



Discovery of the *Terra Incognita*: Five Decades of Chinese Foreign Policy towards Latin America.

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Working Paper No.2

Research Project: Latin America and the Pacific Asia Institute
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October 2000

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Working Paper No. 2 /october 2000

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Abstract:

The following investigation presents an overview of Chinese relations with Latin America and the Caribbeans since the foundation of the People's Republic of China (PRC) in 1949. From that time on, Chinese perceptions of the region considerably changed through the decades and the leadership finally decided to develop closer ties. Since the beginning of the 1990s, the PRC practices a more active and sustained foreign policy towards Latin America, expressed through a higher degree of mutual official visits and growing economic exchanges. The Chinese rapprochement was born out of the international isolation after the Tiananmen incident in 1989, of growing activities of the Taiwanese government in the region and of the need to find new markets for Chinese products.

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Introduction

The main objective of this study is to analyse Chinese foreign policy towards Latin America¹ and the evolution of Sino-Latin American relations in the last five decades, emphasising the 1990s². In world politics, the tendency to diversify external relations³ against the background of regional integration and globalisation has become stronger. And even China has always been aware of the importance of wider and deeper relations with regions outside Asia. However, Chinese policy has been characterised by independence, nationalism, sovereign rights, and economic self-sufficiency rather than interdependence, internationalism, human rights, and economic integration (see Wang Jisi 1994: 503). Emphasising the intricacy of Chinese foreign policy, one must not forget the ability of Chinese leaders to develop different kinds of concepts and principles that, according to the situation, were increasingly or decreasingly used, without ever losing their general validity. If these concepts were criticised, Chinese would argue that the problems did not lie in the concepts themselves but rather in their application and realisation (see Garver 1991: 244). Therefore, even if the global tendencies stand somehow in contrast to Chinese convictions, adopting them is not a contradiction but a proof of acrobatic agility, of high perception of necessity, and a question of degree.

In order to approach the subject, some general remarks will introduce the complexity of China's actual situation and its position in the world system in a first step. In addition, the preliminary considerations will deal with Chinese

¹ In this study the term Latin America includes South America, Central America and the Caribbean, even if some of these countries do not belong *per definitionem* to the Latin language speaking part like, e.g. Surinam and Guyana in South America and Jamaica in the Caribbean.

² For a classification of different schools in Chinese Foreign Policy Studies as well as an overview of the main literature on Chinese foreign policy see Bin Yu (1993) and Samuel Kim (1989b).

³ Diversification of external relations is defined as "a country's endeavor to extend via a new or modified policy design its relations to other regions with which it has previously entertained only rudimentary connections" (Faust/Mols 1998: 1).

foreign policy thinking and its motivations (1), while in a second step, the procedure of the following investigation will be explained (2).

Ad (1) *China's actual situation and foreign policy thinking*: China is a weak and powerful nation at the same time. Of course, one could immediately argue that China is far from being a *quantité négligeable*, referring to enormous population, immense territory and rich resources as being prerequisites of a powerful nation (see Gray 1996; Goldstein 1997). On the other side of the coin, China is vulnerable because of the immensity of its territory which demands sophisticated and precise defence strategies. It has the second longest land borders in the world, fourteen neighbours, and has been struggling for sovereignty of territorial waters with six additional countries (see Nathan/Ross 1997: 9). All this leads to a high degree of conflict potential.

Further, the Chinese leaders have to deal with overpopulation, unemployment, great poverty - mainly in the rural areas, low per capita income, growing fragmentation, and a decreasing ability to supply food and fuel, provoking an increase in imports and thus a higher degree of involvement in the international economic system. However, this does not mean that China is economically weak. Since 1979, the economic growth rate has been around 10%,⁴ an average that can hardly be found in other countries (see Bernstein/Munro 1997: 59f.). Indicators⁵ measuring economic and military power give information about the "estimated power". The "perceived power" has to be evaluated in terms of the country's legacy for playing a major role in world politics, and in terms of the very low starting point of Chinese economic and military expansion. It must be evaluated in terms of the way military modernisation enabled China to gain more international influence, and finally, in terms of the change of evaluation criteria for national wealth undertaken by the International Monetary Fund (IMF) in 1993. The latter changes China's image of being merely a poor country, improving the

⁴ The growth rate average has been 10% until 1997. After the Asian Crisis it decreased to 5% until 6%.

⁵ These indicators are: growth rate of per capita gross domestic product (GDP) and changes in trade volumes for the economic evaluation, increase of military spendings for the military evaluation (see Goldstein 1997: 40f.).

Chinese position to the middle field in world wealth ranking by considering the per capita income through "purchasing power parity" (PPP) rather than through the currency exchange rate (see Goldstein 1997: 40, 54-57). To sum up, demographic size, economic impact, market potential and China's geopolitical position hold both weakness and power, and both allow China to play a major role in world politics (see Nathan/Ross 1997: 17f.).

China's behaviour is determined through certain policy goals. Security, protection and sovereignty are expressed through the "Five Principles of Peaceful Coexistence"⁶ (FPPC) which are nowadays experiencing new emphasis since their appearance in the Sino-Indian Agreement in 1954, and in the "Ten Points" of Bandung in 1955. Deng Xiaoping contributed the emphasis on national interest, which serves as the main principle for international relations and as a mental map to reach foreign policy decisions. Since the 1970s, China has not primarily been fighting against the capitalist world; it turned to taking advantages of the possibilities offered by the world system, through economic modernisation, penetration and opening-policy (see Yong Deng 1998: 311, 314, 325f.). Capitalism is no longer condemned. The question is rather, how to enter the capitalist system without suffering from its negative concomitants like the division of society or the loss of autarky in foreign policy making (see Bachmann 1989: 36). China's economisation through opening to foreign investors, and through shifting to a new market economic model *à la chinoise*, means an important step towards globalisation. This adaptation to the world system is instrumentalised by the Chinese as a contribution to global stability and to international peaceful coexistence, that both lead to more security. Security, as a key factor in China's foreign policy thinking, contains three levels. First, in a relationship, security has to be mutual. As relations are mutual as well, the injury of these relations would damage the world order as a whole, challenging the security system. Second, security is global. Security cannot only be maintained through weapons. Mainly economic co-operation helps to create an all-embracing

⁶ Mutual respect for territorial integrity and sovereignty, mutual non-aggression, mutual non-interference in internal affairs, equality and mutual benefit, peaceful coexistence.

spectrum of security measures. Third, security generates an atmosphere of mutual trust, specifically important since the Tiananmen incident of 1989. Again, this mutual trust is reached through co-operation on the international level without taking into account ideological differences (e.g. China's abstention from the veto-right in the United Nations during the Gulf-crisis and co-operation in the Cambodia conflict) (see Weggel 1998a: 698-701).

In the post-Mao Zedong tradition of "seeking truth from the facts" (*shishi qiushi*), China seems to agree on world peace and co-operation as general features by which foreign policy is judged (see Kim 1989a: 168). However, this does not imply a homogeneity in the strategies to optimise world peace and co-operation. China's self-perception has considerably changed in the 1990s, transforming the country from "object to subject" (Goldstein 1997: 59). This new reality somehow represents permission to have a share in designing global structures. However, "the logic of this post-Mao *shishi qiushi* is simple enough: If China cannot change global reality, China must accommodate itself to the logic of that reality" (Kim 1989a: 169).

Even considering the fact that China is a global player and perceives itself as such, promoting a New International Order (NIO)⁷ on the basis of FPPC and of Chinese peace and development policy in reaction to the deterioration of the bipolar world, and in reaction to the Gulf War (see Hu Sheng 1992), China needs acceptance and most of all, alliances. From the above, one can deduce that China is searching for allies in order to impose its idea of a New International Order, and in order to gain more influence in international organisations. The Latin American continent could be an important partner for China to achieve these objectives. This assumption is logical, but not particularly intriguing. The motivation to

⁷ The promotion of a New International Order (NIO) in the 1990s was born out of the claim for a New International Economic Order (NIEO) which China first expressed in 1981 during the Cancun Summit to strengthen the South-South co-operation and to support the Third World countries in its demand of entering the global economy and its participation in international economic organisations.

strengthen ties with Latin America seems more interesting when it is observed from another angle. Feng Xu (1994: 153) reduced Chinese foreign policy towards Latin America to two patterns. He related Chinese interest in Latin America with system transformation and ideology on the one hand, and constraint on the other. Feng argued that ideology was important for China if the changes in the world system directly concerned the People's Republic. If it were not the case, ideology would leave space for a deeper pragmatism. The second pattern considers power mechanisms in the global system to which China can be exposed. Isolation and constraint, provoked or exercised by external actors or factors, led China to more solidarity with the Third World. A low degree of isolation and constraint, on the other hand, reduced China's interest in the Third World to a minimum. Considering Feng's arguments, China's attempt to foster ties with Latin America is a means to overcome external constraints. On the other side, one has to ask why third actors exercise a constraint policy and if it is not only applied in reaction to internal events in China.

Ad (2) Procedure of investigation: The main objective of this study is to give an overview of Sino-Latin American relations from 1949 until nowadays, identifying Chinese motives and strategies towards the Latin American continent. Thus, the main question is why and how China seeks to establish closer ties with the Latin American region. The major goals in this paper are:

- To reveal the different factors that condition the Chinese foreign policy towards Latin America, considering the internal and external items which influence the Chinese manoeuvring space.
- To detect the policy-shifts towards Latin America in the Chinese foreign policy thinking.
- To verify to which extent the official Chinese discourse is reflected in concrete Sino-Latin American relations.

This analysis is made under the premise of linkage-politics (see Rosenau 1969) taking into account that internal problems can considerably influence foreign relations. In return not only international changes but also the foreign

reaction to internal events in China might shape foreign policy making and thus restrict the wideness of Chinese manoeuvring space in international relations.

The study is divided in three parts. The first chapter deals with Chinese foreign policy towards Latin America from the beginning of the foundation of the People's Republic of China (1949) to the year 1988. Starting from a periodisation of Chinese foreign policy in general, this first chapter contains four sections, each of which highlights a different Chinese perception of Latin America. These perceptions – as will be shown – are strongly interconnected with internal development on the one hand, and the relationship with the United States and the Soviet Union on the other.

The second chapter concentrates on the factors which have been responsible for a re-thinking process in the Chinese leadership concerning the intensity of engagement with Latin America. The Tiananmen incident and its consequences and also the growing competition with Taiwan in combination with the need of economic development have considerably conditioned Chinese foreign policy towards Latin America in the 1990s. This second part ends with the consideration of a probable change in Chinese foreign policy concepts.

The third chapter treats the concrete outcomes of Chinese foreign policy during the 1990s. This chapter is divided into a political, a cultural, an economic, an international and a diplomatic section, each of them being combined with a specific foreign policy goal. The political section reflects the Chinese intention to strengthen mutual understanding. The economic ties are operationalised in order to progress economic development. The cultural part helps to exchange knowledge on culture and education. The international section deals with the defence of interests of developing countries, and finally, the diplomatic realm aims at the establishment of diplomatic ties with as many states as possible without any precondition.

1. Chinese Foreign Policy from 1949 to 1988

Since its foundation in 1949, the People's Republic of China (PRC) has experienced several major shifts in its behaviour towards the outside world, due to domestic or international changes, or to a combination of both factors leading to the established truism of linkage-politics in international relations. The periodisation of Chinese foreign policy has been diverse and, of course, adapted to the individual need of each researcher. Talking about foreign policy in general, the division into two phases does not hold any surprise. The "reign" of Mao Zedong (1949-1976) represents the incontestable first section, while the Tiananmen incident in 1989 suspended the foreign policy era of Deng Xiaoping (from 1978 to 1997). Immediately after the massacre on the Tiananmen Square, the Chinese Communist Party (CCP) had to concentrate on internal affairs by keeping tighter reins on renegade groups of society, and moreover, got into *zugzwang* to find a strategy to regain international trustworthiness. In 1990, China gradually managed to step out of international isolation. Heads of state and foreign ministers of important nations re-established visiting diplomacy with China, and Chinese Prime Minister, Li Peng, and the President, Yang Shangkun, again paid official visits abroad. However, full acceptance in the international system was still restricted due to the collapse of the USSR and the events in Eastern Europe that transformed China into a unique Communist bastion with significant international power status, despite Deng's affirmation not to carry the flag of socialism in order to replace the former Soviet Union in its leading role of the Socialist camp (Quenshang Zhao 1996: 54).

With respect to Latin America, the periodisation needs to be refined. Chinese foreign policy towards Latin America consists of five major phases of more or less ten years each. Each period describes a change in how China perceives the Latin American countries. 1949-1959 Latin America: the US *hinterland*, 1959-1969 Latin America: joker and cue ball in the global play, 1969-1978 Latin America: China's partner in the Third World struggle, 1978-1988 Latin America: target of an opening policy, 1989-2000 Latin America: strategic

partner in a new world order. The first chapter treats the period until 1988. Emphasis will be put on the years 1989 until 2000 in chapter two and three.

1.1 Latin America: The US Hinterland (1949-1959)

Straight after the foundation of the People's Republic of China, Mao formulated three guiding principles with regard to the Chinese behaviour towards the outside world:

- "To start up the fire in a new stove" (*lingqi luzao*): China should start diplomatic relations with every country on new basic guidelines.
- "To clean house first and then invite guests" (*dasao ganjing wuzi zai qingke*): The new regime under Mao needed to be consolidated before establishing new foreign relations.
- "Leaning to one side" (*yibiandao*): Mao decided to co-operate with the Soviet Union (see Quansheng Zhao 1996: 46).

With respect to the Latin American nations, no equivalent to the general guidelines of foreign relations expressed by Mao could be notified. Thus, during the first decade after the foundation of the People's Republic, relations with Latin America were nearly non-existent. This lack of concrete foreign policy formulation resulted from two political factors.

First, Chinese leaders' interest aimed at the consolidation of the regime which corresponded to Mao's principle of cleaning the house before inviting the guests. China faced major internal problems. After a period of civil war which ended with the victory of Communists over the nationalist Kuomintang (KMT) in mainland China, the new leaders could not count on the full loyalty of the population. Mainly landlords, businessmen and intellectuals were opposed to the Chinese Communist Party (CCP), and challenged the consolidation of the new regime. This consolidation consisted not only of gaining the diffuse support⁸ of

⁸ Diffuse support concerns the people's approval of the institutions, of the regime and of the functioning of the political system in general without considering concrete outcomes (see Easton 1965: 274, 283, 292).

the population by any means, but also of adapting the Soviet model to the Chinese economy and society. Relying on an insignificant industrial sector, the only option for China was to siphon off the surplus of agricultural production in order to invest this capital in a restricted number of heavy-industrial enterprises and infrastructure. This intention demanded a state controlled reorganisation of the peasantry as well as a concentration on state planned industrialisation to aim at the development of a self-reliant economy. The frustrating outcome of the imitation of the Stalinist development model resulted, in 1958, in the even more atrocious strategy of the Great Leap Forward.

