

UC Irvine

UC Irvine Previously Published Works

Title

The Tenuous Co-Production of China's Belt and Road Initiative in Brazil and Latin America

Permalink

<https://escholarship.org/uc/item/4t22w1k9>

Journal

Journal of Contemporary China, 30(129)

ISSN

1067-0564

Authors

de L. T. Oliveira, Gustavo
Myers, Margaret

Publication Date

2021-05-04

DOI

10.1080/10670564.2020.1827358

Copyright Information

This work is made available under the terms of a Creative Commons Attribution License, available at

<https://creativecommons.org/licenses/by/4.0/>

Peer reviewed



The Tenuous Co-Production of China's Belt and Road Initiative in Brazil and Latin America

Gustavo de L. T. Oliveira ^a and Margaret Myers^b

^aUniversity of California, Irvine, USA; ^bInter-American Dialogue, USA

ABSTRACT

China's Belt and Road Initiative (BRI) evolved from promotion of Eurasian connectivity into a catchall for Chinese foreign policy and infrastructure investments worldwide. Although usually portrayed as a top-down geopolitical project of the Chinese central government, this article argues the BRI is actually shaped by converging and diverging interests of a wide variety of actors within and outside China. In order to conceptualize the relational, contingent, and unstable emergence of the BRI in Latin America, the article emphasizes the process of co-production as a theoretical framework. It first analyzes how the BRI incorporated Latin America through policy and discourse analysis, then examines the multi-scalar and multi-sited co-production of Chinese-funded port and railroad infrastructures through interviews and public documents in Brazil.

Introduction

China's Belt and Road Initiative (BRI) has evolved considerably since its inception in 2013, from an effort to reinvigorate Eurasian connectivity to a catchall for Chinese foreign policy and infrastructure investments worldwide. The BRI's newfound place in the Chinese constitution suggests that it is being orchestrated at the highest levels of the Chinese government. Although it is usually and understandably framed as a top-down geopolitical project 'from Beijing', most literature on the BRI in general, and on its tenuous extension to Latin America in particular, lacks analysis of *how* the Initiative is constructed and implemented around the world.

The article demonstrates how the recent but tenuous incorporation of Latin America into the BRI results largely from growing interest in the Initiative among Latin American political and economic elites, illustrating the co-production of the BRI among various actors and locations. This interest in expanding the Initiative to encompass Latin America, however, coexists in tension with concerns in China about their investments in the region and over-extension of the Initiative, and geopolitical resistance from the United States to China's growing international influence. The result has been a rather piecemeal application of the BRI framework across the region, largely rebranding pre-existing infrastructure construction initiatives and development cooperation projects as part of the BRI, yet so far lacking substantial disbursement of political or economic resources for large-scale infrastructure construction in Latin America.

There are two common frameworks for discussion of China's BRI and its loans and investments in Latin America. The first are narratives about the 'Beijing Consensus', a state capitalist or authoritarian developmental state approach that successfully industrialized China, and is now being deployed internationally through soft power, development bank loans, and foreign investments led mainly by

China's state-owned enterprises.¹ This theoretical approach emphasizes the coherence of Chinese international investments and development cooperation with its own domestic path of modernization, and their strategic direction under the leadership of the central government in Beijing. As will be shown, however, it thereby obfuscates the crucial role of non-Chinese actors in facilitating, foreclosing, and reshaping Chinese endeavors abroad. Moreover, it also overstates the unity of interests among Chinese actors, overlooking how distinct Chinese companies and/or government agents may compete with each other in their international activities. The second set of theoretical approaches presents another side of the same coin, assuming a relatively homogenous and coherent 'China', and seeking explanations for variations in Chinese foreign investments and development cooperation projects in endogenous characteristics of foreign countries alone.² In this view, whether a foreign country is targeted for mergers and acquisitions aiming at technological upgrading, or direct investments in infrastructure to export raw materials, turns basically upon the economic characteristics of each place, while conformity with environmental best practices and corporate social responsibility results from the relative strength or weakness of local legal and political institutions.³ But once again, the agency of foreign governments, companies, and social movements, as well as the competition among Chinese actors and disputes between them and other international actors remain largely concealed.

Unlike these approaches, this article emphasizes the process of co-production as our theoretical framework. Rather than assuming a homogeneous 'China', and that its foreign investments and international development projects follow a coherent strategic direction 'from Beijing', or assuming that local political and economic characteristics inevitably determine the specific form and consequence of Chinese investments and development projects, the authors seek to more adequately capture the highly varied, contingent, and tenuous emergence of the BRI in Latin America from the relations among multiple actors, Chinese and non-Chinese alike. What the authors mean by 'co-production' has been elsewhere called the practice of assembling—the on-going labor of bringing disparate elements together and forging connections between them.⁴ Theorizing the emergence of the BRI in Latin America as a result of co-production recognizes both the multiplicity of actors involved in the process and also the 'provisional socio-spatial formation' that results from their engagements, emphasizing the 'emergence, multiplicity and indeterminacy' of such relations.⁵

This approach has proved particularly useful for studying transnational infrastructures, technologies, institutions, and social formations that transcend and destabilize the traditional territoriality of nation-states. Thus, this article understands the BRI as a collection of intertwined discourses, policies, and projects promoted by a variety of actors within and outside China, who leverage them for numerous interests of their own, which sometimes align and are sometimes contradictory. Focusing on these entanglements inverts analysis of the BRI from a top-down coherent strategy 'from Beijing' to a relational, contested process of co-production that occurs both transnationally and in specific places. By 'relational' it is meant that the 'same' project that might be characterized as 'part of the BRI' in one place also might not be so characterized in another place, where it is subject to a different set of socio-economic and political relations. And by 'contested' it is meant that such projects emerge, are transformed, and ultimately become implemented (or not) due to the convergences

¹Suisheng Zhao, 'Whither the China Model: Revisiting the Debate', *Journal of Contemporary China* 26(103), (2017), pp. 1–17.

²Enrique Peters, Ariel Armony, Shoujun Cui, *Building Development for a New Era: China's Infrastructure Projects in Latin America and the Caribbean* (Mexico City: Red ALC China/University of Pittsburgh, 2018); May Tan Mullins, 'Smoothing the Silk Road through Successful Chinese Corporate Social Responsibility Practices: Evidence from East Africa', *Journal of Contemporary China* 29(122), (2020), pp. 209–211.

³Mullins, 'Smoothing'; Rebecca Ray, Kevin Gallagher, Andres López, Cynthia Sanborn, *China and Sustainable Development in Latin America: The social and environmental dimension* (London: Anthem Press, 2017).

⁴Tania Li, 'Practices of Assemblage and Community Forest Management', *Economy and Society* 36(2), (2007), p. 263; Gustavo Oliveira, 'Boosters, Brokers, Bureaucrats, and Businessmen: Assembling Chinese Capital with Brazilian Agribusiness', *Territory, Politics, Governance* 7(1), (2019), pp. 22–41.

⁵Ben Anderson, Colin McFarlane, 'Assemblage and Geography', *Area* 43(2), (2011), 124.

and divergences of interests that contest the resources, purposes, and benefits (or harms) associated with each project.

The authors argue a methodological focus on co-production contributes to efforts in critical geopolitics to de-center nation-states and government-to-government relations. This is particularly important for studying the BRI and China's global integration as a whole since the prominent role of the Chinese state tends to weigh debates down to discussions of the geopolitical and/or collaborative aspects of the inter-governmental and macroeconomic phenomena at hand, even when framed by notions of the co-production of space.⁶ Thus, the article contributes to the emerging literature on more relational, grounded, and critical approaches to the study of China and globalization.⁷

In the following sections, the article begins with policy and discourse analysis to outline how the BRI represented at first a turn away from Latin America as a priority for Chinese finance and foreign investments. Then, it demonstrates how it was through the proactive lobbying of Latin American elites that the BRI evolved to contemplate the continent. Thirdly, it outlines the Chinese concerns that including Latin America in the BRI will overextend the Initiative, negatively affecting its diplomatic and economic framework through high-risk investments in the region and provoking too much geopolitical resistance from the United States. In the fourth section, it examines the contested co-production of BRI-related infrastructure projects in Brazil—competing railroad projects and port infrastructures—revealing the multi-scalar and multi-sited production of Chinese-funded infrastructure initiatives by heterogeneous and often discordant actors and interests. The article concludes with a discussion of the significance of the BRI for Latin America and vice-versa, the usefulness of this approach for critical geopolitics, and a critical assessment of the political, economic, and ecological basis upon which the BRI is being co-produced worldwide.

