bondage to secular lordships by constitutionalizing the political relations between them, putting themselves in better order, especially for productive purposes, than the (traditional) elites could have done unilaterally through coercion. They formed the human capital, especially the culture that extended logic to all of life and the work ethic that drove it, which yielded the Industrial Revolution and blazed a trail for the global periphery. It is a feat, however, yet to be matched elsewhere, – except arguably in contemporary East Asia, including China under Deng Xiaoping’s paradigm. Xi Jinping has reintroduced an element of uncertainty by re-imposing a noticeably higher degree of centralizing coercion. The Anglo-Saxon experience has shown that revolution works best when it looks after the cultural tradition that enabled it. East Asians generally concur in this, but the China colossus and its record of bashing even its own past gives pause. The optimum is not merely to describe the world accurately, but to change it only for the better. Stallings’ book is a useful overview of China’s meteoric rise in this remotest edge of the global South and a timely reminder that its future hangs in the balance.

Bibliography


Alvaro Mendez
ESIC Business & Marketing School & London School of Economics and Political Science