The development of the internal structure was strongly related to the international environment. Captured in the close-meshed net of the Cold War, China realised that, despite its leaning to the Soviet side⁹ and its support in the Korean War (1950-1953), it did not fully profit from a Soviet preferential treatment in return. Although China signed a defence agreement in 1950 with the Soviet Union against Japan or any other aggression from a Japanese ally¹⁰, the relationship, after its apogee from 1950-1957, deteriorated with the growing differences in economic imperatives, diverse interpretation of "peaceful coexistence", and border conflicts. The painful experience from the "century of shame" (1842-1949) accompanied the deep feeling of insecurity, due to the incalculable threat through multiple neighbours, the fragility of "peaceful coexistence" in the Asian region and the risk of being a victim of imperialistic encroachment, and obliged China to develop strategies for national defence and capacities for military industry (see Nathan 1997: 51f.; Gu Xuewu ²2000: 498-502). To sum up, the need to achieve internal and external security overshadowed or even conditioned any other political action with regard to the outside world. Thus, the development of specific foreign policy strategies towards Latin America was of secondary importance.

⁹ The world's division into Capitalist and Socialist camp determined the Chinese leaning to the latter which has to be seen as a natural outcome of the US-Soviet Cold War.

¹⁰ Treaty on friendship, alliance and mutual assistance signed on February 14th, 1950.

A second political factor constrained the manoeuvring space for a sustained foreign policy towards the Latin American continent. Latin America was not only very far away from China, which kept it out of Chinese security concerns, but also was perceived as the "backyard" of the United States. This perception was strengthened by the fact that Latin American countries followed the US policy towards China: none of the Latin American countries recognised the People's Republic of China, but fostered official relations with the Republic of China on Taiwan (ROC) (see Joyaux 1993: 45). Taiwan, under the protection of the United States, approved the benign climate with Latin America. The twenty Latin American members in the United Nations were an important factor for supporting Taiwanese interests in this organisation. Hence, after the foundation of the Organisation of American States (OAS) in 1948, dominated by the United States, China saw Latin American independence reduced to "the Doctrine of Limited Sovereignty" (Furtado, quoted from He Li 1991: 11). In any decision making process China considered Latin America as the US *hinterland* and thus *per definitionem* a strategic opponent to the Soviet ally.

The Latin American alliance with the United States found further expression in sporadic Sino-Latin American trade relations. The United States, imposing a trade embargo on China, developed its containment policy¹¹, which included a strategy of deterrence for allied countries to engage in any economic relationship with the Communist regime. But also the geographical distance between the Latin American continent and the People's Republic, which automatically increased costs for any trade transaction, hindered the development

¹¹ The US-policy of containing China took place between 1949 and 1972 and was instrumentalised on the diplomatic, economic and military level. China's isolation was maintained through the US-blockade to China's entry in the UN and other international organisations. The US also hindered China from conducting normal trade through international embargos (UN-resolution) during the Korean War, making labelling of Chinese goods necessary. On the military level, the United States fostered alliances along the Eastern and Southern borders of China. In 1951, the US signed a security treaty with Japan and the ANZUS-Treaty, linking Australia, New Zealand and the SEATO (Southeast Asia Treaty Organisation), including the Philippines, Thailand, Pakistan and protection for South Vietnam. Hence, the number of US-troops, airforces and ships was increased in Korea, Japan, Okinawa, Guam, Taiwan, the Philippines, and South Vietnam (see Nathan/Ross 1997: 60-62; Thiago Cintra 1998:13f.).

of extended commercial exchange. Moreover, the Chinese and Latin American economies were not complementary (see Johnson 1970: 15). In fact, China had low interest in establishing trade ties with Latin America. The Ministry of Foreign Trade in Beijing only set up a department for trade with Latin America in the 1960s. However, trade took place on the non-governmental level. Despite the absence of formal diplomatic ties on the one hand, and the official ban on Chinese products that could serve to undermine the Latin American countries with "Communist subversivity" on the other, trade value was quadrupled between 1950 and 1959. The main trading partners at that time were Uruguay, Argentina and Chile which supplied China mainly with primary goods like wool, meat, cotton and wheat (see He Li 1991: 13-17).

The only concrete foreign policy China maintained from the mid 1950s onwards was to break up the US preponderance through the so-called "cultural diplomacy". This strategy was implemented to reach non-statal actors or important individuals in other countries instead of establishing ties from government to government. Because the strengthening of commercial and diplomatic ties was officially boycotted, China shifted subtly to a more ideologically based foreign policy. Ironically, the Communist regime tried to profit from the freedom of other people without granting the utilisation of this free space to the Chinese themselves (see N  th 1975: 174f.). The Chinese leaders sought to come closer to Latin America through informal channels. They invited illustrious personalities from the political and cultural scene in Latin America, who were mostly received by high ranking Chinese officials. Nearly 1,200 Latin Americans travelled to China between 1950 and 1959 and propagated a favourable image of the People's Republic, once they returned to their own countries (see Connelly/Cornejo Bustamante 1992: 62f.). In choosing their guests, Chinese leaders did not distinguish between Communist and anti-Communists. They tried moreover to realise three goals with this type of foreign policy: First, to nurture anti-Americanism. Second, to promote the Chinese ability to solve economic and social problems. Third, to convince the outside world that China could serve as a true model for other countries (see Ratliff 1969: 57).

All in all, the relations between the People's Republic and Latin America were very little developed until 1959. In general, China was mainly concerned by its external and internal security, and widely depended on the US capacity to constrain China in its attempt to gain sympathy from the rest of the world. The use of "cultural diplomacy" and solidarity acts like the conference in Bandung in 1955 symbolised an alternative strategy to ease off the burden of US imperialism in the Third World and to support national liberation, but turned out to be a rather weak weapon which could hardly make the clay giant stronger.

1.2 Latin America: Joker and Cue Ball in the Global Play (1959-1969)

As moderate strategies did not help to get China out of its US encirclement, China sought to adopt a more radical behaviour from 1958 onward. The gap between Moscow and Beijing grew constantly, due to ideological differences and the struggle over revolutionary leadership in the world. China found itself more and more isolated and searched for "free zones" in order to exercise a more independent, non-aligned foreign policy. To a certain extent, the process of de-colonisation in the 1950s and 1960s created these spheres and permitted the Chinese leaders to manoeuvre outside its relations with the US and USSR, highlighting national liberation through armed struggle (see Robinson 1994: 564). Quansheng Zhao (1996: 48) described the radicalisation during that time:

"In 1962, Mao called for the preparation for a 'great era of the next 50 to 100 years that would undertake complete and profound changes in the world social systems' (Xie, 1993: 65-66). In an editorial of the *People's Daily* in early 1965, Beijing, for the first time, openly raised the slogan of 'world revolution' as a guide for Chinese foreign policy. Such slogans as 'Down with imperialism', 'Down with revisionism', and 'Down with reactionists in the world', then became popular throughout much of the Cultural Revolution."

This foreign policy was strongly interconnected with the domestic experience in China itself. The Yan'an experiment after the Long March in 1934/35, where peasants received sophisticated education in combat and in agricultural production, was to be spread over China and exported as a world-

wide model for Communist revolution (see Weggel 1998b: 818). The model included the notion of self-reliance (*zili gengsheng*), one of the major subjects in Mao's Thought. Since 1958 the USSR gradually reduced the financial aid supply for China until its complete stop in 1960, which contributed considerably to the failure of the Great Leap Forward. In consequence, Mao considered the necessity of developing policies in terms of self-sufficiency and self-support in the economic area and independence in foreign affairs to prevent the country from any attack or influence from the outside. The main goal was to "keep the initiative in one's own hands" (see Lieberthal 1995: 76f.). These two components, the serving as a "true" revolutionary model and the implicit notion of *zili gengsheng* shaped Chinese foreign policy making in the 1960s.

Latin American countries, however, enjoying formal independence, had already been target of the revolutionary undermining during the 1950s. The Chinese leaders had supported revolutionary movements and *guerrilla* troops in Latin America, but without any further success. The Cuban Revolution in 1959 reinforced the Chinese beliefs, that a successful take-over of power by revolutionary forces could still be possible. For the first time, China had the chance to penetrate into the Western hemisphere by recognising the revolutionary government in the Caribbean island. Mao Zedong did not leave any doubt about his intention when he said to the former Mexican President Lazaro Cárdenas (1936-1940) in a meeting in 1959: "We deem that the Cuban event is an important event at present. The Asians should support them in their resistance against the United States".¹² From that time on, China perceived Cuba as an important joker in its fight against US hegemony in Latin America. In consequence, Cuba, under the new regime of Fidel Castro, broke up its relation with Taiwan and was the first country in Latin America to establish diplomatic ties in 1960 with the People's Republic (see Mao Xianglin 1997: 30; Wang Chien-hsün 1991: 103).

In 1961, Che Guevara visited China in order to promote economic exchanges. Both countries signed a trade agreement on sugar export to China and

¹² As quoted in Mao Xianglin (1997: 30).

economic aid to Cuba (see He Li 1991: 24f.). From then on, Sino-Cuban trade dominated the commercial exchanges between China and Latin America. Trade value increased 54 times in comparison to the previous decade. It rose from more than US\$ 37 million to US\$ 2 billion. However, Sino-Cuban exchanges constituted 76.6 % of this trade volume (Xu Wenghuan 1993: 49f.). While Cuba imported rice, soybeans, textiles, and light industrial products from China, the People's Republic bought sugar, minerals, and tobacco from Cuba. (see He Li 1991: 26). Besides the commercial relations, China and Cuba fostered scientific, technological and cultural exchanges from 1961 to 1965. As the debate on general principles emerged in the Communist triangle, the Communist Party of Cuba (CPC) broke away from the Chinese Communists and came into Soviet influential sphere. In 1966, finally, the CPC and the CCP suspended their relationship, thus breaking off governmental ties. Despite the suspension trade exchanges and diplomatic ties were still maintained (see Mao Xianglin 1997: 31).¹³

In strengthening relations with other Latin American countries, China had severe problems. The reason was the futile attempt to use Latin America as a cue ball in the global game. The players were situated in what in the 1970s became the "strategic triangle", and China sought to win over both the United States and the Soviet Union.

Under the guidelines of FPPC, China continued to justify its promotion of anti-Americanism in Latin America. The latter, although formally independent,

¹³ A. Kudryavtsev (1980: 92) argued that the Chinese behaviour towards Cuba fully showed Chinese hypocrisy in foreign policy making. As the Cubans refused to submit to Mao's dictate in the 1960s, China tried to undermine the governmental power in the Caribbean island by linking with armed forces in the country and by starting an anti-governmental propaganda. Hence, China allegedly stopped the imports from Cuba, an assumption that can easily be contested by the figures for commercial transaction between the two countries. For the balance of trade see Connelly/Cornejo Bustamante (1992: 131).

was still under the dominance of US imperialism, hence still perceived as the US backyard. The Chinese leaders instrumentalised incidents like the Cuban Revolution in 1959, the Panama Channel conflict in 1964, and the US invasion in the Dominican Republic in 1965 to pursue an anti-American policy. Despite all the Chinese efforts to gain more influence in the region, the Latin American governments were strictly opposed to Chinese support of Communist movements in the continent (see Wang Chien-hsün 1991: 104). Moreover, the Chinese honeymoon with Cuba even challenged the Chinese presence in Latin America on the non-governmental level:

”In the 1960s, the offices of the NCNA, which as the official Chinese press agency often functions as the Chinese embassy in countries with no diplomatic ties to the PRC, were closed in Panama, Argentina, Venezuela, Brazil, Mexico, and Ecuador and all the Chinese representatives were expelled because China seemed to support Fidel Castro” (He Li 1991: 21).

Hence, Latin America became one of the battlefields in the struggle between the Soviet Union and China. The Cuban Revolution had proved the capacity of Latin American countries to undertake national liberation and to get rid of the influence of any hegemonic power. Communist leaders in China and the Soviet Union both claimed the ”god parenthood” for the new Marxist movements in Latin America. But the basic principles began to diverge considerably. Mainly, the controversial opinion about the value of violence in the revolutionary movement deepened the ideological gap between Chinese and Soviet Communists. The latter argued that the use of violence injured the doctrine of ”peaceful coexistence”, which stood in contrast to the Chinese conviction of ”People’s War”, following Lenin in his ”inevitability of war” provoked by imperialism (see Mora 1997: 39). Frank Mora (ibid.) concluded: ”What had started as a strategic and political conflict in the late 1950s had become, by the mid-1960s, an ideological split and subsequently a competition for leadership of the international Communist movement, particularly in Latin America.”

The Chinese Communists, however, lost in courting Latin America’s favour. They did not succeed in supporting the Latin American Communists either

with financial means or with the necessary knowledge that would have enabled the latter to develop a high mobilisation potential. Communist Parties in Latin America like in Brazil (1962), Ecuador (1963), Chile (1964), Peru (1964), Bolivia (1965), and Colombia (1965) failed because of lack of ideological formation, of organisation and because of the distance from the masses (see Connelly/Cornejo Bustamante 1992: 61, 75-83). As a result, the Maoist movement in Latin America hardly existed (see Berner 1975). Although China's engagement in the Third World did not lack emphasis, it was overshadowed by a need of balancing China's own position between the two superpowers and by an ideological radicalisation that increased disagreement in the Communist movement. The ideological narrowing that accompanied China's behaviour on the international level found its origins in the internal development of the People's Republic.