The BRI as a Pivot Away from Latin America

The BRI is the conjunction of two separate Asia-based initiatives—one land-based, webbing across the Eurasian continent, along with a set of maritime linkages connecting the dispersed nations of South and Southeast Asia. Both emerged through high-profile speeches delivered by Chinese President Xi Jinping in the months after assuming power. First, a much-referenced address in Kazakhstan in September 2013, where Xi first mentioned developing a 'Silk Road Economic Belt' to create greater connectivity across Eurasia. One month later, in a speech to the Association of Southeast Asian Nations (ASEAN), the Chinese president unveiled the second component, the '21st Century Maritime Silk Road', which would build on the maritime portion of the original.⁸ Yet the beginning of Xi's administration was also marked by a notable retrenchment in subsidized credit and government support for foreign investments in projects and regions considered to be 'high risk.' China's controversial (and often failing) direct investments in natural resources across Latin America and Africa—widely criticized as 'neocolonial' or 'neoimperialist' incursions,⁹ 'land grabs' with detrimental socio-ecological impacts,¹⁰ and 'extractivist' (as opposed to 'productive') endeavors that

⁶Maximilian Mayer, Dániel Balázs, 'Modern Silk Road Imaginaries and the Co-production of Space', in *Rethinking the Silk Road: China's Belt and Road Initiative and Emerging Eurasian Relations*, ed. Maximilian Mayer (Singapore: Palgrave MacMillan, 2018), 205.

⁷Gustavo Oliveira, Galen Murton, Alessandro Ripa, Tyler Harlan, Yang Yang, 'China's Belt and Road Initiative: Views from the Ground,' *Political Geography* (2020), DOI 10.1016/j.polgeo.2020.102225; Julie Klinger, Tom Narins, 'New Geographies of China and Latin America Relations,' *Journal of Latin American Geography* 17(2), (2018), 6.

⁸Weifeng Zhou, Mario Esteban, 'Beyond Balancing: China's Approach Towards the Belt and Road Initiative,' *Journal of Contemporary China* 27(112), (2018), pp. 487-88; James Sidaway, Chih Yuan Woon, 'Chinese Narratives on 'One Belt, One Road' (一帶一路) in Geopolitical and Imperial Contexts,' *Professional Geographer* 69(4), (2017), p. 591.

⁹Hairong Yan, Barry Sautman, 'Chinese Farms in Zambia: From Socialist to 'Agro-imperialist' Engagement?,' *African and Asian Studies* 9(3), (2010), p. 307.

¹⁰Deborah Brautigam, *Will Africa Feed China?* (Oxford: Oxford University Press, 2015); Ray et al., *China*; Gustavo Oliveira, 'Chinese Land Grabs in Brazil? Sinophobia and Foreign Investments in Brazilian Soybean Agribusiness,' *Globalizations* 15(1), (2018), pp. 114-133.

deepen Latin America's economic dependence on exporting natural resources¹¹—were curtailed even while the BRI was being launched.

Indeed, at the end of 2012, during the transition of power to Xi's administration, the Chinese central government undertook a broad revision of policies and strategies. It circulated an internal report that showed about 60 percent of foreign investments announced since 2008 failed to materialize, while another 25 percent were delayed or operating at a loss, and called for more careful approach to future investments, particularly in natural resources and sensitive regions, such as Latin American countries where political resistance to perceived Chinese 'land grabbing' was taking place. The report was not made public, but it was referenced in several of interviews Oliveira undertook with Chinese agribusiness executives, policy-bank officials, and government bureaucrats familiar with the topic in Brasília, São Paulo, Rio de Janeiro, and Beijing from 2013 to 2015.

The BRI emerged as a singular concept in 2014. Notably, however, Xi Jinping did not mention it at all during his high-profile state visits to Latin America that year, even though he explicitly promoted the participation of Chinese financiers and infrastructure construction companies in the Brazil-Peru Bi-Oceanic (or Trans-Andean) Railway, among several other smaller infrastructure construction and investment projects across the continent. BRI discourse also didn't feature in Chinese addresses at the founding of the China-CELAC (Community of Latin American and Caribbean States) Forum ministerial meeting in 2015, which addressed multiple investment projects and economic cooperation initiatives with ministers from nearly every Latin American and Caribbean nation.

In a foundational Chinese government document of 2015, the BRI was defined with 'five links' as core features, all intended to improve connectivity and accelerate economic growth: policy coordination, infrastructure development, trade facilitation, financial integration, and cultural and social exchange.¹² These 'five links' and their ultimate goal are broad enough that, presumably, they could have applied to China's engagement with Latin America. Yet the key document only formally extended the reach of the Initiative to include Asia and some portions of Europe and Africa—leaving Latin America notably absent, despite the sharp rise in Chinese funding and investments since 2010 in the continent's natural resource sectors and related infrastructure.¹³

That document did not explicitly rule out the inclusion of Latin American countries and other regions in the BRI, noting 'the construction of the Belt and Road is open and inclusive,' and welcomed 'the active participation of all the world's countries, and international and regional organizations'.¹⁴ This combination of focus on Eurasian connectivity with openness to global participation was particularly instrumental in Chinese state efforts at assembling international political and financial support for the creation of the Asian Infrastructure Investment Bank (AIIB), a multilateral development bank clearly led by China, which serves as one of the BRI's principal engines.¹⁵ Despite the increasing number of state investors in the AIIB and official BRI bilateral agreements, and the gradual increase in their scope and scale, it is also worth noting that investment may be diverted away from non-BRI countries, as both Chinese and other investors seek gains from the opportunities created the BRI's structures of finance and political support.¹⁶ This appears evident with the relative deprioritization of Latin America in the first five years following the establishment of the BRI.

¹¹Ruben Gonzales-Vicente, 'Development Dynamics of Chinese Resource-based Investment in Peru and Ecuador,' *Latin American Politics and Society* 55(1), (2013), 46.

¹²National Development and Reform Commission of the People's Republic of China (NDRC), *Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road*, March 28, 2015, https://reconasia-production.s3.amazonaws.com/media/filer_public/e0/22/e0228017-7463-46fc-9094-0465a6f1ca23/vision_and_actions_on_jointly_building_silk_road_economic_belt_and_21st-century_maritime_silk_road.pdf.

¹³Ray et al., *China*; Margaret Myers, Ricardo Barrios, 'LAC's not Part of the Belt and Road, but does that Matter?' *Voces, Inter-American Dialogue*. January 26, 2018.

¹⁴NDRC, *Vision*.

¹⁵Hong Yu, 'Motivation behind China's 'One Belt, One Road' Initiatives and Establishment of the Asian Infrastructure Investment Bank', *Journal of Contemporary China* 26(105), (2017), p. 353.

¹⁶Jean-Marc Blanchard, Colin Flint, 'The Geopolitics of China's Maritime Silk Road Initiative', *Geopolitics* 22(2), (2017), 229.

A second official document two years later specified the routes that comprise the BRI and their corresponding core projects, all limited to Eurasia and extending only into the Pacific and Indian Oceans.¹⁷ These five routes assemble ‘Six Corridors, Six Ways (which include railways, roads, seaways, airways, pipelines, and space integrated information networks), Many Countries, and Many Ports’. ‘Many Countries’ refers explicitly to an ‘initial group of cooperating countries’ with the keyword here being ‘initial.’ After all, this ‘useful fuzziness’¹⁸ avoids ossifying commitments that may become troublesome but allows for pragmatically expanding the scope and scale of the BRI.

The Co-production of the BRI in Latin America

According to Inter-American Dialogue accounts,¹⁹ over 150 Chinese infrastructure projects were proposed in 28 countries in the region between 2002 and 2018, with particular focus on Bolivia, Jamaica, Brazil, and Ecuador. Like most BRI projects in Asia and elsewhere, more than half of China’s total proposed projects in Latin America are focused on improving transportation, mainly from resource-rich regions to ports. In addition, proposed investment in the Agua Negra Tunnel (Argentina, Chile), Bi-Oceanic Railway (Brazil, Peru, Bolivia), Mid-West Integration Railway (Brazil, Peru); and the bridge across Corentyne River (Guyana, Suriname), all aim to achieve some cross-border connectivity. Nevertheless, Latin America hardly factored in the Initiative’s official geography, which remained focused exclusively on Asia and adjacent regions until recently, when Latin American political leaders began to lobby the Chinese government for international cooperation efforts under the banner of the BRI.

It is evident that these efforts have been driven by actors from outside China, as there were no high-profile voices in the Chinese government advocating for the inclusion of Latin America in the official scope of the BRI during the early years of the Initiative. The few who pushed early on for the BRI’s formal inclusion of the region were Chinese scholars of Latin America, and some journalists like Ding Gang at the *Global Times*, who alluded to the trade routes that brought together Mexico and China in the 16th century to suggest a contemporary extension of the BRI to Latin America.²⁰ Yet, these were very few and relatively weak voices among the key state and non-state actors producing public discourse about the BRI in China.

In Latin America itself, however, discourse that Latin America should be (or was already) included in the BRI emerged merely months after the Belt and Road came into being as a singular concept. The global political economic context was certainly relevant. Despite important unevenness, the Latin American continent, as a whole, faced a decade-long drop in GDP growth, so a new influx of foreign investments and capital for development projects became highly prized.²¹ Hence, Latin American leaders and diplomats unabashedly attempted to control the narrative that China’s massive infrastructure investments should flow into their own countries. In 2015, for example, Bolivia’s ambassador to China stated that the BRI is ‘extremely important to Bolivia’s future development’.²² Months later, Peru’s former Foreign Minister and the ambassador to China both published articles in the Chinese media expressing hope the BRI extends to Latin America, thus ‘promoting mutual reliance, economic complementarity, and technology transfers between China and Latin America,’ as well as ‘connecting both the Atlantic and the Pacific.’ In 2016, Ecuador’s

¹⁷Office of the Leading Group for the Belt and Road Initiative (OLGBRI), *Building the Belt and Road: Concept, Practice and China’s Contribution*, May 2017, <https://eng.yidaiyilu.gov.cn/wcm.files/upload/CMSydylyw/201705/201705110537027.pdf>.

¹⁸Tom Narins, and John Agnew, ‘Missing from the Map: Chinese Exceptionalism, Sovereignty Regimes and the Belt Road Initiative’, *Geopolitics* 25(4), (2020), 809-837.

¹⁹Margaret Myers, ‘China’s Transport Infrastructure Investment in LAC: Five Things to Know,’ *Voces*, Inter-American Dialogue, November 13, 2018. <https://www.thedialogue.org/blogs/2018/11/chinas-transportinfrastructure-investment-in-lac-five-things-to-know/>

²⁰Gang Ding, ‘China Trade Thrives Again in Latin America,’ *Global Times*, January 4, 2015, <http://www.globaltimes.cn/content/899845.shtml>.

²¹Brian Winter, ‘Latin America’s Decade-long Hangover,’ *Americas Quarterly*, April 9, 2019, <https://www.americasquarterly.org/content/latin-americas-decade-long-hangover>.

²²Guillermo Chalup, ‘Ambassador of Bolivia to China: ‘One Belt, One Road’ Helps Alpacas Leave Bolivia,’ *Huanqiu*, June 19, 2015, <http://world.huanqiu.com/exclusive/2015-06/6727446.html>.

Ambassador to China went so far as to credit the Belt and Road with having *already* boosted Ecuador's trade to the Asian region, even though there are still no official BRI projects in that country at all.²³

More recently, Chile's Ambassador to China praised the Initiative's intent to unite the world through infrastructure and called on Latin America to join.²⁴ During the 2017 Belt and Road Forum, an official in Brazil's federal tax bureau indicated that Brazil was willing to actively participate in all aspects of the BRI.²⁵ A former Argentine Foreign Minister was similarly quoted as saying that the Initiative is 'a crucial multilateral integration project that goes beyond the traditional Silk Road to reach Latin America,' and that Argentina 'is willing to actively participate in the building of the Belt and Road'.²⁶ During Deputy Foreign Minister Qin Gang's visit to Suriname in 2017, that country's government also expressed its interest in participating in the Initiative. As will be illustrated with the case study on Brazil below, government and corporate elites in Latin America are soliciting Chinese infrastructure (and other) investments—outlining concrete investment opportunities, facilitating corporate forums for Chinese and Latin American firms to establish partnerships, and attempting to overcome the Chinese government's hesitation to formally include Latin American countries in the BRI.

This lobbying by Latin American elites began to shift Chinese public discourse around 2017, when a wider variety of scholars, such as Wang Lei of Beijing Normal University's BRICS Center, began considering the extension of the Initiative to the Latin American region. Wang predicted that the BRI would become a new platform for cooperation between China and Latin America, noting, as official policy documents also did at the time that the BRI is 'global, cooperative initiative proposed by China,' guided by the principles of openness, inclusiveness, cooperation, and win-win scenarios that are not limited geographically.²⁷ More importantly, in April 2017, Xu Shicheng, one of China's top Latin America experts, voiced his support for including Latin America in the Initiative, demonstrating that the incorporation of the region into the BRI was finally becoming mainstream among Chinese intellectuals.²⁸

Consequently, the region also began to appear with more frequency in official documents beginning in 2017. The BRI Leading Small Group's 'Building the Belt and Road' document was the first to mention the region by name, stating, 'China welcomes the participation of Latin America and the Caribbean in the building of the Belt and Road,' and that 'China is committed to coordinating development strategies with countries in these regions ... and expanding common interests based on the [BRI] ideas, principles and approaches.'²⁹ This language is very revealing of how tenuously Chinese officials still considered Latin America's role in the BRI, welcoming its *participation* in the BRI much in the same way they welcomed their participation in the AIIB, without however making any commitments to *extend* BRI funds or investments to the region itself.³⁰

Facing continuous Latin American efforts to deepen China's commitment to infrastructure and other investments in the region, high-level Chinese officials began to reference Latin America's role in the BRI, however distant, with growing frequency in 2017. During the May 2017 Belt and Road Forum, Xi Jinping stated that '[all] countries, from Asia, Europe, Africa or the Americas, can be

²³Zhenfeng Wang, 'Xi Jinping's Visit to Latin America to Expand the New 'One Belt, One Road' Cooperation,' *People.cn*, April 5, 2017, <http://ydyf.people.com.cn/n1/2017/0405/c411837-29190711.html>.

²⁴Xinhua, 'Chilean Ambassador to China: The "One Belt, One Road" International Cooperation Summit was held at the Right Time', May 12, 2017, http://www.xinhuanet.com/world/2017-05/12/c_129603466.htm.

²⁵Ruifang Wang, 'Brazilian officials: Brazil, as a Latin American power, is Willing to Join the "Belt and Road" Cooperation in Various Fields', *International Online*, May 15, 2017, <http://news.cri.cn/2017-05-15/a211e102-efdb-8914-2f59-f5c4d348b9af.html>.

²⁶Hui Lu, 'Spotlight: Chinese Infrastructure Capabilities Help Promote Regional Interconnectivity, Global Growth', *Xinhua*, June 22, 2017, http://www.xinhuanet.com/english/2017-06/22/c_136386664.htm.

²⁷Qianwen Chen, "'Latin American Young Politicians Dialogue' Summary', *SOHU*, April 24, 2017, www.sohu.com/a/136194457_740082

²⁸Ni Zhang, 'Scholar: The "Belt and Road" Initiative Should Include Latin America,' *Xinhua Silk Road Information Service*, April 25, 2017, [http://www.sh-"beldandroad.net/article/llyjnew/201704/1419253_1.html](http://www.sh-).

²⁹OLGBRI, *Building*.

³⁰Yu, 'Motivation'.

international cooperation partners of the Belt and Road Initiative', and mentioned his intention to link the BRI to various multilateral consultation bodies and mechanisms, including CELAC.³¹

Also in 2017, according to Cuba's *Granma*, the Director General of the Department of Latin American and Caribbean Affairs at China's Foreign Ministry said the BRI is 'an inclusive project, with neither limits nor frontiers, in which Latin America and the Caribbean can take part.'³² He added that 'while it is true that the core of the project ... is concentrated on Asia, Europe, and Africa, through the AIIB, all parties may participate and aspire to infrastructure plans in Asia, as well as within their own borders.'³³ Despite growing frequency of such statements, however, almost all merely alluded to Latin America's possible participation in the Initiative, or to the BRI as an inclusive platform, rather than to formal incorporation of the region or any specific countries in the Initiative's geographic purview.

It is evident that active lobbying by Latin American corporate and government officials has closely corresponded with increasingly warmer characterizations by Chinese government officials of Latin America's role in the BRI. Indeed, there are some indications that the highest levels of the Chinese state have taken Latin American interests into account when making decisions about the BRI and its application to the region. According to a Chinese official familiar with these arrangements, Argentine President Mauricio Macri and Chilean President Michelle Bachelet were invited to attend China's 2017 Belt and Road Forum only after expressing interest in doing so.³⁴ Though not on the initial guest list, the two leaders left with bilateral communiqués, and the China-Argentina Communique in particular states that both parties will strengthen linkages 'under the BRI framework.' The authors are not suggesting that Chinese foreign policy simply results from interest group bargaining, but indicating that the emergence of the BRI in Latin America is co-produced by Chinese actors and Latin American actors as well.

Moreover, the authors also not simply echoing assessments by Latin American elites that inflate their own importance in the making of Chinese foreign policy. The key turning point for the entrance of Latin America in the BRI is documented in the strategic thinking of top-tier Chinese government officials themselves. This occurred during the months preceding the January 2018 China-CELAC Ministerial Forum in Santiago, Chile, and during the Forum itself, when Chinese officials began referencing the region's (and specific countries') significance to the Initiative. In late 2017 and 2018, Chinese Foreign Minister Wang Yi and other officials referred to the region as a 'natural extension' of the Maritime Silk Road, for example, while adding that the region is an 'indispensable participant' in the construction of the BRI.³⁵ China also alluded to Mexico's, Panama's, and Trinidad and Tobago's key roles in the BRI, calling all three 'important nodes of the natural extension of Belt and Road construction in Latin America.'³⁶

Unlike similar events just a year before, the Belt and Road took center stage at the 2018 China-CELAC Forum—it was mentioned at least 16 times during Wang Yi's opening remarks. According to Chinese Foreign Ministry reports, the Initiative was also discussed in Wang's meetings with Latin American foreign ministers, including Mexico, Chile, Bolivia, and Trinidad and Tobago. In addition, Wang's five proposals for China-LAC cooperation closely resemble the BRI's 'five links' and explicitly call for establishing bilateral agreements under the framework of the BRI. More concretely, Wang proposed transportation networks 'connecting lands and oceans,' with specific reference to bi-

³¹Xi Jinping, "Speech at the Dialogue on Strengthening Connectivity Partnership," *Xinhua*, May 14, 2017, http://www.xinhuanet.com/english/2017-05/14/c_136282982.htm. "Opening Remarks at the Belt and Road Summit Roundtable," *Xinhua*, May 15, 2017, http://www.xinhuanet.com/politics/2017-05/15/c_1120976082.htm.