In the mid-1960s, the People's Republic suddenly faced an atmosphere of political uncertainty. Although the economy had quickly recovered after the failure of the Great Leap Forward, the revolution seemed to have reached a dead end. Mao Zedong decided on an extended renovation of the country. The population was therefore target of an intense education programme that was specifically directed at Chinese youth in order to raise a new generation of revolutionaries. Another thorn in Mao's flesh was the huge bureaucratic body that tried to profit from their official position for private gain (see Lieberthal 1995: 111f.). The ideological radicalisation led, in 1966, to the launching of the Great Proletarian Cultural Revolution (1966-1976) by Mao Zedong, who denounced the subversion of the Party by representatives of the bourgeoisie and counterrevolutionary revisionists. Alleged Capitalist forces were suspected of taking power over the Central Committee, having found ever more opportunities to undermine the Marxist organisation of the whole country. Particularly, Liu Shaoqi, the putative successor of Mao Zedong, was accused of decreasing commitment to the revolution. The only possibility to regain control over the situation lay in the mobilisation of the masses to carry out a widespread cultural revolution that should inundate the country from the bottom to the top. The first phase of the Cultural Revolution (1966-1969), the so-called Red Guard Phase,

plunged the PRC into a chaos in which nearly every department of the government was radically reorganised. The "Cultural Revolution Group"¹⁴ represented the extremist form of this period and tried to "overthrow everything and wage full-scale civil war". Therefore, any attempt of criticism or opposition against the clearing up was immediately repressed (see Schell/Shambaugh 1999: 41-45).

The 1960s turned out to be a challenging decade for the People's Republic of China. Starting rather promisingly with opening a side door to the Western Hemisphere by supporting the Communist government in Cuba, any further attempt to widen its ties with other Latin American countries failed, and declined with the outbreak of the Cultural Revolution. From 1966 on, the Chinese behaviour towards the outside world, aiming at autarky, reflected low external involvement, a small number of international agreements, pro-forma diplomacy and non-alignment (see Kim 1989b: 13). Finally in 1968, the increase of violence and uncertainty in the People's Republic made a concentration on internal affairs inevitable and China retired more or less from the international arena.¹⁵ China neither succeeded in taking advantage of the joker, which Cuba handed Chinese leaders on a silver platter, nor could they serve as a true revolutionary model, nor did they know how to use Latin America as a cue ball in the global play.

1.3 Latin America: China's Partner in the Third World Struggle (1969-1978)

The 1960s were overshadowed by the ideological radicalisation and the fight against imperialism (United States), revisionism (Soviet Union), and reactionism (India). China perceived Latin America as "pawns of US imperialism" and tried to initiate armed struggle in these countries to weaken the United States. The

¹⁴ The members of this group were Jiang Qing, Kang Sheng, Zhang Chunqiao, and Lin Biao. The latter was designed Mao's successor. Jiang Qing, Mao's wife, belonged to the radicals during the Cultural Revolution and formed together with Zhang Chunqiao, Yao Wengyuan, and Wang Hongwen the "Gang of Four" inside the Politburo (see Schell/Shambaugh 1999: 45).

¹⁵ In 1968, China had only one diplomatic representative in Egypt (see Lieberthal 1995: 114).

government-to-government relations were thus completely neglected. In contrast, Africa and Asia, being much less under US control, were more respected as allies for a united front policy which included the co-operation of all forces in order to initiate world revolution. At the end of the 1960s, China's foreign policy changed, mostly because China distanced itself completely from the USSR and developed closer relationship with the United States. China's isolation through the confrontation with two enemies, provoked a re-thinking process of its own position in the world (see Feng Xu 1994: 151). Furthermore Chinese leaders abandoned the conviction that the USA was the harshest enemy of the People's Republic and considered that the Soviet Union represented a greater threat to Chinese security concerns. Five factors shaped Chinese foreign policy making in the 1970s. 1) The possible compatibility of self-reliance and engagement with the outside world, 2) the collapse of Sino-Soviet relations, 3) the rapprochement with the United States, 4) China's admission to the United Nations 5) the repositioning of the Third World countries in Chinese strategic considerations and its basic lines (*jiben luxian*) in foreign policy towards the Third World.

Ad 1) Self-reliance versus outside orientation: Despite the remaining validity of self-reliance, the necessity of tying with the outside world found greater acceptance in the Chinese leadership. The concept of economic self-reliance was determined by the ability to take advantage of external factors without becoming dependent on them. In order to accelerate economic development, China had to import advanced technology. The radicals in the Chinese leadership, however, argued that the personnel needed to handle the new technological achievements would endanger the security of the whole system by transforming themselves into a technocrat elite and thus into a "new bourgeoisie". To minimise this threat, China should isolate, optimise self-reliance and sharply organise the masses in easily comprehensible entities. Despite these opposing voices, Chinese leadership, constantly balanced by Mao Zedong, voted in favour of economic development and modernisation. Summarising the events of this period, Marisela Connelly and Romer Cornejo Bustamante (1992: 89) found that

this decision became an imperative to enable China to open up a political space for itself in the international community.

Another component of self-reliance concerned the degree of interference in other countries. "Serving as a true model" remained important in China's international behaviour, but the concept of self-reliance was interpreted in a political sense. China did not want to export its experience any more, on the contrary, every people should have the freedom to choose its own political system and government, but could count on the full support of Chinese forces for liberation and achievement of independence (see He Li 1991: 36).

Ad 2) The collapse of the Sino-Soviet relationship: One day after the Soviet invasion in Czechoslovakia in August 1968, Zhou Enlai condemned the Soviet behaviour as being the outcome of "social imperialism" (Lenin) (see Opitz 1977: 55). The feeling of threat and insecurity grew after the Soviet intervention in Eastern Europe, the Brezhnev Doctrine¹⁶, the border conflict on the Ussury River in March 1969, and the menace of a Soviet nuclear attack. Especially the Brezhnev Doctrine represented a major threat to China because it coincided with the Soviet conviction that China abandoned the path of socialism. China faced three possibilities to adjust its guidelines for foreign policy: a) to continue the confrontation with both superpowers, b) to reconcile with the Soviet Union, and c) to approach the United States. The latter turned out to be the preferential option, accompanied by the initiative of a containment policy towards Russia. The first changes in foreign policy thinking appeared during the Ninth Party Congress in 1969 when China declared its intention to establish diplomatic relations with Canada and Yugoslavia, sounding the bell for a new era in foreign policy (see Opitz 1977: 89-92).

Ad 3) The rapprochement of the United States and the People's Republic: From 1969, the President of the United States, Richard Nixon, declared his

¹⁶ Leonid Brezhnev condemned any country which broke away from socialism and stressed that the USSR and its allies would undertake the necessary steps to reorient any apostate back onto the right path. This was the Soviet justification for the intervention in Czechoslovakia.

intention to partially withdraw the American military presence in Indochina, South Korea and Taiwan (Nixon Doctrine). When from the Soviet side, propositions for the building of a security system were made to the Asian countries, China feared that the Soviets might simply replace the Americans on its Eastern and Southern borders. The United States and the Soviet Union seemed to push away China from strategic negotiations and a deep feeling of marginalisation obliged China to act (see Joyaux 1993: 16). The Nixon administration, confronted with a probable defeat in Vietnam, shared China's desire not to let the Soviet Union gain more influence in Asia. Moreover, China did not only oppose increasing Soviet influence, but also could not tolerate a US-military presence in Indochina. Richard Nixon's invitation to China in 1971 and the secret visit of US-security adviser Henry Kissinger to China paved the way for appeasement in the Sino-American relation. Nixon's visit to China in 1972 was the consequence of the changing security system in the world and led to deep transformation of global power balancing (see Nathan/Ross 1997: 65). Officially China and the United States established diplomatic relations in 1979 (see Weggel 1998f: 1317).

Ad 4) The admission to the Security Council of the United Nations: After having waited for twenty-six years, China was finally accepted in the United Nations. On the 25th of October, 1971, the UN Assembly officially elected the People's Republic of China to replace the Republic of China as unique representative of China in the UN. A major obstacle for the rapprochement of the US and the PRC was thus overcome. The membership had, together with the amelioration of the relationship with the United States, a very beneficial impact on China's position in the world. As an immediate result, fifteen countries established diplomatic ties with the People's Republic. The UN added three key factors to Chinese foreign policy making. First the international organisation served as an instrument to maintain peace. Second, it offered a platform for debate between all countries, particularly interesting for the Third World. Third, it contributed to the dialogue which China engaged in with other elites (see Weggel

1998e: 1312-1314.) Seven Latin American countries¹⁷ voted for China's entry into the UN, China in return supported Latin America in claiming for the extension of 200-nautical miles territorial sea limits in the Law of Sea negotiations (see Feng Xu 1994: 152).

Ad 5) The repositioning of the Third World countries in Chinese strategic considerations and its basic lines (*jiben luxian*) in foreign policy towards the Third World:

Three-Worlds Theory: "The Three-Worlds Theory is an actor-oriented model that functions (or is supposed to function) as a geopolitical compass to determine China's proper place in world politics" (Kim 1989a: 151). In 1972, Deng Xiaoping announced the end of the "Socialist camp" and identified China as belonging to the Third World. Mao developed the Three-Worlds Theory¹⁸ in 1974, based on his former concept of "Intermediate Zones"¹⁹. Officially Deng Xiaoping presented it in April, 10th of the same year to the General Assembly of the UN. The changing evaluation of the two superpowers had discredited the concept of "Intermediate Zones" and called forth a global united front²⁰ against hegemony. The focus of world history shifted to the conflict between the First and

¹⁷ These countries were Cuba, Chile, Ecuador, Guyana, Mexico, Peru, and Trinidad y Tobago. Out of the twenty-four Latin American countries in the UN, five (Argentina, Barbados, Colombia, Jamaica, Panama) remained neutral and abstained from voting (see Mora 1997: 42).

¹⁸ First World: United States and Soviet Union, Second World: developed countries of Europe, Japan, Australia and Canada, third world: developing countries in Asia (without Japan), Africa, Middle East and Latin America. The division considered the conflict between North and South, abandoning the East-West-division of the world, expressed through the concept of "Intermediate Zones" (see Weggel 1998b: 819).

¹⁹ The concept of "Intermediate Zones" (*zhongjian dedai lun*) based on the division of the world into three zones. First zone: Capitalist countries, second zone: Socialist countries, third zone=intermediate zone: developing countries and small Capitalist countries.

²⁰ In this context the concept of "united front" played an important role. This policy of united front was again an internal strategy, referring to the threat of the Japanese invader during the Pacific war, which had been transferred into the foreign policy area. It was the basis for Communist foreign policy and Communist global concept, which was instrumentalized for the Third World in order to transport the internal experience in other countries and to determine the degree of Chinese support for them. The main goal was to reach an overwhelming majority of revolutionary forces to strengthen the legitimacy and the *volonté générale* in China itself. The success of the proletarian revolution depended on the struggle for independence in the colonial countries, namely in Asia, Africa and Latin America. This thesis was born in Lin Biao's writing "Long Live the Victory in the People's War" in 1965 (see Opitz 1977: 36-38, 50-52).

the Third World, to which China, as a developing country, belonged (see Opitz 1977: 62-64). From 1969, China diminished its support of revolutionary movements in Latin America and developed a strategic "government-to-government" diplomacy, which found expression in the formal concept, entitled "Chairman Mao's Theory of the Differentiation of the Three Worlds is a Major Contribution to Marxism-Leninism" and published in the *People's Daily* in 1977 (see Wang Jisi 1994: 485). China was willing to maintain diplomatic relations with all nations and governments in Latin America and promised to respect the principle of non-interference in internal affairs.

After the election of Salvador Allende in Chile in 1970, the Soviet Union encouraged the new government to promote the "peaceful turnover to socialism", and started offering economic aid, not only to Chile, but also to other Latin American countries and engaged them in diplomatic negotiations. China had identified the USSR as its biggest enemy and was therefore obliged to use the same strategy in order to establish a united front against Soviet hegemony (see Wang Chien-hsün 1991: 105). The Three-World Theory as an "actor-oriented model" emphasised individual relations and solidarity with the developing world, allowing diplomatic ties with both socialist and non-socialist countries²¹ and provoked a shift in Chinese foreign policy at the beginning of the 1970s to a state-to-state policy (see Hsiung 1980: 13).

Abandonment of ideology: Feng Xu (1994: 152) detected the development of a "Dual-track foreign policy" in the 1970s. On a normative level, foreign policy aimed at the first track (Third World) in order to legitimise the PRC's position as the unique representative of China in the international system and in order to highlight its identification with the Third World. Because of strategic considerations and economic reasons, the Western World, representing the second track, had a more substantive importance in Chinese foreign policy thinking. Implementing this policy, China abandoned the preponderant ideological motives

²¹ This is also the explanation why China maintained as one of the two Communist countries relations with the military junta that was established in Chile under Pinochet in 1973. Containing the USSR became a higher goal than ideological patterns.

of the 1960s and moved to a foreign policy that was led by political and economic considerations. In addition, Latin America tended to diversify its political and economic relations with the Soviet Union, Eastern Europe and China, in order to become more independent of the "big brother" in the North. China's intention to be a spokesman of the Third World on an international level and the Latin American strategy of "New Internationalism" were highly complementary and gave the starting signal for a new era in Sino-Latin American relations (see He Li 1991: 37f.).

The first remarkable rapprochement to Latin America took place in 1970 when China supported the regime of Salvador Allende in Chile and led to the establishment of diplomatic ties at the end of the same year. On January the 5th, 1971 it was announced in the joint communiqué that: "the Chilean government recognises the Government of the People's Republic of China as the only legal government of China". This became the official landmark for Sino-Chilean ties, which made any further contact between Chile and Taiwan impossible. Chile was the second country in Latin America and the first in South America that established diplomatic relations with the PRC (see Matta 1991: 349-352; Lin Chou 1995: 20). As a result, economic relations increased considerably during the Allende administration, reaching a trade volume of US\$ 115 million in 1973 (1970: less than US\$ one million). 30% of the Chinese imports from Latin America originally came from Chile, and China was the third largest buyer of copper from Chile (see He Li 1991: 40f.) Even after the *coup d'état* by Pinochet in 1973, that led to the establishment of the military junta in Chile, China did not suspend its relationship with the new government. However, the anti-Communist policy of Pinochet, directed more against the Soviet Union than against China, curtailed the state-to-state and commercial relationship for a short while. Although the climate was changing, China continued to support Chile, mainly for three reasons. First, they shared a deep anti-Sovietism. Second, China was strictly opposed to the Soviet strategy of "peaceful turnover to socialism" that had failed in Chile and represented third, a means to intervene in internal affairs of a country which had the full right of self-determination. China had been the only country in

the UN which had not condemned the events in Chile, just because it insisted on non-interference and state sovereignty. Chinese foreign policy to Chile is a first convincing example of the adaptation of the new, less ideological, and pragmatic Chinese behaviour towards the outside world in the 1970s (see Mora 1997: 41; Connelly/Cornejo Bustamante 1992: 113f.).

A second example is Argentina, with which China increased economic exchanges even after the military coup in 1976 and the constant anti-leftist and anti-Communist policies of the Argentine military government.