³²Iramsy Forte, "Las relaciones entre Cuba y China están en su mejor momento," *Granma*, May 31, 2017, www.granma.cu/mundo/2017-05-31/las-relaciones-entre-cuba-y-china-estan-en-su-mejor-momento-31-05-2017-21-05-50.

³³Forte, 'Las relaciones'.

³⁴Personal interview by Myers on condition of anonymity, March 2018, Beijing.

³⁵Ministry of Foreign Affairs of the People's Republic of China, "Wang Yi: The Belt and Road Initiative Becomes New Opportunity for China-Latin America Cooperation," September 18, 2017, https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1494844.shtml.

³⁶Embassy of the People's Republic of China in the Republic of Ghana, "Wang Yi meets with Secretary of Foreign Affairs Luis Videgaray Caso of Mexico," January 23, 2018, <http://gh.china-embassy.org/eng/zgyw/t1528753.htm>.

oceanic rail and tunnels, facilitating trade through an export-import exposition, and broadening financial channels to 'break developmental bottlenecks.' This language and Wang's approach during the Forum are clear departures from previous treatment of the BRI in Latin America.

Beyond merely framing its cooperation with Latin America with the same principles of the BRI, the Chinese government has gradually begun to execute formal BRI agreements in the region. Panama was the first to sign a formal BRI agreement and to be featured on China's BRI website. As a result, Panama's vice-minister of foreign affairs held a meeting with the vice-minister of China's National Development and Reform Commission in January 2018 to discuss a feasibility study for the Ciudad de Panamá-David railway for both cargo and passengers, which would connect Panama's Pacific and Atlantic coasts in parallel with the US-controlled Panama canal.³⁷ This echoes the same logic of overland roads and pipelines across Central and South Asia to bypass the Suez Canal and the straits of Malacca and Hormuz.³⁸ After all, Panama's inclusion reflects the importance of the Panama Canal for global trade, and the Chinese government's similar interest in reducing dependence on this US-controlled chokepoint for shipments from East Asia to Latin America, west Africa, and western Europe as well.

After Panama, a series bi-lateral BRI agreements were signed across Latin America, including Antigua and Barbuda, Trinidad and Tobago, Bolivia, Guyana, Uruguay, Costa Rica, Dominican Republic, and Venezuela.³⁹ Venezuela's case above all illustrates why certain Latin American political elites are so enthusiastic about joining the Initiative. Facing dramatic economic crisis domestically and increasingly rigorous economic sanctions from the US, the Venezuelan government sees in the BRI the possibility of restructuring its preexisting loans with the Chinese government, and possibly leveraging additional commitments for infrastructure investments that may enable it to reverse the downward spiral of its economic crisis. Yet its inclusion in the BRI remains largely discursive and diplomatic, as the Chinese government provided no concrete guarantees of any infrastructure investments in Venezuela, or any substantial restructuring of its outstanding loans besides payment extension.⁴⁰

Moreover, Venezuela's case is not unique, as Chinese officials have done little beyond formalizing participation of some Latin American countries in the Initiative. Most significantly, there has been no extension of financing to the region from the AIIB and Silk Road Fund, or invitations for Latin America-based projects to apply for such funds. This may reflect Chinese government concerns about overextension and political resistance to their flagship foreign investment and international cooperation project.

Concerns about Overextension and Political Resistance

The inclusion of Latin America in the BRI was not simply co-produced by elite actors across China and Latin America in a clear, linear fashion. Its emergence has been a relational, contested process that involves Chinese government concerns about possible overextension, and both Chinese and Latin American elite anxiety about mounting political resistance to BRI-related projects, including project-specific protests by those marginalized or displaced by infrastructure construction, regional- and

³⁷Priscilla Perez, "Panamá, país estratégico para la iniciativa china la 'Franja y la Ruta,'" *El Capital Financiero*, January 22, 2018, <https://elcapitalfinanciero.com/panama-pais-estrategico-para-la-iniciativa-china-la-franja-y-la-ruta/>.

³⁸Blanchard and Flint, 'Geopolitics'. David Brewster, 'Silk Roads and Strings of Pearls: The Strategic Geography of China's New Pathways in the Indian Ocean', *Geopolitics* 22(2), (2017), pp. 269-291.

³⁹Ricardo Barrios, "China's Belt and Road Lands in Latin America," *China Dialogue*, July 11, 2018, <https://www.chinadialogue.net/article/show/single/en/10728-China-s-Belt-and-Road-lands-in-Latin-America>. Katherine Koleski, Alec Blivas, *China's Engagement with Latin America and the Caribbean*. Staff Research Report. October 17, 2018. Washington, DC: US-China Economic and Security Review Commission, 16.

⁴⁰Teddy Ng, "China Says Promise of more Money for Venezuela Part of 'Mutually Beneficial Cooperation,'" *South China Morning Post*, September 14, 2018, <https://www.scmp.com/news/china/diplomacy/article/2164321/china-says-promise-more-money-venezuela-part-mutually>.

national-level political competition for investments and votes that may be leveraged with pro- or anti-Chinese rhetoric, and geopolitical competition with the United States.

First, consider how concerns about the Initiative's possible overreach are articulated in China since these are the most public justifications for previously excluding Latin America. Xue Li, director of the Institute of World Economics and Politics at the Chinese Academy of Social Sciences, suggested that establishing close economic links with all countries in the region is beyond China's capacity and responsibility, and that China should focus on a few central partners.⁴¹ China's financial resources may be abundant, but they are still finite, and prioritization is certainly necessary. But the sheer scale of the BRI, or distance to investment targets, is certainly insufficient to explain what constitutes 'overextension', as the incorporation of the Arctic in the BRI suggests.⁴² Rather than taking the BRI's continued focus on Asia at face value, this article calls attention to the manner that concerns about overextension are dialectically intertwined with the characterization of Latin America as 'too risky' for Chinese investments.

Many Chinese policymakers and intellectuals who call attention to investment risks in Latin America bear recent high-profile 'failures' closely in mind. Here is an important moment in which a theorization of co-production is particularly useful. After all, environmentalist, labor, and other social movements are rarely examined as part of the process of globalization of Chinese capital and development interventions, yet their interests also structure and shape whether, where, and how the BRI becomes produced in Latin America. Above all, they have resisted transnational capital expansion in general, sometimes directly undermining or reshaping Chinese investments and international cooperation projects. Prominent cases include the collapse of attempted farmland investments in Brazil and Argentina due to resistance among various sectors of society, which triggered government restrictions on acquisition of farmland by foreigners, and even the occupation of a Chinese-owned farm by landless peasants.⁴³ In infrastructure construction as well, disappointing experiences for Chinese investors in Latin America are marked by social resistance. A private Chinese entrepreneur attempted but failed to launch the Nicaragua canal, for example, because local resistance outpaced the apparent attempt 'from Beijing' to lure the Nicaraguan government into diplomatic relations with China instead of Taiwan.⁴⁴ Railroad projects failed in both Venezuela and Mexico.⁴⁵ The collapse of the Venezuelan project was attributed to poor economic planning rather than active resistance, but the collapse of the agreement in Mexico resulted primarily from political competition over public contracts and kickbacks among various Mexican politicians and infrastructure construction executives.⁴⁶ For China, which seeks to export increasingly high-tech products and services, Mexico's about-face was an awkward development, especially since this deal was highly publicized in the Chinese media.⁴⁷ Nonetheless, Mexican lobbying for Chinese investments in the country's foundering railroad transportation sector has been reignited in 2018 by a new administration that came to power with a major anti-corruption drive, explicitly arguing this new constellation of political forces within Mexico may dispel Chinese hesitation.⁴⁸ Most significantly still, the new railway

⁴¹Li Xue, "China should not overestimate Latin America's strategic significance," *FT中文网*, January 21, 2015, www.ftchinese.com/story/001060237?full=y&archive.

⁴²Huirong Liu, 'The Arctic Shipping Route and its uses Under the One Belt, One Road Context', *China Engineering Science* 18(2), (2016), p. 111.

⁴³Nicolás Perrone, 'Restrictions to Foreign Acquisitions of Agricultural Land in Argentina and Brazil', *Globalizations* 10(1), (2013), p. 205. Oliveira, 'Chinese land grabs', pp. 118-119.

⁴⁴Shoujun Cui, 'The Chinese-backed Nicaragua Canal: Domestic Rationale, Multiple Risks, and Geopolitical Implications', In Peters et al., *Building*, 144.

⁴⁵Haibin Niu, 'Strategic Analysis of Chinese Infrastructure Projects in Latin America and the Caribbean', In Peters et al., *Building*, 180. Enrique Peters, 'Chinese Infrastructure Projects in Mexico: General Context and Two Case Studies', In Peters et al., *Building*, 58.

⁴⁶Ibid.

⁴⁷Wei Chen, "Chinese High-Speed Rail's First Order 'Goes Out': Heading Towards Latin America," *People's Daily*, November 5, 2014, <http://military.people.com.cn/n/2014/1105/c1011-25977114.html>.