In addition to the rapid expansion of the Sino-Chilean relations at the beginning of the decade, China was also successful in fostering ties with other Latin American nations. At the end of the 1970s, China had diplomatic relations with twelve Latin American and Caribbean countries (see table I) and increased its trade volume from US\$ 150 million in 1970 to US\$ 1,260 million in 1979 with the whole region, including the Caribbean islands (see SELA 1995: 35).

Table I: Sino-Latin American diplomatic relations in the 1970s

Country	Date of diplomatic establishment
Cuba	28 th of September, 1960
Chile	5 th of December, 1970
Peru	2 nd of November, 1971
Mexico	14 th of February, 1971
Argentina	19 th of February, 1972
Guyana	27 th of June, 1972
Jamaica	21 st of November, 1972
Trinidad and Tobago	20 th of June, 1974
Venezuela	28 th of June, 1974
Brazil	15 th of August, 1974
Surinam	28 th of May, 1976
Barbados	30 th of May, 1977

Source: Connelly/Cornejo Bustamante 1992, Appendix II, pp. 161-173.

From 1970 to 1977, China's imports from Latin America rose from US\$ 70 million to US\$ 392 million and its exports from US\$ 75 million to US\$ 90 million (see Mora 1997: 42). The major trading partners were Peru, Mexico and Argentina, which all improved their commercial relations with the PRC, directly after establishing diplomatic ties. The Mexican President, Luis Echeverría (1970-1976), was the first Latin American head of state who visited Beijing in 1973 and also the first to sign an agreement of scientific and technological co-operation with China in 1975 (He Li 1991: 45; Mora 1997: 42). During that visit, the Chinese leaders communicated to the Mexican President that they agreed to sign the Treaty of Tlatelolco which prohibited purchase and distribution of nuclear weapons and atomic tests in Latin America in order to establish a zone free of nuclear weapons (see Connelly/Cornejo Bustamante 1992: 108f.)

Three factors can be detected in Sino-Latin American relations. First, China had economic relations with all the Latin American countries, before establishing official ties. Indeed, the commercial exchanges were comparatively speaking quite insignificant, e.g. less than US\$ one million with Chile, Peru or Mexico in 1970, but they initiated the Sino-Latin American rapprochement. Second, Chinese engagement in Latin America was always accompanied by a financial aid policy. China exercised this policy through foreign aid²² (loans and grants) and disaster relief aid. Especially in the 1970s, China changed its loan-policy from giving loans with low interest (1 to 2.5%) rates (1960s) to interest-free loans. Foreign aid of US\$ 179 million was distributed from 1970 to 1977 in the region, mainly to Chile (US\$ 65 million), Guyana (US\$ 62 million), Peru (US\$ 42 million) and Jamaica (US\$ 10 million) (see Lin Teh-chang 1996: 34; He Li 1991: 47). Even Bolivia, a country without official ties with China, received disaster relief payment (US\$ 0.08 million) from China, as well as Peru (US\$ 1 million) and Chile (US\$ 2,5 million) (see Ratliff 1972: 859). Between these two components, aid distribution and trade expansion, John Hsiung (1980: 7)

²² In comparison to other regions, Latin America received the lowest amount of foreign aid from China. Between 1956 and 1972 Africa received 49%, Middle East and South Asia 34%, East Asia 10%, and Latin America 5% of the total aid (see Hsiung 1980: 6).

perceived a strong correlation that characterised the Chinese strategy to achieve political objectives. These goals, namely anti-hegemony (reducing the Soviet influential sphere through foreign aid competition; providing a trade alternative to the United States in order to gain more independence in the Third World) and self-reliance (helping the Third World countries to construct a more efficient national industry and infrastructure in order to become self-sufficient and independent) were the milestones of Chinese foreign policy towards Latin America in the 1970s. Moreover, "shoring up self-reliance in the region" (Shih Chih-Yu 1993: 183) permitted Latin America to play a more independent role in world politics. A last factor that determined Sino-Latin American relations paralleled the Chinese efforts to strengthen the ties. Latin American governments wished to diversify their external relations in the long run and to engage in economic and diplomatic relations with Socialist countries.

To sum up, the Chinese foreign policy in the 1970s had eight outcomes:

1. Chinese behaviour towards Latin America was more politically and economically motivated, putting aside ideological concerns.
2. The *détente* with the United States and China's membership to the UN smoothed the way to more recognition in Latin America and the Caribbean (twelve countries). As a result, China could multiply its economic exchanges with the whole region. Imports from Latin America prevailed, due to the big demand for raw material in China.
3. By succeeding in establishing its position in the "strategic triangle", China did not suffer any more from such isolation, compared to the 1960s. Although China was less constrained in its international behaviour, China strengthened its ties with Latin America.
4. The beginning of changes in Latin American policies complemented the Chinese intention to widen its relations with the region. However, one must not forget that Latin American economies still obeyed the import substitution model that hindered foreign economies from penetrating the national markets.

5. China loosened its perception of Latin America being the backyard of the United States and initiated a government-to-government policy. This change derived directly from the shift of "Intermediate Zones" to "Three-Worlds Theory" that abandoned the emphasis on national liberation and revolutionary forces in favour of dealing with nations and governments.
6. China supported all initiatives of alignment and grouping in the region (Caricom, Pacto Andino) and backed territorial claims (Panama versus United States, extension of the sea territory) in order to fight against hegemony and to promote self-determination.
7. Due to the fact that China constantly opposed the Soviet Union and developed contradictions in ideological interpretation, the country lost its credibility for Communist movements in Latin America. François Joyaux (1993: 47) summarised the *Problematik*:

"Son image de pays favorable aux mouvements de libération en avait inévitablement pâti et son capital idéologique, dans certains milieux d'Asie, d'Afrique et d'Amérique Latine, s'en était incontestablement trouvé diminué. Situation d'autant plus grave qu'au même moment où la Chine perdait ainsi l'un de ses atouts politique les plus efficaces, ses moyens matériels demeuraient trop insuffisants pour lui permettre de se mesurer à l'URSS avec quelque chance de succès."

8. Finally, Chinese foreign policy towards Latin America was motivated by a search for legitimacy and competition with Taiwan, being recognised by many Latin American and Caribbean countries (see Feng Xu 1994: 152).

In 1978, China looked back on considerable amelioration in its foreign relations. The following reform process, however, paved the way for China's entry into a globalising world and thus augmented the opportunities of tying with the outside.

1.4 Latin America: Target of an Opening Policy (1978-1988)

Chairman Mao and his faithful companion Zhou Enlai both died in 1976. The disappearance of these important leaders marked the end of the Cultural

Revolution and led the way to two years' struggle for succession. Immediately after Mao's death, the radical "Gang of Four" was arrested, and a period of uncertainty overshadowed the political arena. The discussion about the establishment of a neo-Maoist system or the introduction of institutional reforms and broad de-radicalisation prevailed, but radicals (under Hua Guofeng) and moderates (under Deng Xiaoping) agreed on the necessity of economic reforms in order to prevent the country from sliding into disaster. Therefore, the leadership decided on "socialist modernisation" through the "four modernisations" (agriculture, industry, national defence, science and technology) in the Third Session in 1978 (see Communiqué 1978: 21-24).

In answer to the question of an Italian journalist whether the four modernisations would not lead to a miniaturised capitalism, Deng said in 1980:

"In the final analysis, the general principle for our economic development is still that formulated by Chairman Mao, that is, to rely mainly on our own efforts with external assistance subsidiary. No matter to what degree we open up to the outside world and admit foreign capital, its relative magnitude will be small and it can't affect our system of socialist public ownership of the means of production. Absorbing foreign capital and technology and even allowing foreigners to construct plants in China can only play a complementary role to our effort to develop the socialist productive forces. Of course, this will bring some decadent capitalist influences into China. We are aware of this possibility; it's nothing to be afraid of" (Deng Xiaoping 1980: 35).

With Deng's arrival to power and the adaptation of a widespread reform programme the wind of change brought opening policy (*kaifang zhengce*) into the country. Since that period the "unique centre" (*yige zhongxin*), meaning the economy, has determined policy making in China. The foreign policy concept expressed optimism in comparison to that of the Maoist period. Liberation, "continuous revolution" and armed struggle became obsolete and were gradually superseded by co-operation, development and peace (*fazhan yu heping*) through multipolarity and interdependence. The strategy included the search for partnership through "conjoint co-operation" (*xiezu*) (see Weggel 1998b: 817, 820). Deng's foreign policy shared five major principles with Mao: 1) National

sovereignty, 2) Guarantee of the national independence, 3) Preservation of the "Five Principles of Peaceful Coexistence", 4) Multipolarity (Intermediate Zones, Three-World Theory), 5) Two points of reference (North-South and South-South, while Third World countries remained the allies). However, three major differences were also important: 1) Pessimism gave way to optimism. Negative categories like revolution, crisis, and contradiction in Mao's thinking and even the "inevitability of war" were substituted by positive ones like peaceful solution and search for similarities. 2) Mao believed that China's economy was surrounded by a wall, self-reliant and closed to the outside world, while Deng promoted openness and interdependence. 3) Mao sacrificed economic development to societal renewal. Deng's policy concentrated on economics in order to achieve economic growth and people's welfare (see Weggel 1998d: 1121f.).

At the beginning of the 1980s, Deng's major goals for foreign policy making focussed on three topics. First China had to oppose hegemonism and preserve world peace. Second, China wanted to reunify with Taiwan. And third, China should developed through the "four modernisations" (see Quansheng Zhao 1996: 51).

Foreign Policy to the Third World in the examined period can be divided into three major sectors (see Kim 1989a: 150). The first period lasted from 1978 to 1981 and was a phase in which the Three-World Theory lost ground because of the coalition between China and the United States against the Soviet Union. The second period (1981-1984) covered the first "readjustment" of an independent foreign policy and a recovery of the Three-World Theory. A policy of independence and non-alignment as well as a re-identification with the Third World prevailed in the foreign agenda. In the third period (1984-1988), the "second readjustment" replaced the Three-World Theory by a One-World-Multipolar theory.

1.4.1 The First Period (1978-1981)

At the end of the 1970s, Chinese ties with the United States seemed to be consolidated. When the PRC and the US established official ties 1978/1979, the Taiwan issue lost importance.²³ The Soviet Union and its allies, threatening China by continued expansionism (Vietnam to Cambodia in 1978, USSR to Afghanistan in 1979), directed Chinese concerns to the balance of forces (*liliang duibi*). Chinese leaders considered the maintenance of the status quo more important than the promotion of a New International Economic Order (NIEO). This contention minimised the interest in the Third World (see Harding 1984: 193) which was strongly criticised by the Cuban leader during the Havana Summit Conference of the Non-alignment Movement in 1979. However, "Fidel Castro's scathing attack on the United States and China as the two archenemies of the Third World did not provoke much ire from any member attending the conference" (Mora 1997: 43).

Hence, China did not perceive the United States as a hegemonic superpower, the latter having lost a lot of image through their defeat in the Vietnam War. During that period, the impact of the Three-Worlds Theory deteriorated considerably and was nearly banished from Chinese foreign policy making. In consequence, the progress in foreign relations was comparatively restricted. China only established diplomatic ties with two countries in Latin America, namely with Ecuador (2nd of January, 1980) and Colombia (7th of February, 1980). A re-thinking process started after the cooling in the Sino-US relationship that faced several problems, mainly the re-emergence of the Taiwan issue, and after the decreasing support of Third World countries became obvious.

²³ Except the period from 1979 to 1982, when the Taiwan-issue became again a topic in the Sino-US relationship. In 1979 the US signed the Taiwan Relation Act including the US-right to continue selling arms to Taiwan, which the Chinese "perceived as a virtual restoration of the diplomatic and military relationship with Taiwan that Washington had already agreed to give up as a precondition for upgraded Sino-American relations" (Roy 1998: 142). In 1982, China and the US agreed that Taiwan would receive less sophisticated weapons from the US (see Glaubitz ²1988: 173).

1.4.2 The Second Period (1981-1984)

The policy agenda changed considerably in 1981, and China declared the independence of its foreign policy and its non-alignment with regard to either the United States or the Soviet Union. Furthermore, China renewed its attempt to contact the Third World. The concrete outcome of the readjusted foreign policy was a reinforced visiting diplomacy to Latin American countries. Foreign Minister Huang Hua was the first in 1981 to head a Chinese delegation that visited Mexico, Colombia, Venezuela. Solidarity with Latin American countries was also expressed by the Chinese support of integration processes in Latin America, e.g. the Treaty of Montevideo in 1980, signed by eleven countries to found the *Asociación Latino Americana de Integración (ALADI)*, and by attacking US policy concerning its hegemonic policy towards Central America, mainly towards El Salvador (see Joyaux 1993: 104). Moreover, Chinese Premier Zhao Ziyang stressed again the establishment of a NIEO at the Cancun International Conference on Co-operation and Development in 1981. The most important demands were 1) support of the underdeveloped countries in order to develop national industries by the means of self-reliance, 2) re-organisation of the international economic order, relying on equality and mutual benefit, 3) promotion of North-South dialogue in order to ameliorate the situation of underdeveloped countries (see Connelly/Cornejo Bustamante 1992: 99). He then paid as the first Chinese Premier an official visit to Mexico (see Xu Shicheng 1998: 6).

Mainly since 1982, when peace and development were emphasised, balancing with the United States and the Soviet Union as well as solidarity and co-operation with the Third World became the guidelines of Chinese foreign policy. Zhao Ziyang (1983) adjusted foreign policy in his "Report on the Work of the Government" during the Sixth National People's Congress. While giving a survey on Chinese foreign relations, he pointed out two major features in Chinese behaviour towards the outside. First, he referred to the East-West relationship, in which China held the position of a non-aligned country that opposed hegemonism.

Second, he highlighted the North-South relationship, in which China promoted dialogues and South-South co-operation.