⁴⁸Jude Webber, "Mexican 'Silk Road' Trade Corridor is Set to Spice up US Tension," *Financial Times*, June 6, 2018, <https://www.ft.com/content/93f1efda-6966-11e8-b6eb-4acfcfb08c11>.

project showcased for Chinese investment is no longer high-speed rail for passenger transport, but the Trans-Isthmus Corridor Railroad for cargo, a century-old proposal that is being reformulated now as perfect candidate for the BRI, given Chinese interest in reducing dependence on the Panama Canal chokepoint.⁴⁹

The notion of risk that characterizes the Chinese government's tenuous, hesitant, and limited inclusion of Latin America in the BRI is not limited to the possibility that investments may fail to materialize due to political resistance within recipient countries. It also pertains to concerns that loans may not be repaid, or investments may fail to yield profitable returns.⁵⁰ In 2014, engineering contracts for Chinese companies in Latin America already totaled over 100 USD billion, which some interpret as posing too much risk to China, noting uncertainties surrounding China's oil-backed loans to Venezuela as example of this risk, and the collapse of the railroad project there.⁵¹ Despite its enormous oil reserves, the economic and political crisis in Venezuela is indeed limiting its ability to repay debts already incurred with Chinese lenders, and the threat of regime change, compounded by volatility in international energy markets, is certainly cause for alarm from the perspective of the Chinese government and its state-owned banks and oil companies.⁵² On the other hand, Venezuela's recent inclusion in the BRI involves very limited financial commitments from China, as described above, and the Chinese state has leveraged it for significant propaganda purposes in demonstrating how the BRI is not a geopolitical imposition by Beijing, but rather a much-desired framework for international development cooperation. Venezuelans 'call the Chinese "good older brothers" and actively support the BRI proposal,' claimed a Chinese newspaper discussing the Venezuelan president's visit to China to sign the BRI agreement.⁵³ Venezuelans 'are eager to truly join the ranks and become a hub for the extension of the BRI to Latin America,' emphasized the paper.⁵⁴

There is some discrepancy, therefore, about how 'risk' is conceptualized and measured in both economic and political terms. In the case of Venezuela, for example, political gains outweighed a (limited) extension of economic risks. Yet the profit-seeking nature of Chinese infrastructure construction companies remains at the foundation of the 'overextension' thesis, as exemplified once again by Xue Li's statements: 'Beijing is not expecting to make a fortune on China-Latin America economic and trade relations, but neither can it suffer a big loss ... when it comes to Latin America, China has the money, but must be cautious when it comes to spending.'⁵⁵ Similarly, a recent study by Oxford University questioned the BRI's economic viabilities, noting that China's infrastructure projects feature cost overrun, lack real economic benefit in the areas where the projects are built, and provide minimal returns to investors.⁵⁶

Nonetheless, an official at the Chinese embassy in Brazil and an investment broker involved with these negotiations both explained in interviews with Oliveira (undertaken in Brasília during 2015) that the economic rationale of China's international infrastructure construction ventures must be understood as part of a longer-term strategy for market access, where short-term risks are justified for long-term gains. 'When Brazil was awarded the [2012] Olympics, our [infrastructure construction] companies tried to get any contracts they could even if they made no profits,' explained the Embassy official, 'because they wanted to promote and showcase their work so they could make money in

⁴⁹ibid.

⁵⁰Pin Zuo, "Thoughts on the Construction of the Belt and Road and the Deepening of Sino-Latin American Cooperation," *China Think Tanks*, October 26, 2015, <http://www.chinathinktanks.org.cn/content/detail/id/2902266>.

⁵¹Zuo, 'Thoughts.' Cf. Niu, 'Strategic Analysis.'

⁵²Although no quantitative evidence was presented, such as insurance prices or operational losses, such risks were explicitly mentioned by a director of the China-Latin America and Caribbean Cooperation Fund, managed by the China Export-Import Bank. Personal interview by Oliveira, Beijing, May, 2019.

⁵³Shen Liu, "Does China agree with Venezuela's Request to Replay 5 Billion USD Loan with Oil? China's Response," *Guanchazhe Network*, September 14, 2018, https://www.guancha.cn/politics/2018_09_14_471996.shtml.

⁵⁴ibid.

⁵⁵Li Xue, Yanzhao Xu, "Why China Shouldn't Get Too Invested in Latin America," *The Diplomat*, March 31, 2015, <https://thediplomat.com/2015/03/why-china-shouldnt-get-too-invested-in-latin-america/>.

⁵⁶Atif Ansar, Bent Flyvbjerg, Alexander Budzier, Daniel Lunn, 'Does Infrastructure Investment Lead to Economic Growth or Economic Fragility? Evidence from China', *Oxford Review of Economic Policy* 32(3), (2016), p. 360.

future contracts with the [2014] World Cup and even bigger projects.' Similarly, the investment broker explained that 'our [Chinese] clients were willing to outbid anyone because they knew their government would support them even if they lost money when opening up a new market.' Nonetheless, Chinese firms ultimately did not secure any infrastructure construction contracts associated with the Olympics or World Cup in Brazil. These interviewees attributed this more to the inexperience of Chinese firms with Brazilian public-bidding bureaucracy and weak ties to Brazilian construction companies, than to risk aversion. The source of the 'risk', therefore, is not necessarily endogenous to Latin America, but a relational dynamic between various Chinese, Latin American, and other actors.

Crucially, this relational dynamic extends to the United States as well. The sense of risk that surrounds continued Chinese restraint also results from US anxieties about China's growing role in the region, and the Chinese central government's desire to avoid entrapment in discourses of geopolitical competition. Indeed, Chinese scholars consistently and explicitly identify the historically strong and continued US influence in the region as one of the top factors shaping China's own relations with Latin America, alongside weak economic interconnectivity, and cultural differences.⁵⁷ Significantly, the Chinese government accepted US requests for bilateral dialogue on their relationship to Latin America from 2006 to 2016, attempting to build trust for its engagement in the region with the US even while this process simultaneously raises mistrust among Latin American governments themselves.⁵⁸ It appears, therefore, that China has hesitated to link major infrastructure projects in Latin America with the BRI, even though similar projects in Asia and Africa are affiliated with the Initiative, in order to limit what might be perceived as geopolitical provocations against the US in 'its own backyard'.

In other words, even if Chinese officials and firms are not backing down from massive infrastructure construction projects that advance their interests in Latin America, they are still careful about the discourses utilized to describe it. The recent but tenuous official incorporation of Latin American countries into the BRI, therefore, conforms with the widely acknowledged process of gradual transformation in China's foreign policy discourse from 'keeping a low profile' as oriented by Deng Xiaoping, and denying that massive infrastructure proposals for Latin America are part of its 'grand strategy', towards the recent but tenuous establishment of bilateral agreements explicitly framed under the BRI, that yet remain largely non-committal with financial resources and concrete projects.⁵⁹

Discursive transformations like this are not insignificant for Chinese foreign policy.⁶⁰ The literal translation of China's foreign policy framework at hand is 'One Belt, One Road' (一带一路), and it is frequently discussed as a 'grand strategy' for China's geopolitical advancement, which evokes fears (and intentionally so, for Western actors seeking to destabilize international support for the BRI) that other countries risk becoming ensnared in China's growing geopolitical ambitions. This led the Chinese government to consciously and consistently promote an alternative English translation of 一带一路 as 'the Belt and Road Initiative', displacing connotations of a singular strategy with more open ended discussions of infrastructure initiatives.⁶¹

Nonetheless, US officials in particular still seize on these discursive techniques to criticize the BRI and dissuade other countries from collaborating with China: 'In a globalized world, there are many belts and many roads, and no one nation should put itself into a position of dictating "one belt, one

⁵⁷Xue, 'China Should not.' Niu, 'Strategic Analysis.' Zhensheng Su, 'How to Face the Future of China-Latin America Relations', *Journal of Latin American Studies* 2, (2009), pp. 1-8.

⁵⁸Evan Ellis, 'Cooperation and Mistrust Between China and the US in Latin America,' In *The Political Economy of China-Latin America Relations in the New Millennium*, eds. Margaret Myers, Carol Wise (New York: Routledge, 2017), pp. 36-42.

⁵⁹Suisheng Zhao, 'Chinese Foreign Policy as a Rising Power to Find its Rightful Place', *Perceptions* 18(1), (2013), 101. Zhou and Esteban, 'Beyond balancing,' 500-1.

⁶⁰Sidaway and Woon, 'Chinese Narratives,' 591.

⁶¹Wade Shepard, 'Beijing to the World: Don't Call the Belt and Road Initiative OBOR,' *Forbes*, August 1, 2017, <https://www.forbes.com/sites/wadeshepard/2017/08/01/beijing-to-the-world-please-stop-saying-obor/>. See also the explicit orientation on English translations of 一带一路 on the Chinese government's official BRI online portal: <https://eng.yidaiyilu.gov.cn/ztindex.htm>.

road”,’ asserted the US Secretary of Defense Jim Mattis in testimony before the Senate Armed Services Committee on October 2017.⁶² Secretary of State Rex Tillerson saw fit to ‘warn’ Latin America about its growing ties to the Asian nation, stating that ‘China’s offers always come at a price,’ and describing Beijing’s ambitions as imperialistic.⁶³ According to a major US government report on China’s engagement with Latin America, China’s expanding infrastructure investments in the region can ‘reinforce the region’s overreliance on highly cyclical exports and create unsustainable debt burdens for some LAC countries, which China could use for political leverage.’⁶⁴ Additional notes of caution frequently warn that Chinese investments may aggravate environmental conditions in Latin America, encourage further corruption of political and corporate elites, and facilitate new channels for drug cartels to move contraband and launder money.⁶⁵ Underlying everything is the fact that Chinese finance for Latin America has allowed certain governments (particularly in Venezuela, Bolivia, Ecuador, Honduras, and Argentina) some relief from US government sanctions and restricted lending by financiers from the Global North.