Underlining the readjusted foreign policy, the conflictive situation in Latin America furnished China with many occasions to criticise the behaviour of the United States. First, the PRC supported Argentina in its claim to the Falkland/Malvinas Islands in 1982 and the Contadora Group (Panama, Colombia, Mexico, Venezuela), founded in 1983, in its attempt to find a peaceful solution for the Central American conflict. Hence, The PRC condemned the US embargo of Nicaragua and the invasion of Grenada in 1983. China also agreed with Costa Rica on keeping its neutrality (see Joyaux 1993: 104f.). This behaviour showed that China was even interested in countries which did not have diplomatic relations with the PRC (Panama, Nicaragua, Grenada) or recognised the Republic of China on Taiwan (Costa Rica). The increasing number of visits and agreements in 1984 signalled the rapprochement between China and Latin America. Five Latin American Presidents visited China (Ecuador, Brazil, Guyana, Colombia and Surinam), while seven agreements on sea transport (Cuba), economic co-operation (Brazil, Ecuador), on commercial and technological co-operation (Brazil), on culture (Guyana, Mexico), and on pacific use of nuclear energy (Brazil) were signed (see Connelly/Cornejo Bustamante 1992: 169f.). Chinese Foreign Minister Wu Xuequian also toured Mexico, Venezuela, Argentina and Brazil, insisting on the Chinese support for the Contadora Group to solve the Central American conflict and the Cartagena Group to find a way out of the Latin American debt crisis that had run down the continent after the Mexican Memorandum in 1982 (see Mora 1997: 44). In addition, China established diplomatic ties with Antigua and Barbuda on the 1st of January, 1983.

1.4.3 The Third Period (1984-1988)

Chinese foreign policy towards Latin America from 1981 to 1984 proved the changing world view among Chinese leaders. The Three-Worlds Theory has been replaced by the FPPC that contributed to the shape of international relations and

signalled the abandonment of the Leninist "inevitability of war" in favour of sensitiveness to threats to peace in the world. Moreover, the avoidability of war and the guarantee of peace in the world were prerequisites for China's modernisation. Hence, in 1984, the Three-World Theory was replaced by a One-World view which had interdependent parts and should be maintained by the basic lines of Chinese domestic and foreign policy (peace and development) (see Kim 1989a: 150-153). To guarantee peace, the unity with the Third World was still of great importance. In the mid-1980s, four principles in foreign policy towards Latin America reflected both FPPC and the peace and development line: Peace and friendship, mutual support, equality and mutual benefit, joint development (see Xu Shicheng 1998: 4) Especially when Prime Minister Zhao Ziyang travelled to Latin America (Colombia, Brazil, Argentina, Venezuela) in October, 1985, he highlighted eight Sino-Latin-American areas of common ground (see Mora 1997: 43):

1. Common experience of oppression (colonialism, respective semi-colonialism)
2. Common sense of belonging to the Third World and task of development
3. Rich resources
4. Necessity of peaceful international environment to overcome underdevelopment
5. Pursuit of non-aligned and independent foreign policy
6. Principle of self-determination and non-interference
7. Strong engagement to appease the tense international situation
8. Burden of unfair international economic order

Zhao Ziyang stressed the need to deepen "understanding, strengthen friendship, promote co-operation, and make joint efforts to safeguard the world peace" and underlined the importance of economic interaction with Latin America as an essential part of South-South co-operation (see Wang Chien-hsün 1991: 110). In that sense, peace could be reached through development, not only for the

sake of China itself but also for the whole world. Deng Xiaoping²⁴ concluded in 1986: "[China's] ability to contribute to the world's lasting peace depends on the degree of our development. If China is well-developed, then her ability to win world peace will grow and she will make greater contributions to world peace." Both domestic and foreign policies were economically motivated. And in fact, the liberalisation that had started in 1979 with the joint venture law led in the 1980s to China's entrance in the global market. China joined the World Bank and the International Monetary Fund and opened its economy to foreign capital and loans. The widespread reform process, initiated by Deng Xiaoping finally caused considerable interaction with the international economy. In addition, some Latin American countries (Argentina, Brazil, Mexico, Uruguay), in the middle of the so-called "década perdida", were searching for new opportunities to diversify their external relations in order to handle the recession. In consequence, these complementary interests facilitated economic exchange. China and Latin America started to promote mutual investments, to establish joint ventures and to export services. In 1987, more than ten Chinese enterprises with a Chinese direct investment of US\$ 36 million were established in eight Latin American countries (see Xu Shicheng: 6). Hence, Sino-Latin American co-operation was expressed through the establishment of seventeen joint ventures in Latin America, with an investment volume of US\$ 22 million (see Mora 1997: 46). The trade volume between China and Latin America increased significantly from 1980 to 1988 (see table II). However, during the years 1986 and 1987, Sino-Latin American trade suffered a set-back, due to the collapse of crude oil prices at that time, and the continual economic crisis in Latin America. Despite all efforts made by Latin American countries to foster their external relations, the high costs of the "Third Wave of Democracy" (Huntington 1991) which splashed over to Latin America at the beginning of the decade could have been an additional factor for a momentous set-back to economic exchange.

²⁴ As quoted in Samuel Kim 1989a: 157.

Table II: Sino-Latin American Trade Volume in millions of US\$

Year	Total
1980	1,363
1985	2,572
1986	2,087
1987	1,728
1988	2,576

Source: Xu Shicheng (1998: 6)

Furthermore, China and twelve Latin American countries signed twenty-two agreements as an outcome of intensified technological and scientific co-operation. The most important of these were the nuclear co-operative agreements (1984, 1988) and the aerospace agreement of satellite production (1988) with Brazil, and the nuclear co-operation agreement with Argentina (1984) (see Mora 1997: 46).

By 1988, Sino-Latin American relations had expanded dramatically. The trade volume nearly doubled between 1980 and 1988, China established diplomatic ties with six more Latin American countries (see table III), which gave a total of eighteen. During the 1980s, ten Latin American heads of state and six government leaders visited the People's Republic. Technological and scientific co-operation intensified, and Chinese Communist Party fostered its relations with either opposition or ruling political parties in the whole region to debate independence, equality, mutual respect and non-interference (four principle of party relations issued by the CCP).

Table III: Establishment of diplomatic relations in the 1980s

Country	Date of diplomatic establishment
Ecuador	2 nd of January, 1980
Colombia	7 th of February, 1980
Antigua and Barbuda	1 st of January, 1983
Bolivia	9 th of July, 1985
Nicaragua	7 th of December, 1985
Uruguay	3 rd of February, 1988

Source: Conelly/Cornejo Bustamante 1992: Appendix II, 168-172.

The pre-Tiananmen period of foreign relations with Latin America has to be seen in the light of four determining aspects:

1. From 1978 onwards, modernisation in terms of economic development became the centre of Chinese national interest. Therefore, China had to accept opening up to the outside world and entering into the interdependent system of global economy. In the 1980s, China turned into an important trading nation, imported technology, exported raw material and machinery, joined international organisations like the World Bank and the IMF (1980) and strengthened its position as a commercial power in its own region (see Robinson 1994: 580). To expand economic interaction, China was willing to foster ties with any potential partner in the world. Thus, Latin America became one of the targets of Chinese opening policy.
2. In addition, Latin American countries adopted a strategy of diversification of external relations, policy that was highly complementary with the Chinese interests and that created a benign atmosphere for increasing economic exchange.
3. Growing interdependence on the one hand, and stressing an independent foreign policy on the other created a dilemma that China tried to overcome by showing solidarity with the Third World. Highlighting its role as a spokesman for Third World's matters turned into a means of escaping from the mechanisms of the strategic triangle. Thomas Robinson (1994: 574) stated as follows:

"[...], China wished to continue to regard the Third World an essential element of its foreign policy, so long as there were a superpower-dominated strategic triangle and a Third World *per se*. Beijing could convince itself that the 'masses' of the downtrodden nations held the key to the future of the international system and that China would eventually be accepted as their natural leader."

4. In relation to point 3, one can deduce that Chinese foreign policy towards Latin America during the 1980s was influenced by Beijing's relations with Washington and Moscow (Wang Jisi 1994: 492). Even if the policy did not

result from a strict constraint policy, because the United States has maintained an engagement rather than containment policy since 1972 and because the gap between China and the Soviet Union has been narrowed since 1982, the strategic triangle conditioned Chinese behaviour towards the Third World. Despite the period from 1978 to 1981, in which China neglected its relations with Third World countries, solidarity with the latter seemed to be a reaction to US or Soviet hegemonic attempt to intervene in the rest of the world.

2. Latin America: Strategic Partner in a New World Order?

2.1 Scaring the Monkey

In 1989, the situation took a different twist. The "Beijing Massacre" of 4th of June pushed the People's Republic once again into isolation. The mass demonstration on the Tiananmen Square and the use of force by the People's Liberation Army (PLA) to suppress it had a severe impact on China's international reputation and credibility. Deng Xiaoping, however, in the tradition of the ancient saying "kill the chicken to scare the monkey" was convinced that his order would prevent the rebellion from spreading across the country (see Deng Xiaoping 1989). On the international scene, China's attempt to trivialise the massacre, which cost one thousand five hundred lives, failed for the simple reason that the event was directly transmitted on television. Not surprisingly, China was accused of violating human rights by the international community. China's reaction to the accusations, mainly in the UN, was double-edged. On the one hand, Chinese leaders started several counterattacks against other countries which were allegedly violating human rights much more than the People's Republic. They insisted on state sovereignty and claimed the principle of non-interference in internal affairs. Finally, they stressed the diversity of cultural standards that led to a different understanding of human rights (see Nathan/Ross 1997: 188f.). On the other hand, since what they officially called the "Tiananmen Affair", China adopted a "policy of penitential robe" through three means. First, China reconciled with some of its harshest enemies such as Indonesia, India, Vietnam, South Korea and Israel. Second, it intensified its opening policy. And third, China tried to establish a harmonic atmosphere with its major partners which has been quite a difficult exercise (see Weggel 1999c: 361). As a reaction to the Tiananmen incident, several states suspended their diplomatic relations with China and large international companies closed their factories and offices in the PRC. In Latin America, the reaction was somehow unspectacular. These countries shared with

China the contention of non-interference in internal affairs. During the year 1989, only two Latin American countries (Grenada, Belize) suspended their diplomatic relations with China. But the suspension was initiated by Beijing in reaction to these countries' establishment of diplomatic ties with the Republic of China on Taiwan.

2.2 The Competition with Taiwan

Especially after 1989, Taipei and Beijing courted Latin America's favour. Taiwan has been searching for closer ties with Latin American countries, since it was diplomatically isolated by its expulsion of the United Nations in 1971, by the Shanghai Communiqué²⁵ in 1972, and by its loss of official ties with the United States in 1979. In 1990, Taiwan fostered ties with numerous Latin American countries, mainly situated in the Caribbean. These were the Bahamas, Belize, Costa Rica, Dominica, Dominican Republic, El Salvador, Grenada, Guatemala, Haiti, Honduras, Nicaragua, Panama, Paraguay, St. Christopher, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines. Some of these diplomatic relations were quite ancient, like Panama (1909), Guatemala (1935) or Costa Rica (1941), El Salvador (1941), and Honduras (1941). Nicaragua established official ties in 1990 and suspended those with the People's Republic. In 1996, the Republic of China had diplomatic relations with thirty-one countries in the world; sixteen were Latin American nations (see Nathan/Ross 1997: 218; He Li 1991: 138; Yahuda 1996: 1327). In 1997, the Bahamas and Saint Lucia suspended their relations with Taiwan and established official ties with the People's Republic (see *China daily*, 10th of October, 1998). Diplomatically the Latin American region still is very important for Taiwan, even more since the Republic of China lost its

²⁵ The Shanghai Communiqué was the outcome of talks between national security adviser Henry Kissinger and Chinese Foreign Minister Qiao Guanhua who faced the "Taiwan problem" during the Nixon's visit to Beijing in 1972. Finally, they agreed that the "United States acknowledges that all Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is a part of China. The United States Government does not challenge that position. It reaffirms its interest in a peaceful settlement of the Taiwan question by the Chinese themselves" (Bernstein/Munro 1997: 150).

last big ally, South Africa, on the 1st of January, 1998, the date of the establishment of diplomatic ties between The People's Republic and South Africa (see Hunter/Sexton 1999: 180). Despite the lack of formal relations, Taipei set up representative offices in Argentina, Brazil, Chile, Peru, Ecuador, Venezuela, and Colombia which often served as quasi-embassies. However, Taiwan strengthened its interaction with Latin American countries on the economic level. The trade volume increased from US\$ 477 million in 1977 to US\$ 2,680 million in 1989 (see He Li 1991: 103, 137).

Taiwan's interest in Latin American countries was born after its expulsion from the United Nations. As Latin America was perceived as the backyard of the United States, one of the reasons for approaching the region was the need to preserve US support in the international community. Two additional factors facilitated the rapprochement between Taiwan and Latin America. First, the high degree of diplomatic recognition in the region. And second, the underdevelopment of mainly the Caribbean and the Central American nations, which were thankful for any agricultural or technical assistance. After the suspension of diplomatic ties with the United States in 1979, particularly foreign aid policy became more important in order to achieve foreign policy goals and in order to maintain or to strengthen ties with other countries. Before 1979, Taiwan was highly dependent on US support on the international level, but after the split, Taipei sought to develop new foreign policy strategies. Although Taiwan suffered from a low level of diplomatic recognition and a low level of membership to international organisations, the country, with its twenty-one million inhabitants held an undeniable joker in its hands: strong economic performance (see Cheng Tuan 1992: 72f.). Andrew Nathan and Robert Ross (1997: 213) described the Taiwanese situation as follows:

”The complexity of Taiwan’s politics is shaped by its contradictory position in the world. It alternates among the top three positions in foreign exchange reserves, ranks thirteenth in foreign trade, has the sixteenth-largest army, stands eighteenth in GNP and twenty-fourth in GDP per capita, and belongs among the top one-third of countries in population size. Yet it is excluded from the United Nations, [...] geographically small, and tucked closer to China, its main antagonist, and far from the United States, its main supporter.”

The strong economic performance allowed Taiwan to accumulate capital in order to promote economic co-operation. The foreign aid Taiwan offered to the Third World countries in the form of agricultural and technological assistance was slowly replaced by cash grants or loan grants. Taiwanese leaders intended to expand foreign relations by these means in order to achieve the establishment of full diplomatic ties with more countries. Moreover, the establishment of diplomatic relations was combined with the promise of capital loans. The examples of Grenada and Nicaragua showed that the Taiwanese government assured the provision of low interest loans; US\$ 10 million for Grenada in 1989 and US\$ 100 million for Nicaragua in 1990.

The government in Beijing strongly criticised the use of ”dollar diplomacy”, stating that any relationship of the Republic of China was built on cash and thus constructed on shaky legs. Any more interesting offer could be a reason for the beneficiary country to drop Taiwan (see Cheng Tuan 1992: 74-78). However, after the Tiananmen incident, Beijing adopted a foreign aid strategy which was quite similar to the Taiwanese model and which was based on a political motivation as well: regaining confidence and allies in the Third World. Especially in the 1990s, Beijing did not miss any opportunity to reach a potential aid recipient in order to extend its foreign relations. In 1990, China prolonged non-repayable aid to twenty-seven countries, including seven Latin American nations (Jamaica, Peru, Bolivia, Colombia, Nicaragua, Surinam). In 1988, only three countries, and in 1989 only one country, received foreign aid from Beijing, while the number of aid recipients in 1990 jumped to eleven (see Lin Teh-chang 1996: 35, 48).

Taiwan developed a "flexible diplomacy", abandoning the policy of the "3 no's" (no contact, no negotiations, no compromise) in 1987, and promoting Taiwan as a "political entity" forming together with the PRC "one China, two governments". On the other hand, since the beginning of its opening-policy, mainland China also adopted a more moderate Taiwan-policy by "advocating three links (trade, transportation, and postal services) and four exchanges (between relatives and tourists, academic groups, cultural groups and sports representatives)" (Quansheng Zhao 1996: 207).

In the 1990s, Taiwan searched for admission to international or non-governmental organisations in order to gain more international acceptance (see Nathan/Ross 1997: 217; Gutierrez 1995: 8). Taiwan was able to join the Asia Pacific Economic Co-operation (APEC) and the Asian Development Bank (ADB). Despite its moderate Taiwan-policy, mainland China was always strictly opposed to any Taiwanese membership in any international association (see Hunter/Sexton 1999: 180).

Facing such obstacles in strengthening its position in the international community, Taiwan, not surprisingly, adopted a kind of "dollar diplomacy" towards the Third World, often accompanied by technological and agricultural assistance. The results of the Taiwanese policy towards Latin America were first, an increasing number of mutual visits, and second, stronger support from Latin American countries for Taiwan's claim to be accepted in the United Nations.

In 1989, Prime Minister Yu Kuohwa toured the Caribbean, in 1991, Vice-President Li Yuan-zu visited Central America and the Caribbean, and in 1992, the President Lee Teng-hui met in Taipei with Central American Foreign Ministers. He went also in 1994 to Nicaragua and Costa Rica. In June 1994, Taiwanese Premier Lien Chan paid an official visit to Central America and a secret visit to Mexico.

From 1994 on, the Latin American countries which recognised Taiwan constantly sent resolutions to the United Nations in order to promote Taiwan's return (see Mora 1997: 50). In 1998, however, the number of supporters shrank to

six Latin American countries (Grenada, Nicaragua, El Salvador, San Vicente, Dominica, Panama) (see Xu Shicheng 1998: 9). What had been a "battlefield" for ideological leadership and influence between China and the Soviet Union in the 1960s, turned out to be reason for increasing competition between the two Chinas. Moreover, the competition was somehow renewed through the Tiananmen incident that offered Taiwan another platform to discuss its relations with the Latin American countries on the one hand, and with the international community on the other.

2.3 The 1990s: Old Wine in New Bottles

The discredit brought upon China provoked a policy of economic and political sanctions by a US-led "anti-China-coalition".²⁶ On the other side, China adopted a diplomacy of searching for new sources of economic co-operation and for partners to support its role as peacemaker in international conflicts, mainly in the framework of the UN. This was, however, a rather difficult task. The rapprochement with Taiwan in order to intensify economic co-operation seemed to be a delicate matter, and other co-operation partners were hardly available. On the international level, the collapse of the Soviet Union, and hence the dissolution of the "strategic triangle", paralysed the Chinese opportunity to win the "tumbling giant" as a partner against the American-led coalition. Chinese leaders, therefore, developed a strategy of enhancing relations with as many states as possible through more economic openness (see Robinson 1994: 589).

These strategies were the direct outcome of new formulated principles by Deng, known as the "28-character strategy" which is especially important for this analysis because China gave up the intention of being a leader for Third World

²⁶ US-president Clinton was at first convinced that the annually prolongation of the "most-favoured-nation" status should be definitely combined with the situation of human rights in China. Only in 1994, Washington distanced itself from the necessary connection to human rights. At that moment, most of the countries of the "anti-China-coalition" lifted their economic sanctions against China. This process was initiated by Japan. A definite normalisation of the trade relations occurred in May, 2000, when the US-congress passed a resolution, lifting the annually checking of the MFN-clause.

countries and did not want to substitute the former Soviet Union in carrying the flag of the socialist camp. Moreover, the guidelines implied not to stick to ideological considerations, accompanied by the willingness of making contributions (see Quansheng Zhao 1996: 53f.).

This policy and the increasing challenge of Taiwan to gain more influence in Latin America initiated a re-thinking process in Chinese foreign policy towards the whole Latin American region. Once again, Chinese foreign policy towards Latin America could be seen as a result of constraint by third actors. In this case two actors conditioned Chinese behaviour. First, the United States were mainly responsible for containing China in the international community, and second, Taiwan became a major competitor in Latin America. The fact that Latin American countries did not condemn the PRC as strictly as the rest of the world, due to the conviction of non-intervention in internal affairs, facilitated China's attempt to enhance its relations with the region.

In 1990, the Chinese President Yang Shangkun, visited five Latin American countries (Mexico, Brazil, Uruguay, Chile, Argentina). This travel was the first official visit abroad that a Chinese President paid after the Tiananmen incident, and the first visit of a Chinese President to Latin America. Chinese media promoted this event as "a new chapter in Sino-Latin American friendship" and perceived it as "an important milestone in the history of Sino-Latin American friendly relations", being "a major event in Sino-Latin American history"²⁷. Yang emphasised five principles (see also SWB, 17th of May 1990: A1/1-2):

"(First) To maintain high-level visits and direct contacts between Chinese and Latin American leaders, promote friendly exchanges in all fields and enhance mutual understanding and establish and consolidate relations of mutual trust at all levels; (Second) To consolidate the existing market, constantly explore new fields and avenues on the basis of equality and mutual benefit as well as common development, and strive for the steady increase of bilateral trade; (Third) Proceeding from actual needs and possibilities, to give full play to the advantages of both sides and promote various types of economic and technological cooperation; (Fourth) To widely develop cultural exchanges in such forms as exhibitions, mutual visits of literature and art groups, exchanges of different sports

²⁷ as quoted in Feng Xu 1994: 159.

events, academic seminars as well as exchanging students, while at the same time providing facilities and preferential conditions for these activities; (Fifth) To establish and develop relations with those Latin American countries with which China has not yet had diplomatic relations, on the basis of the Five Principles of Peaceful Coexistence” (*Beijing Review* 1990, 4-10 June: 5).

To sum up, these principles did not differ much from the former policy that highlighted the four elements of Sino-Latin American relations: Peace and friendship, mutual support, equality and mutual benefit, and joint development. During the 1990s, new emphasis was also put on the development of a New International Economic Order (NIEO) in co-operation with Latin American countries. The newly appointed President, Jiang Zemin, presented his Four-Points-Initiative for a NIEO during his visit to Brazil in 1993. First, he stressed that every country of the world should participate in the network of global economic and commercial relations. Second, he underlined that every country should have the right to decide on the structures of its social and economic system in order to be able to control its own resources and development. Third, he emphasised that the developed countries should respect the interests of the developing countries without attaching political conditions to their support. Fourth, he called for more South-South co-operation in order to share experiences and to enhance the possibilities for development in each country (see *Beijing Rundschau* 1993, N° 49: 4).

A major strategy concerning Chinese behaviour towards Latin America in the 1990s has been the emphasis of common interests and complementary economies. On the 6th of October, 1995, Premier Li Peng stated in a speech, held in Mexico-City, that China had always evaluated the co-operation with Latin American countries as a crucial element in the South-South co-operation. Despite the differences in societal systems and cultural traditions, China and Latin America shared belonging to the Third World and wished to develop their economies in order to enhance their peoples’ standard of living. Both needed favourable internal and external environments, characterised by stability and peace, to concentrate on national development and progress. Further, China and

Latin America pooled their efforts to establish a NIEO by advancing the realisation of equal political, economic and societal rights for each developing country. These common interests had allowed them to strengthen bilateral relations in the past and continued to be an important political basis. Conditions for enhancing the relations were also favourable in the sense that huge market potential, rich resources and complementary economies provided the necessary economic basis (see *Beijing Rundschau* 1995, N° 44: 17).

In 1995, Chinese foreign policy principles towards Latin America pretty much resembled the demands formulated by former President Yang in 1990, reflecting the continuity of Chinese foreign policy on the basis of peace and development and the FPPC. Li summarised the major areas during a stay in Latin America:

- (1) Political realm: High level diplomatic exchanges should strengthen mutual understanding and trust.
- (2) Economic realm: New channels and new areas for economic and commercial interaction have to be discovered and exploited. Technological and scientific achievements should be put at mutual disposal in order to progress in economic development.
- (3) Cultural realm: The contacts between the peoples should be fostered to exchange knowledge on culture and education.
- (4) International realm: Claiming the establishment of a New International Economic Order as well as a New Political Order in order to defend the interests of the developing countries. Strengthening solidarity between the developing countries.
- (5) Diplomatic realm: Calling for the establishment of diplomatic relations with countries that do not have such ties with China without attaching the economic co-operation to political or ideological prerequisites.

3. The Outcomes: The Five Realms

3.1 The Political Realm

From 1990 to 2000, visiting diplomacy increased considerably. Twenty-two Latin American Presidents²⁸ followed Beijing's invitation to visit China. Moreover, seven Vice-Presidents, eight Premiers, twenty Foreign Ministers, nine Ministers and two Secretaries of Foreign Ministries travelled to China (see Appendix). In the 1980s, only ten Latin American Presidents and three Prime Ministers had paid official visits to China (see Xu Shicheng 1998: 6). On the other side, Chinese Presidents (Yang once, Jiang, twice) toured Latin America three times, while four Premiers, three Vice-Premiers, one Foreign Minister, two Vice-Foreign Ministers and seven Ministers visited Latin American countries (see Appendix). Mainly after Jiang's tour in Latin America, the mutual visits have become more frequent. The heads of states of all South American countries (except Paraguay) travelled to China in the 1990s (see Appendix). The visits underline the fact that both sides are conscious of the strategic importance of fostering ties in a changing international environment. Latin America and China agree on their joint efforts to defend their interests in the international community in order to strengthen economic development (see Geng Yun 1998: 16).

The Chinese Communist Party has tended to widen its relations with other Communist or non-Communist parties in the world, based on the four principles of party relations (independence, equality, mutual respect, non-interference). It has been sending high-ranking delegations to Latin America in order to promote friendship, co-operation, and peace and development and has been receiving Latin American party members (see Appendix). In 1994, Hu Jintao (Member of the Standing Committee of the Politburo) travelled to Uruguay, Argentina, and Brazil in order to meet Chairmen of the ruling parties in these countries (see Zhong

²⁸ This numbers includes several visits by the same Presidents. E.g. Argentine President Carlos Menem went twice to China, and Peruvian President Alberto Fujimori three times.

Yanwen 1995: 20f.). After Qiao's (Member of the Standing Committee) meeting with Chairman Leonel Brizola of the Democratic Worker's Party of Brazil in November, 1994, the latter led a delegation of party members on a visit to Beijing in April, 1995. During their talks, Qiao Shi emphasised that five of the seven Members of the Standing Committee had already visited Brazil (see *Beijing Rundschau* 1995, N° 20: 8). In 1997, a delegation of Chinese leaders held talks with party members of several Latin American countries (Mexico, Brazil, Cuba, Colombia, Peru, Chile, and Argentina) in order to foster friendship and strengthen co-operation (see Appendix).

3.2 The Economic Realm

After a set-back of nearly US\$ one billion, from US\$ 2,968 million (1989) to US\$ 1,900 million (1990), the trade volume of China and Latin America recovered quickly during the 1990s. In 1995, bilateral trade had already increased to US\$ 6,100 million and reached US\$ 8,370 million in 1997. In comparison to 1996, the trade volume rose by 24.5%, mainly through an increase in Chinese exports, which grew by 47.7% to US\$ 4,600 million, while Chinese imports only rose 4.4% to US\$ 3,770 million in 1997. In contrast, China's exports represent only 1.6% of the Latin American total imports. The exceptional increase of Chinese exports was due to sales of machinery and electronic products to Latin America (see Zhan Lisheng, 17th of April, 1998). In 1998, the trade volume decreased by 0.72% to US\$ 8,310 million. That year China imported goods and raw material for US \$ 2,990 million from Latin America and exported for US\$ 5,320 million to the region (see *China aktuell* 1999: 15). In 1993, the major Latin American importers of Chinese products were Panama, Argentina, Chile, Brazil, Cuba, and Mexico. The biggest exporter to China was Brazil, followed by Chile, Peru, Argentina, and Mexico (see SELA 1995: 51f.). Brazil, Argentina, Panama, Chile, Peru and Mexico are still the most important commercial partners of China.

The commercial relations between Latin America and China could profit from the Latin American strategy of diversification of external relations on the

one hand, and from the Chinese policy of openness on the other, mainly since the adoption of an export-led industrialisation in 1991. Especially countries like Brazil, Mexico and Chile are searching for more economic co-operation with the Asia-Pacific. Latin American countries have become purchasers of electrical apparatus and gadgets, medicine and medical instruments, motorcycles, bicycles and other manufactured goods, while China has imported iron, wood, soya oil from Brazil, wool, wheat, mineral products, leather, and steel products from Argentina, rolling mill products, and chemical industry products from Mexico. Middle range economies like Chile, Colombia, Peru, Venezuela, and Ecuador have exported mainly raw material and imported manufactured goods. These countries are markets for Chinese consumer products such as agricultural machinery, cars, televisions, and textile products. Central America and the Caribbean countries have poorly developed industries and are therefore mainly importers of Chinese products. The import/export range shows that Chinese and Latin American economies have become more complementary since the beginning of their mutual commercial exchanges (see Chen Zhiyun 1998: 7).

The complementary nature of both economies implies mutual interdependence. The economic reforms in China establishing a socialist market economy *à la chinoise* increased its dependency on foreign trade (40%) and transformed the country into an industrially rather than agrarian based economy. However, the agricultural sector has also been target of a reform policy that resulted in a major increase of agricultural production through technology and fertilisers, while the number of rural workers doubled in the last forty years and arable land has shrunk 0.5% each year since the 1980s. As China has a huge population of more than 1.2 billion people, China is the world's biggest producer and consumer of cotton, pork, potatoes, rice, tea, vegetables and wheat, and imports grains, cotton and edible oils. Since the disastrous experience of the Great Leap Forward and the famine that caused 20 million dead, food self-sufficiency has been of major concern for Chinese leaders. According to estimates, the Chinese demand of food and feed grain supply from the outside is increasing, in spite of constantly growing grain production. Thus, it is questionable if China will

produce enough grain to satisfy growing consumption requirements and if it will be able to feed itself in the coming century (see Crook 1999: 335-342; Cheng Li 1999: 366f.). Therefore, Latin America, being a major producer of grain crops, could be an important trading partner for the People's Republic in the future.