The rise of China as an alternative source of trade, investment, and finance for the nations of Latin America and the Caribbean has provided both anti-U.S. governments and other nations with alternatives to the US for loans, investments, and markets, indirectly weakening US leverage for advancing its policy goals.⁶⁶

Chinese policymakers are by no means beholden to Washington’s whims, but they continue to take the risk of accentuating US opposition into account when formulating their Latin America policy, which leads to a relatively hesitant and fragmentary approach. The complex manner that the BRI and BRI-related projects are assembled in Latin America, including their co-production by multiple Chinese and non-Chinese actors, and the relational and contested dynamics of competing visions and interests, will be further exemplified with the case study in the next section.

Chinese-backed Ports and Railroads in Brazil

On 23 May 2019, the vice presidents of Brazil and China signed an agreement ‘recognizing the possible synergies’ between infrastructure investment policies in both countries, ‘including the Belt and Road Initiative.’⁶⁷ Although still not officially listing Brazil in the roster of the BRI, and even though many infrastructure projects discussed here emerged prior to the Chinese extension of BRI discourses to Latin America, this remains a useful case study. After all, key pillars of the BRI in Asia itself are actually preexisting projects that were reframed as BRI. Such re-labeling is not reducible to mere branding exercises without material effects. As shown in previous sections, the gradual expansion of the BRI articulates with institutional transformations and shifts in socio-material practices ranging from finance to resistance. Thus, this case study will demonstrate how, since the BRI (and BRI-related projects) are assembled through such co-production, they inevitably gather multiple actors who leverage it for numerous interests of their own, which sometimes align and are sometimes contradictory.

The vast majority of Chinese financing and infrastructure construction in Brazil has gone to the petroleum and energy sector.⁶⁸ Since 2010, State Grid and China Three Gorges have acquired multiple large-scale transmission lines in Brazil, and secured contracts to build new ones associated

⁶²Anjit Panda, “Is the Trump Administration about to Take on China’s Belt and Road Initiative?” *The Diplomat*, October 19, 2017, <https://thediplomat.com/2017/10/is-the-trump-administration-about-to-take-on-chinas-belt-and-road-initiative/>.

⁶³Robbie Gramer, Keith Johnson, “Tillerson Praises Monroe Doctrine, Warns Latin America of ‘Imperial’ Chinese Ambitions,” *Foreign Policy*, February 2, 2018, <https://foreignpolicy.com/2018/02/02/tillerson-praises-monroe-doctrine-warns-latin-america-off-imperial-chinese-ambitions-mexico-south-america-nafta-diplomacy-trump-trade-venezuela-maduro/>.

⁶⁴Koleski and Blivas, *China’s Engagement*, p. 3.

⁶⁵Ellis, ‘Cooperation’, pp. 33-42.

⁶⁶Ellis, ‘Cooperation’, p. 38.

⁶⁷Minutes of the Third Plenary Session of the High-Level Sino-Brazilian Commission on Concentration and Cooperation (COSBAN), Beijing, May 23, 2019.

⁶⁸Kevin Gallagher and Margaret Myers, “China-Latin America finance database,” *Inter-American Dialogue*, March 2020, https://www.thedialogue.org/map_list.

with dam construction in the Amazon, where Chinese companies also have gained a foothold. Energy generated from these projects is often supportive of the mining sector, which also receives Chinese investments and has in China its largest export market.⁶⁹ Yet many high-profile diplomatic, journalistic, and academic discussions of Chinese infrastructure construction projects in Brazil have centered recently on the Bi-Oceanic Railway, a project for linking Brazil's Atlantic littoral to ports on Peru's Pacific coast.⁷⁰

The idea of a transcontinental railroad across South America is as old as railway construction itself. Brazilian intellectuals proposed it along the east-west axis for South American integration as early as 1874, while the US proposed it on the north-south axis in 1890 to facilitate, of course, US hegemony across the whole continent.⁷¹ Yet Brazilian railway construction only extended from the coast to the southeastern edge of the Central Plateau, while smaller stretches across the Amazon only reached mineral deposits in eastern Pará state, and connected a few waterways, without establishing an interconnected network across Brazil, much less stretching towards and across the Andean nations. Rail construction halted in the mid-20th century, and new proposals only began to gather interest after the end of the military dictatorship in 1988. Construction on a few projects finally began in the 2000s, featuring most prominently the North-South Railroad and the West-East Integration Railway (Ferrovia de Integração Oeste-Leste, FIOL), linking the soy/corn belts of central Brazil to ports on the coasts. The impending inauguration of these railroads during the early 2010s was used by Brazilian bureaucrats to boost Chinese agribusiness investments along their routes, only to leave Chinese investors sorely disappointed when construction of FIOL was stalled, and the North-South Railway was inaugurated but left un-operational due to multiple technical problems.⁷²

So far, the closest a Chinese company has come to building a railroad in Brazil is also an illustrative disappointment. The China Railway Construction Company (CRCC) partnered with Camargo Corrêa, one of Brazil's leading infrastructure construction companies, to bid for the construction of the Mid-West Integration Railway (Ferrovia de Integração Centro-Oeste, FICO), a project that would tap Mato Grosso state's soy/corn belt as an east-west branch of the North-South Railway. As a Brazilian executive and government official who participated in the process indicated to Oliveira, the joint bid was ready and about to be approved by the Brazilian government for about 5 billion BRL in 2012, when Camargo Corrêa insisted on withdrawing the proposal unless the Brazilian government raised the price to 7 billion BRL.⁷³ CRCC executives disagreed since their interest was not to maximize profits but simply to gain exposure and experience for additional Brazilian projects in the future. But the divergence of interests remained, the proposal was withdrawn, and within two years Camargo Corrêa was disqualified for bidding on public projects due to its involvement in a massive corruption scandal.

Nevertheless, Xi Jinping seized upon the idea of a transcontinental railroad across Brazil and Peru in his visit to the continent during July 2014, drawing upon a proposal drafted in 2008 by the Brazilian government but immediately abandoned due to the onset of the global financial crisis. Four months later, he was signing memoranda of understanding with the presidents of Brazil and Peru during their follow-up visits to China, agreeing to initiate feasibility studies in collaboration with Chinese financiers and railway construction companies.⁷⁴ Unlike previous incarnations of 'South American integration' projects, however, the goal now was explicitly to facilitate the export of Brazilian soy and iron ore to China from South America's Pacific coast. So even though feasibility studies were launched upon premier Li Keqiang's visit to Brazil in 2015, the impetus for

⁶⁹Celio Hiratuka, 'Chinese infrastructure projects in Brazil: Two case studies,' In Peters et al., *Building*, pp. 130-134.

⁷⁰Cesar Azevedo, 'Reflections on the South American Transcontinental Railway,' *Revista Brasileira de Políticas Públicas e Internacionais* 3(1), (2018), pp. 254-285.

⁷¹Azevedo, 'Reflections', pp. 254-255.

⁷²Gustavo Oliveira, "The South-South Question: Transforming Brazil-China Agroindustrial Partnerships" (PhD dissertation, University of California, Berkeley, 2017).

⁷³Personal interview on condition of anonymity, August, 2014, Brasília.

⁷⁴Hiratuka, 'Chinese infrastructure', pp. 134-138.

a transcontinental railroad reduced Peru's role to a mere *entrepôt*, and placed the project in direct competition with other routes for the export of Brazilian agroindustrial commodities to China.⁷⁵ This arrangement would harness divergent interests that are ultimately forestalling the project altogether.

This divergence was aptly illustrated during a Corporate Seminar co-organized in Brasília, on the occasion of premier Li Keqiang's state visit in 2015, by the Brazilian National Federations of Transportation (CNT), Agriculture (CNA), and Industry (CNI), the most representative national-level business associations. Brazilian boosters, brokers, bureaucrats, and businessmen (mostly men) collaborated in making detailed presentations about Brazil-China economic relations and opportunities for investments, elaborating particularly on the process of consortium bidding for the construction and concession of public infrastructure projects, and showcasing above all the EF-170 railway project, dubbed 'Ferrogrão' or 'Grain Railroad' (Figure 1).

The Grain Railroad is a project that runs on a north-south axis from the soy/corn heartland in Mato Grosso to the new fluvial ports of Itaituba/Miritituba on the Tapajós river, where soy/corn can shift to barges for much cheaper waterway navigation to the deep-water ports at the mouth of the Amazon river. With a load of 20 mmt by 2020 (rising to 42 mmt by 2050) and total cost of 4 billion USD, the Grain Railroad is anticipated to transport about the same amount of soy/corn as the Bi-Oceanic Railway, but at less than one-third the total estimated cost. Moreover, the Grain Railroad is not only far shorter than the transcontinental alternative, it also follows an existing federal highway, and consequently does not pose nearly as much social and environmental concern for its construction. Unsurprisingly, the agribusinesses that stand to benefit the most from either project have sided unequivocally with the more topologically feasible Grain Railroad over the more ambitious trans-Andean vision, including not only Brazilian, US, and European firms, but also at a later moment a key Chinese state-owned agribusiness company, the China National Cereals, Oils, and Foodstuffs Corporation (COFCO), that is investing in this region.

Interestingly, feasibility studies and proposals for public bidding on the Grain Railroad were already being undertaken by a consortium of US and Brazilian agribusiness companies, when the project was showcased as a 'model for Chinese investment' during the Corporate Seminar held on the occasion of Li Keqiang's visit. This prompted highly critical and unenthusiastic responses from the Chinese infrastructure construction executives hosted at the seminar. Oliveira was present at the event and noted a visibly frustrated Chinese businessman questioning the official from Brazil's Ministry of Transportation after his presentation on the topic: 'Why do you invite us to a project that is already controlled by a Brazilian alliance with the ABCDs?', utilizing the acronym for the major US agribusiness trading companies against which Chinese agribusinesses are in harsh competition. The Brazilian official fumbled a response about highlighting models merely as example, but the frustration of Chinese executives was self-evident in the fact that the side rooms prepared for business-to-business negotiations were left empty after the seminar.

Furthermore, Oliveira visited several Brazilian maritime ports from the southeastern states of Santa Catarina and São Paulo to the northeastern states of Bahia, Pernambuco, Maranhão, and the northern state of Pará during 2014 and 2015, and consistently documented how local- and state-level officials and port management executives lobbied Chinese executives to invest in new terminals or expansion of their own ports, sometimes even referencing the maritime extension of the BRI as justification. Such boosterism finally paid off in 2017, when the China Merchants Port Holding acquired Brazil's second largest container terminal (in Paranaguá, Paraná state), and the China Communications Construction Company (CCCC) acquired a mid-sized Brazilian construction company and its 51 percent share of the Port of São Luis (in Maranhão state). CCCC also began negotiations for port construction projects in Bahia and Santa Catarina states (Porto Sul and TGB), and for a stake in the operational port of Suape in Pernambuco state.⁷⁶ However, previous negotiations for Chinese construction of Brazilian ports raise

⁷⁵Azevedo, 'Reflections', p. 254.

⁷⁶Koleski and Blivas, *China's Engagement*, pp. 33-34.

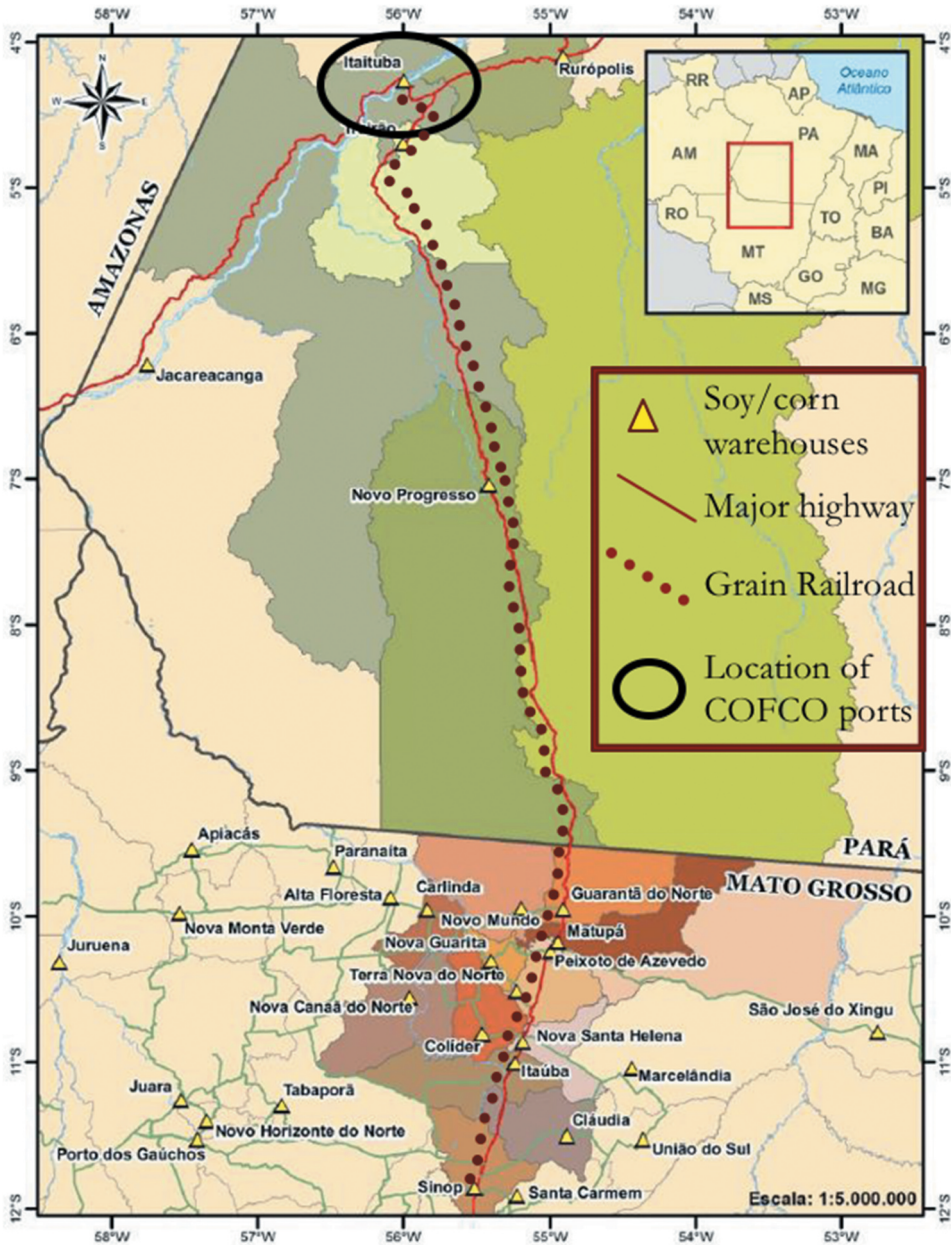


Figure 1. The EF-170, dubbed ‘Ferrogrão’ or ‘Grain Railroad’. Source: Adapted from the Brazilian Federal Government’s Investment Partnership Program, 2016.

caveats that such deals may fall through or become significantly delayed. Chinese agribusiness trading companies negotiated for participation in Brazilian grain terminals since 2006 without any success, and when a private company finally secured a 20 percent stake in a new grain terminal in São Francisco do Sul (Santa Catarina state) in 2010, it only managed to start construction in 2015.⁷⁷

⁷⁷Gustavo Oliveira, ‘The Battle of the Beans: How Direct Brazil-China Soybean Trade was Stillborn in 2004’, *Journal of Latin American Geography* 17(2), (2018), pp. 113-139; Oliveira, ‘South-South Question’, pp. 211-215.

If CCCC does implement the TGB port project, it will effectively converge with another major Chinese state-owned company, COFCO. This is because COFCO incorporated Nidera and the agribusiness arm of Noble in 2014, two medium-sized transnational trading companies expanding rapidly in Brazil, and thus it obtained Nidera's 20 percent stake in the TGB project. But the project soon stalled when the majority investor withdrew. CCCC's investment, then, would finally realize a project COFCO has been expecting for years. However, COFCO's most significant participation in Brazilian ports is actually in Itaituba/Mirituba, the northern terminus of the projected Grain Railroad on the margins of the Tapajós river in Pará state, where COFCO inherited its subsidiaries' contracts with a Brazilian-owned infrastructure construction start-up focused on waterway navigation. In an interview undertaken by Oliveira with one of the COFCO executives responsible for their international M&As undertaken on March, 2015 in Hong Kong, the interviewee explained the synergies identified in Noble and Nidera's joint participation in this particular project were instrumental for their decision to acquire these companies in particular. But there, COFCO's participation diverges sharply with government promotion of BRI-related projects and other Chinese state-owned companies, namely the China Railway Eryuan Engineering Group (CREEC), tasked by Xi Jinping and Li Keqiang to undertake the feasibility study for the Bi-Oceanic Railroad project.

CREEC delivered its feasibility report to the Brazilian congress in April 2017, claiming the project remains viable—despite the fact that the Peruvian government had withdrawn its support from the project entirely, and the eastern terminus of the railroad was contested between an undetermined route to Rio de Janeiro, or integration with the FIOLE across Bahia state (Figure 2). By then, however, political support for the Bi-Oceanic Railroad project had dissipated in Brazil. The Workers' Party government was forced from power in an impeachment by a right-wing congressional alliance, and Brazilian foreign relations shifted from cultivating multipolarity with China towards a realignment with the US and Europe. Ironically, when vice-premier Wang Yang visited Brazil to meet the new post-Workers' Party administration just five months after CREEC delivered its report, the core message he carried was that 'we remain

Proposed nodes for Bi-Oceanic Railroad in red, with three alternative routes for the western terminus in Peru, no defined eastern terminus in Brazil, and connections with the recently build North-South Railroad (FNS), and the proposed Grain Railway (FG) and West-East Integration Railroad (FIOL).