The scientific and technological co-operation with Latin America resulted in twelve agreements (e.g. Mexico, Brazil, Cuba, Chile) which called for mutual assistance in agriculture, medicine, energy, electronic industry, seismological research, aerospace industry, and biotechnology.

In 1993, the Sino-Brazilian agreement on an aerospace programme for the production and launching of two satellites was one of the highlights in South-South co-operation and highly respected by developing countries (see Geng Yun 1998: 16). This agreement between the two regional powers was considered as the beginning of a "strategic partnership" between Brazil and China. Besides the construction of a satellite that should inspect the rain forests and the agricultural areas and help to discover new mineral resources, the two countries would co-operate in foreign policy (see *Frankfurter Rundschau*, 25th of November, 1993: 1). On October 14th, 1999, China sent the first satellite, constructed in co-operation with Brazil, to the space. Brazil was the first country in Latin America with which China established a partnership of that kind. This agreement meant an important leap forward in the South-South co-operation.

During the 1990s, mutual investments and the number of joint ventures were increased. China has signed agreements on mutual protection of investments, on avoidance of double taxation and on prevention of fiscal evasion with Brazil, Argentina and Chile. The biggest Chinese investment in Latin America was made in 1992 when China bought the largest iron ore mine in South America (Peru) for US\$ 120 million (see Feng Xu 1994: 160). Further, China agreed with seven more Latin American countries on the protection and promotion of investments. Latin American participation in 2,131 Chinese projects amounts to US\$ 15,100 million, of which US\$ 3,740 million have already been transferred (see Xu Shicheng 1998: 9f.). China established 195 joint ventures or sole owner enterprises in

twenty-four Latin American countries with a total amount of US\$ 300 million (see Geng Yun 1998: 16).

According to an official from the Chinese Ministry of Foreign Trade and Economic Co-operation, Chinese exporters should target Latin American countries. He stated that Latin America was an important demander of medium sized and small farming machinery and China could serve as adequate supplier of pharmaceutical products and pesticides in the future (see Gao Wei 1999). Furthermore, officials from both sides engage in talks with business people from China and Latin America. A top entrepreneur round-table,²⁹ including more than 120 Chinese state-owned, private and joint-stock companies, discussed in June, 1999 trade, plant construction and technical co-operation in China and held meetings in November 1999 with Latin American counterparts in Mexico, Chile, Peru, and Columbia. The reason for Chinese exporters to aim at Latin American markets is that "China currently finds itself caught between a slackened Asian market and highly competitive markets backed by non-tariff trade barriers in the United States and Europe" (Wei Ke 1999).

3.3 The Cultural Realm

The cultural relations have also been fostered through the years. Chinese dance and music ensembles as well as acrobatic groups and artists gave performances in Brazil in 1991 and 1992 (see Tong Bingqiang 1993: 5). Cultural delegations visited many Latin American countries, while students were sent to China and Latin America, respectively. In the diplomatic meetings, Chinese leaders have always emphasised the importance of cultural exchanges and mutual rapprochement of the peoples. On the official level, however, agreements on cultural matters have been rather rare. Argentina signed an executive programme on cultural exchange in 1990. In May 1992, Bolivia and China agreed on the

²⁹ This round-table was organised by the Asia Pacific Economic Co-operation Chinese Enterprises' Assembly (CEA) and called "Trade Communication Conference of China and Latin American Economies for the Promotion of APEC Eco-Tech Process".

Chinese assistance in building a power plant and a cultural centre in Bolivia. The meeting of the Chinese and Cuban heads of state in February, 1995 resulted in an agreement on educational and cultural exchanges for the years 1994 and 1995. In 1996, Colombia and China signed an agreement on cultural and pedagogical co-operation during President Ernesto Samper's visit to Beijing (see Appendix). A Chinese cultural delegation toured Latin America (Brazil, Cuba, Ecuador) in 1997. As a result, China signed an agreement on cultural exchanges with Ecuador and agreed on enhancing the links between the libraries in the two countries (see SWB, 7th of January, 1997: G/4).

Mutual understanding and cultural knowledge have always been important in China. Thus, already in the 1960s, universities like Beijing University or People's University of China established chairs for Latin American Studies. Hence, at that time, the Institute for Latin American Studies was founded in Beijing and was directly connected with the International Liaison Department of the Communist Party (see Connelly/Cornejo Bustamante 1992: 9).

Another factor in the cultural realm is the community of Chinese overseas in Latin America. At the end of the nineteenth century nearly 300,000 Chinese settled in Latin American countries. Nowadays, the largest Chinese communities can be found in Brazil (45,000), Peru (30,000), Panama (30,000), and Jamaica (30,000). These immigrants are, however, integrated in the Latin American society and rather detached from mainland China (see He Li 1990: 122f.).

3.4 The International Realm

China is very much concerned with events in the international arena, while insisting on the independence of its foreign policy. The principles of its foreign policy should be directly projected onto global structures. The main goals of Chinese diplomacy consist of opposing hegemonism, maintaining world peace, promoting international co-operation and advancing common development in order to serve internal reforms like opening up and socialist modernisation.

Within the framework of its foreign policy, Chinese leaders uphold the identification with the developing countries, stating that China will always be part of the Third World even when it is fully developed, and endorse all kind of interaction between developing countries like the Group of 15, the Group of 77, The Non-aligned Movement and others.³⁰ The claim of having to establish a new economic and political order based on the Five Principles of Peaceful Coexistence³¹ and the principles of the UN Charter is a Chinese strategy which is a means to highlight its solidarity with the developing countries. Chinese foreign policy strategist Liu Huaqiu (1997: 466) summarised Jiang Zemin justification for this purpose during the Fifteenth National Party Congress in 1997:

”Our country shares bitter historical experiences with a large number of developing countries, and we all are now faced with the common tasks of safeguarding our national independence and sovereignty and pursuing economic development. For years our country and large numbers of developing countries have shared a common fate, helped one another, and been closely united, effectively safeguarding our political and economic interests. Although tremendous changes have been taken place in the international situation, our policy of strengthening solidarity and cooperation with developing countries cannot and will not be changed; China always belongs to the third world.”

China perceives that no single country in the world is able to fight a world war. The former Soviet Union has disintegrated, while the United States, the only remaining superpower, is kept in a net of checks and balances by numerous countries. This trends are the result of a considerable multipolarisation of the world (*shijie duojihua*). The new world order consists of four triangles which together form a square with the United States in the centre as the only remaining superpower and four subordinate powers, the European Union, Japan, Russia and China at each corner. China, Japan and the United States forge the first triangle, responsible for stability and peace in the Asia-Pacific. The second triangle

³⁰ Even if China identifies with the Third World’s concerns and shows solidarity, it is intriguing that China has never been member of the Nonaligned Movement, or the Group of 77 or the Group of 24.

³¹ Deng (as quoted in Hu Sheng 1992: 9) said in 1988: ”I recommend that the Five Principles of Peaceful Coexistence that were formulated by us Asians in the 1950s, should serve as the norms for a New International Order for a very long time to come.”

(Russia, China, United States) was formed by the Russian need to find alternatives for political and economic aid. The United States, Japan and Europe as the third triangle continue the former tripolar structure. This triangle is mainly characterised by economic linkages. The fourth triangle, United States, Russia, and the European Union reflects the European detachment from the US and the need to foster ties with Russia, which is still perceived as a potential threat to Europe (see Xue Mouhong 1995: 19f.).

The new international order is confronted with the challenge of providing peace, stability, economic development, joint solutions for global problems, and benefit for all countries, putting aside hegemonism, power politics, the arms race and the violation of sovereignty. These objectives express the "newness" of the New International Order based on the Five Principle of Peaceful Coexistence (see Hu Sheng 1992: 11).

The new international order is defined by two mutually complementary processes, the North-South dialogue and the South-South co-operation. With respect to the latter, Deng Xiaoping already stated in 1989 that China and Latin America would work together to set an example of South-South co-operation. The basics for this co-operation such as establishment of joint ventures, preferential prices, and transfer of technology are already part of Sino-Latin American relations and benefit the economic development of both partners, serving as a true example for international interaction (see He Li 1990: 142). Particularly the establishment of a "strategic partnership" with Brazil has to be seen as a concrete outcome of this South-South co-operation policy. In order to enhance international co-operation China has supported regional integration, e.g. endorsing Peru's association to the Asia Pacific Economic Co-operation (APEC) in 1998.

On the international level, however, the gap between Chinese words and deeds has been proved by multiple infringement of its own principles. In the security realm, China was in breach of the rules set by the International Atomic Energy Agency, selling nuclear technology and missiles and increasing military expenditure. Economically speaking, China has implemented market-restricting

measures, hindered foreign enterprises from developing in China by imposing competitive obstacles, it has mislabelled products to avoid import quotas and has been accused of intellectual rights larceny. Furthermore, the continuous violation of human rights, even after the Tiananmen incident, preoccupies the international community (see Robinson 1994: 598f.).³²

In recent years, Chinese ambiguity has been striking. The events in the Mischief Reef in 1995 and in the Taiwan Straits in 1996 are only two examples of Chinese challenge to security. Of greater interest in the Latin American context is the policy, which China adopted within the framework of the United Nations. Although China has been holding high the flag of sovereignty, self-determination and support for all developing countries without any binding political or economic conditions,³³ its behaviour has only reflected these convictions when it has been convenient. In the case of Cuba, China engaged in a major discussion in the United Nations, protecting Cuba from any UN-resolution that would condemn the human rights' situation in the Caribbean island. This was a direct reaction on the enhanced relations between Cuba and the People's Republic. In the case of Haiti (1996) and Guatemala (1997), however, the support was selective. When the discussion about peacekeeping measures started in the United Nations, China promised real support, pressuring the countries to give up their relations with the Republic of China on Taiwan (see SWB, 11th of January, 1997: G/1; Mora 1997: 53f.).

Another topic of international importance has been the influx of Chinese immigrants in Mexico, a country that serves as a gateway for illegal immigration to the United States. This issue has led to serious talks on the repatriation of these Chinese illegal immigrants on the governmental level and has overshadowed Sino-Mexican relations (see SWB, 14th of July, 1993: A 10; Mora 1997: 53). The

³² Concerning the accusations of which China is target, the article by David Lampton (1998) relativises several suppositions. He argues against the assumptions that China is an hegemonic power, undertakes arms race, and steals intellectual property.

³³ That China is able to attach political conditions to its relations with other countries has already been demonstrated by the suspension of its relations with Grenada and Belize in 1989 in reaction to the establishment of diplomatic ties with Taiwan.

good relationship with Mexico has been of greater importance since the establishment of the North American Free Trade Agreement in January, 1994. China established joint ventures with Mexican enterprises in order to be able to penetrate the North American market (see Feng Xu 1994: 160).

3.5 The Diplomatic Realm

Tang Jiaxuan (1998: 9), Foreign Minister since 1998, stated in an interview that China's diplomacy would continue in the 1990s to be shaped by openness, equality, mutual benefit and co-operation with all countries in order to enhance economic, commercial, scientific, technological and cultural exchanges.

One of Chinese foreign policy goals is to establish relations with as many states as possible, especially since the Tiananmen incident. In Latin America, fostering ties was complicated by the diplomatic ties with Taiwan. However, China developed a policy of rapprochement on the economic and political level. Thus, it established economic and trade ties with Honduras in 1994, welcomed its Vice-President in 1995 and received goodwill delegations from Paraguay, the only South American nation fostering diplomatic ties with Taiwan. The Caribbean, where the largest part of Taiwanese supporters were situated, also became target of Chinese diplomacy. As a result, China could establish diplomatic ties with Saint Lucia and the Bahamas in 1997 (see Appendix).

In July 1998, Vice-Premier Qian Qichen visited five Caribbean countries (Barbados, Guyana, Trinidad y Tobago, Cuba, and Jamaica) in order to normalise relations. The officials were accompanied by an unofficial delegation which discussed with non-governmental luminaries how to foster Sino-Caribbean relations in the twenty-first century. It has been rather rare that official and unofficial visits from China coincided. A seminar on co-operation and friendship between Latin America, the Caribbean and China was held in Jamaica in August, 1998. During his stay in the Caribbean, Qian emphasised that in spite of the recognition of Taiwan in the region, China was interested in developing normal

state-to-state relations with all Caribbean countries. China could improve its relations with the Caribbean islands in the 1990s, an evolution that has been strengthened by China's admission to the Caribbean Development Bank in January, 1998 (see *China daily*, 10th of October, 1998). The Caribbean countries are of strategic importance for China which is trying to establish joint ventures in the region. Together with Mexico, the Caribbean provide an opportunity to penetrate the US market with Chinese goods.

China's diplomatic objectives for the twenty-first century with regard to Latin America aim at more participation in global affairs, support in autonomy and independence and struggle against hegemonism. Hence, co-operation in the fight against drugs, social inequality and poverty as well as interaction in preserving the environment will compose the agenda of Sino-Latin American joint efforts in the next millennium (see Zhang Xinsheng 1998: 15).

Conclusion

This study has treated fifty years of Chinese foreign policy towards Latin America and its results. The rapprochement between China and the Latin American region has been slow and conditioned by several factors. Chinese foreign policy towards Latin America from 1949 to 1988 was, to a certain extent, influenced by China's position in the world system, and its relations to either the United States or the Soviet Union. During the first decades after the foundation of the People's Republic, ideology determined the political agenda of foreign policy making. Moreover, in the 1950s, the strong US influence on the Latin American continent restricted China's manoeuvring space. In the 1960s, the ideological dispute with the Soviet Union and the struggle for revolutionary leadership damaged China's image in Latin America, and constrained the possibilities to strengthen ties. In addition, during that decade, China was confronted with major internal problems, which forced the PRC to withdraw from the international scene.