Figure 2. CREEC's viability study on the Bi-Oceanic railway to the Brazilian government, 2017. Source: Adapted from CREEC, 'Presentation of the basic viability study of the Brazil-Peru Transcontinental Railway,' Document presented at public hearing. Brasilia: Federal Senate of Brazil, April 2017.

EF 354 – Traçado em Território Nacional

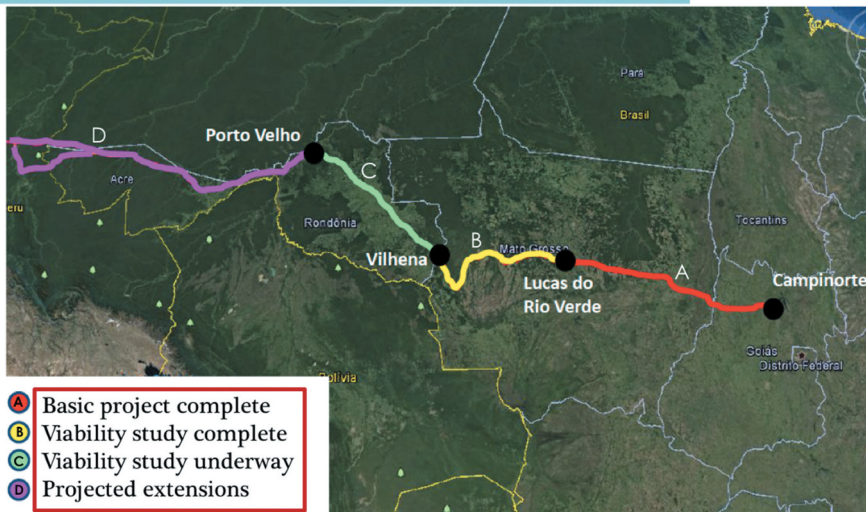
 MINISTÉRIO DOS
TRANSPORTES, PORTOS
E AVIAÇÃO CIVIL


Figure 3. Path of the EF 354 (Bi-Oceanic Railroad) in national territory. Source: Adapted from presentation by the Ministry of Transportation to the Brazilian Federal Senate, 8 August 2017

interested in participating in the bids for infrastructure projects' under the new administration's priority program, which includes the Grain Railway but no transcontinental projects anymore, supporting the priorities of COFCO over CREEC.⁷⁸ The shift was not the result from divergences between Xi and Li, or direct competition between CREEC and COFCO, but rather from the underlying transformation of agribusiness priorities within Brazil itself, including the localized interests of COFCO.

The Brazilian Ministry of Transportation now effectively reduced discussion from a transcontinental railway to the central stretch that overlaps with the FICO connection lost by CRCC in 2012 (Figure 3). Moreover, the new president of Brazil, Jair Bolsonaro, gained office through a fervently anti-China campaign and increased anti-China rhetoric during the COVID-19 pandemic. So it is unlikely that Brazil will formally join the official roster of the BRI in the near future. Nonetheless, Brazilian agribusiness elites are lobbying hard to temper Bolsonaro's anti-China turn, hoping to sustain exports to Brazil's largest market for agricultural and mineral exports, and seek further investments that may alleviate logistical bottlenecks by expanding export-oriented infrastructure, especially now that a global depression seems at hand.⁷⁹ Given the convergence and divergence of interests in the co-production of Chinese infrastructure projects in Brazil, the ventures that may roll into this framework do not follow the Chinese central government's visions and pronouncements, nor a cohesive government and elite strategy within Brazil, but are tenuously co-produced by multiple converging and conflicting actors across China and Brazil, responding to opportunities and pressures emerging from multiple locations around the world.

⁷⁸Cristina Campos, "Temer Tells Chinese that Brazil is Getting 'Back on Track' for Development," *Agência Brasil*, September 2, 2017, <http://agenciabrasil.ebc.com.br/economia/noticia/2017-09/temer-diz-chineses-que-brasil-esta-voltando-para-o-trilho-do>.

⁷⁹Diário do Comércio & Indústria (DCI), "Infrastructure Continues to be the Main Demand on the Agenda for Agribusiness," *Brazil Modal*, January 10, 2019, <http://brazilmodal.com.br/2015/jornalmultimodal/infraestrutura-segue-como-principal-demanda-na-agenda-do-agronegocio/>. This was also noted by Oliveira in several interviews with members of the Brazilian Minister of Agriculture's delegation to China, Beijing, May 16, 2019.

Conclusion

Latin American countries are gradually and tenuously joining the official roster of the BRI. A general interest of the Chinese government in projects that allow for trade to bypass the Panama Canal is an evident cornerstone of BRI-related proposals for the region, yet divergent Chinese and Latin American interests have largely curtailed the emergence of any cohesive set of investment projects. Thus, the region remains largely outside the scope of the Initiative's framework, receiving relatively limited financial disbursements and infrastructure construction projects directly aligned with the Chinese government's vision for the internationalization of its infrastructure construction companies, and the reshaping of global politics and economics in its favor. Certainly, some of China's over 150 proposed infrastructure projects in Latin America will proceed with or without BRI-specific discourses and backing, while others are likely to stall or even collapse. This article demonstrated, however, that the tenuous emergence of BRI discourses and projects in Latin America is not simply an advancement of Chinese investments, diplomacy, and geopolitics, but rather a co-produced bundle of diplomacy and lobbying efforts, financial and technical resources, and both converging and conflicting interests across China, Latin America, and beyond.

Consequently, the article also illustrates the usefulness of a relational approach to theorize the BRI and China's global integration, and advance critical geopolitics more generally. In particular, the authors reveal the process of multi-sited and multi-scalar co-production to de-center nation-states and inter-governmental relations, and emphasize instead the dispersed agency of Chinese and non-Chinese actors alike in the formulation and contestation of the BRI. Evidently, the authors do not claim there is anything unique or special about this process involving the BRI in Latin America, but rather that this common approach to critical geopolitics—emphasizing co-production rather than top-down decisions and unidirectional impacts—should gain more space in studies and narratives about Chinese foreign investments and international development cooperation in general.

Finally, in a context of deepening economic crisis across the world due to the novel coronavirus pandemic, limited foreign investment, and slim pickings for multilateral credit to support infrastructure—especially of the cross-border variety—China remains a vital source of capital in a region in need of sustained investment. Latin American governments and multiple think tanks frame the challenge as generating project proposals that match China's interests, with plans for such projects that can reboot economic growth in a manner that minimizes negative social and environmental impacts. In other words, finding a way for Latin American governments to shape investment from China more effectively, with or without BRI-specific backing. Whereas some projects will deliver much-needed connectivity and related economic gains, others will likely fall short of expectations.

The normative implications of this argument pertain to how the BRI in Latin America should be conceived and critiqued: not as a geopolitical imposition 'from Beijing', nor as a necessary result of 'local characteristics', but rather as a tenuous, contingent, and unstable arrangement of discourses, policies, and projects promoted by a variety of actors within and outside China, who leverage them for numerous interests of their own, which sometimes align and are sometimes contradictory. Attending to the BRI in Latin America in this way, it becomes possible to better examine new and crucial research questions such as the following: Should the BRI continue to focus upon infrastructure projects that facilitate the export of Latin American agricultural and mineral commodities to China, relegating social benefits to a possible (but questionable) ancillary outcome of 'economic growth', or could priorities be reimagined for infrastructure construction that addresses intra-regional connectivity and social inclusion more directly? Must health costs and environmental protection continue to be seen merely as an impediment for the advancement of infrastructure projects, or could China-Latin America cooperation in areas such as agroecology, renewable energy, and public health be reimagined as part of the BRI? Last but not least, can the discourse of the BRI as a framework for international development cooperation be sustained when so many of its projects and proposals advance primarily the interests of corporate and government elites in China and partnered countries, but largely at the expense of the indigenous peoples, peasants, and workers

who are displaced or exploited by its pharaonic infrastructure construction projects?

Acknowledgments

The authors would like to thank Yang Yang, Alessandro Ripa, Suisheng Zhao, and the anonymous reviewers for helpful feedback on this manuscript.

Disclosure Statement

No potential conflict of interest was reported by the authors.

Funding

Oliveira's research was supported by the Inter-American Foundation, the BRICS Initiative for Critical Agrarian Studies, and the University of California Berkeley's Graduate Division, Center for Chinese Studies, and Institute for International Studies – Simpson Fellowship. The arguments and analysis do not necessarily reflect the views of any of these institutions.

Notes on contributors

Gustavo de L. T. Oliveira is assistant professor of global and international studies at the University of California Irvine, and co-editor of a special issue in *Political Geography* on China's Belt and Road Initiative.

Margaret Myers is the director of the Asia & Latin America Program at the Inter-American Dialogue, and co-editor of *The Political Economy of China-Latin America Relations* (New York: Routledge, 2017).

ORCID

Gustavo de L. T. Oliveira  <http://orcid.org/0000-0002-1800-227X>