At the beginning of the 1970s, the *détente* with the United States had a positive impact on Chinese position in the international community, and thus represented a condition for improving the Sino-Latin American relationship. From 1978 onwards, however, political and, most of all, economic motivations took more and more weight in both domestic and foreign affairs in China. Latin America became one of the targets of Chinese opening policy, and emphasis was put on the establishment of a new international order. China based the latter on the Five Principles of Peaceful Coexistence, which included the fight against any attempt of the superpowers to interfere in the internal affairs of any country in the world. As a result, Chinese solidarity with Third World countries grew, a fact which was also conditioned by the superpowers' behaviour in the international system.

During the whole period, an important feature of Chinese policy making has been the transfer of internal strategies (national liberation, self-reliance, united front) and principles (peaceful coexistence, peace and development) into the domain of foreign policy. Further, China has tried to introduce its basic guidelines

into the international sphere by adopting the role of spokesman for Third World countries, and claiming a New International Economic Order on their behalf. After the Tianamen incident, however, Chinese leaders retired from playing a leading part among the Third World countries, arguing that China could not afford it and that the country was not strong enough.

In the 1990s, Chinese leaders have had a very positive view of Sino-Latin American relations. "Politically we trust each other, economically we complement each other and internationally we support each other" was Chinese President Jiang's comment on the Sino-Latin American relations during his visit to Mexico in 1997 (see *Beijing Rundschau* 1997, N° 51: 6). China's President has expectations for the 21st century and hopes "to increase political dialogue with all countries in Latin America in order to promote understanding and trust, bolster cultural exchanges and economic co-operation and develop a friendly and co-operative relationship based on long-term stability, equality and mutual benefit" (Jiang Zemin 1998).

Visiting diplomacy, economic exchange and co-operation between China and Latin American countries have considerably increased in the 1990s. Hence, the official discourse proves that China is interested in Latin America, and desires a strengthening of ties on all levels for the coming century. The motives for the Chinese rapprochement policy in the 1990s can be summarised as follows:

1. The Tiananmen incident damaged China's trustworthiness in the international community and obliged the Chinese leadership to develop strategies that would re-establish a more favourable climate. In addition, Latin American countries restrained themselves in their comments about the events in 1989, agreeing on the principle of non-interference. Therefore, it is not surprising that China has chosen the Latin American continent to start its campaign of polishing up its seedy image.
2. Despite its damaged image, China had to overcome concrete economic obstacles, built up by the US-led anti-China coalition, in order to guarantee economic survival in the international system. Of course, trade and other

economic relations with Latin America still play a minor role in Chinese total trade (approximately 3 %), but China cannot allow itself to neglect any opportunity to reach its main goal: economic development through modernisation and most of all, openness.

3. Taking advantage of mainland China's problems caused by the Beijing massacre, Taiwan intensified its engagement with Latin American countries, provoking an atmosphere of competition with the People's Republic. Furthermore, China pressured Latin American countries (Haiti, Guatemala) to withdraw recognition of the Republic of China on Taiwan in order to get China's support for peacekeeping measures in the United Nations. China used a policy of "blackmail" (Mora 1997) to discredit Taiwan on the international level.
4. Besides the emphasis put on the areas of common ground between China and Latin America, Chinese leaders highlight one subject in any official meeting with their Latin American counterparts: the establishment of a new international order. Two conclusions can be drawn from this fact. First, China is concerned about the form of the world system, thinking about its position in it. China does not only perceive itself as an important actor in the global system, but also tries to shape the international system in harmony with its own principles and ideas, a fact which is, however, valid for other nations. Second, China is searching for alliances needed for the establishment of a new international order. Therefore, Chinese leaders underline the fact that China belongs to the same category of nations as Latin American countries, without occupying a leader status. However, this does not mean that China has a specific policy to reach Latin American countries. This policy is directed to all countries which still do not have an equal share in the global economy and which suffer from a lack of opportunities to impose their will on the international community.
5. The basic guidelines for Chinese policies, peace and development, replaced ideological concerns and are used in order to get the greatest benefit. Stressing the principle of self-determination, China does not intervene in any internal

affairs of Latin American countries, and no longer tries to promote concepts like the "united front" or "national liberation through armed struggle". Benefit and economic performance are by now higher goals. Therefore, the country seems to select those nations in the region that could be of strategic importance. As a result, China only has, first, a strategic partnership with Brazil, which is a regional power, providing an acceptable basis for a mutually beneficial relationship. Second, China fosters ties with Mexico and the Caribbean countries in order to open ways into the US market. Third, strengthening the relations with Chile, Peru and Mexico is motivated by the fact that all these countries, like China, belong to the APEC, a platform which is important for China's position in Asia-Pacific. Fourth, the Taiwan issue still is a reason for China to engage in stronger relations with Caribbean countries, which mainly recognise The ROC. China tries to convince as many states as possible to deny Taiwan in order to pursue its policy of "One China". Even if Chinese leaders now accept a moderate policy of "One China, two systems", they still claim the unique right to represent China in the world system, and are strictly opposed to any movement towards independence in Taiwan.

To sum up, Chinese foreign policy towards Latin America in the 1990s is conditioned by two factors. The imperative of economic modernisation and development represents an internal factor of influence: China is obliged to impose the imperative on all policy areas in order to guarantee the people's welfare and security. On the other hand, the Tiananmen incident immediately caused the external factor of influence. The US-led coalition adopted a constraint policy which hindered the strengthening of ties with other countries, mainly on the economic level. Furthermore, Taiwan challenged China's position in the Latin American region and represents an additional constraint. However, it cannot be assumed that Chinese foreign policy is only the outcome of a strict constraint policy of a third actor. The period from 1949 to 1972 covered the US policy of containing China. It is argued that China initiated its policy towards Latin America because of a deep anti-Americanism and a sense of mission. Between 1972 and 1988, China was not internationally isolated. Hence, it did not suffer

from a concrete constraint policy, but experienced the events in the international system in the sense that they conditioned China's manoeuvring space. The superpowers' hegemonic attempt or violation of the right of self-determination, which China condemned, allowed the latter to approach suppressed countries and to gain more influence in the international system. During that period, China could considerably improve its relations with the Latin American countries. China's "greatness" was the ability to jump on the bandwagon, meaning to take advantage of the situation.

At the beginning of this last decade of the century, the internal events in China provoked a negative reaction in the international community, which then restricted China's possibilities to act. The new emphasis China put on fostering ties with the Latin American countries emerged out of the need to fight the US-led constraint policy. And even if China could step out of the isolation rather quickly, at the end of this decade, China's position in the world system still is not clearly defined.

Chinese major concerns are the security in its own region, the struggle for territorial sovereignty in the South China Sea, the Taiwan issue and the problematic relationship with the United States, which deteriorated after the Taiwanese President's Lee Denghui visit to the United States in 1995 and the Taiwan Strait incident in 1996. Despite the Chinese Prime Minister Zhu's visit to the United States in April, 1999, the relationship with the latter is at its lowest level. Errant NATO bombs struck down the Chinese Embassy in Belgrad during the Kosovo crisis. And the Cox report revealed that China has stolen information on nuclear weapons programmes, satellites and submarines guidance systems from the United States.

China does not need Latin America in order to solve these problems, but has to foster its relations in Asia and normalise the relationship with the United States. US President Bill Clinton stated in 1996 that "the United States has no interest in containing China. That is a negative strategy. What the United States wants is to sustain an engagement with China [...] in a way that will increase the

chances that there will be more liberty and prosperity” (*The Economist*, 23rd of November, 1996). The question is whether this policy can be maintained in the future or whether a more powerful China, which refuses to play by the rules, would not oblige the United States to step back into its role of constraining China (see *ibid.*).

China’s optimistic view of its relations with Latin American will help to strengthen those ties in the next millennium. But it is not predictable to what extent China needs the Latin American countries in order to affirm its own position in the new international order.

4. Appendix: Sino-Latin American Relations in the 1990s

April, 1990	Foreign Minister of Guyana Rashleigh Jackson, visited China Agreement on economic and technological co-operation
May 12 th -30 th , 1990	Chinese President Yang Shangkun visited several Latin American Countries (Brazil, Uruguay, Chile, Mexico, Argentina) Sino-Argentine executive programme on cultural exchanges (1990-1992) Sino-Chilean Memorandum on plant quarantine Sino-Uruguayan agreement on cooperation in animal quarantine and sanitation Sino-Uruguayan Memorandum on plant quarantine Sino-Uruguayan agreement on co-operation in sports
May, 1990	Prime Minister of Barbados Lloyd Erskine Sandiford went to China Agreement on economic and technological co-operation
October, 1990	Uruguayan Prime Minister Hector Gros Espiell visited China Treaty on extension of loans by China to Uruguay
November 6 th , 1990	Suspension of the diplomatic relations with Nicaragua, that had restored relations with Taiwan, by the Chinese government
November 14 th 16 th , 1990	Argentine President Carlos Menem first visit to China Agreement on economic and technological co-operation
April 1 st -14 th , 1991	First visit of Peruvian President Alberto Fujimori to China Agreement on friendship and co-operation Joint Communiqué on "One-China-policy"

May 23 rd , 1991	Mexican Secretary of Foreign Relations Fernando Solana arrived in China
June, 1991	Jamaican Premier Michael Manley visited China Agreements on co-operation
August, 1991	Brazilian Foreign Minister Francisco Rezeh went to China Agreement on the avoidance of double taxation and prevention of fiscal evasion Notes on the establishment of new consulates-general
October, 1991	Colombian Foreign Minister Luis Fernando Jaramillo travelled to China
October, 1991	Venezuelian Foreign Minister Armando Duran visited China Agreement on oil exploration and development
May 6 th -11 th , 1992	Vice-Chairman of the Standing Committee of China's National People's Congress and member of NPC goodwill delegation Wang Hanbin went to Bolivia where he obtained the title of "Distinguished Guest to La Paz"
May 8 th , 1992	Surinam Foreign Minister Soebhas Mungra met his Chinese counterpart Qian Qichen in Beijing
May 8 th -11 th , 1992	Bolivian President Jaime Paz Zamora visited China Sino-Bolivian Trade Treaty Agreements on economic technological co-operation, on mutual protection for investment, on scientific and technological co-operation. Notes on China's assistance building a power plant and a culture center in Bolivia, on providing farm machinery and on providing wheat seeds
May, 1992	Ecuadorian Vice-President Luis Parodi Valverde made a goodwill visit to China

June 12 th , 1992	Meeting between Chinese Premier Li Peng and Argentine President Carlos Menem in Rio de Janeiro Agreement on the avoidance of double taxation and prevention of fiscal evasion
June 12 th , 1992	Meeting between Chinese Premier Li Peng and Chilean President Patricio Aylwin in Rio de Janeiro Agreement on co-operation in world affairs Agreement on the avoidance of double taxation and prevention of fiscal evasion
November 4 th -10 th , 1992	Argentine Foreign Minister Guido Di Tella paid an official visit to China
November, 1992	First visit of a Chilean President (Patricio Aylwin) to China
November, 1992	Senior Cuban Communist Party official Carlos Lage Davila held meetings with Chinese Premier Li Peng and Vice-Premier Zou Jiahua in Beijing
March, 1993	Uruguayan Vice-President arrived in Beijing for a two weeks stay
April, 1993	Ecuadorian Defence Minister visited China
April, 1993	Chilean General Pinochet met Chinese Defence Minister and visited PLA facilities
June, 1993	Chinese Foreign Minister Qian Qichen and Vice-Premier Zhu Rongji visited Brazil
June, 1993	Cuban Foreign Minister visited China Consensus on human rights
September, 1993	Sino-Ecuadorian agreements on trade and culture
October 3 rd , 1993	Dominican President Clarence Signoret paid an official visit to China

October 31 st -November 5 th , 1993	Jamaican Foreign Minister Paul Robertson went to China
November, 1993	Chinese President Jiang Zemin travelled to Brazil, Mexico, and Cuba Beginning of Sino-Brazilian strategic partnership: Sino-Brazilian agreement on peaceful use of the aerospace (satellite construction) Sino-Brazilian agreement on purchase of Brazilian iron ore
December, 1993	Uruguayan President Alberto Lacalle went to China
December 12 th , 1993	President of Guyana Cheddi Jagan paid his first visit to China
December, 1993	Mexican President Carlos Salinas visited China
January, 1994	President of Suriam Ronald Venetian visited China
February, 1994	Paraguay send goodwill delegation to China
February, 1994	Chilean leaders met Chinese Foreign Minister Qian Qichen in Beijing
March, 1994	Ecuadorian President Sixto Duran Balen went to China
April 4 th , 1994	Meeting of the Foreign Ministers of China Qian Qichen and Brazil Celso Luiz Nunes Amorim in Beijing
April, 1994	First visit of a Chinese Defence Minister (Chi Haotian) to Latin America (Brazil, Uruguay, Chile)
April, 1994	Delegation led by Hu Jintao (Standing Committee Member) followed the invitation of Uruguayan ruling Blanco Party, Argentinian ruling Justicialista Party and the Brazilian ruling Party

April, 1994	Sino-Argentine memorandum on juridical exchange
June, 1994	Peruvian President Alberto Fujimori and Premier Alfonso Bustamente travelled to China Agreements on promotion and mutual protection of investments, on the provision of export credits to Peru by the Bank of China, on consular development and Communiqué about promotion of stable and long-term bilateral relations
June, 1994	Chinese Defence Minister Chi Haotian received Chilean navy delegation
July, 1994	Establishment of a branch of The Bank of China in Panama. First Chinese Bank in Latin America
July, 1994	Sino-Brazilian agreement on air service
September, 1994	Honduras established trade and economic ties with China
October, 1994	Bolivian Vice-President Victor Hugo Cardenas travelled to China
October, 1994	Chilean Defence Minister Edmundo Perez Yoma met Chinese Premier Li Peng
November, 1994	Chairman of the Standing Committee Qiao Shi travelled to Argentina
November, 1994	Bolivian Defence Minister Raul Tovar Pierola met his counterpart Chi Haotian in Beijing
February, 1995	Chinese Foreign Minister Qian Qichen received delegation from Paraguay
February, 1995	Cuban Foreign Minister Roberto Robaina González visited China Agreement on cultural, educational, scientific and technological exchanges (1994-1995)

March, 1995	Sino-Cuban trade agreement
April, 1995	Colombian Vice-President Humberte de la Calle travelled to China
May, 1995	Chinese Minister in charge of the State Commission for Economic Restructuring Li Tieying met Argentine President Carlos Menem in Buenos Aires and Mexican President Ernesto Zedillo in Mexico-City
May, 1995	Delegation from the Chilean Party for Democracy held meeting with Hu Jintao (Member of the Politburo) in Beijing
June, 1995	Chinese Chairman of the NCP Li Ruihuan toured Latin America (Cuba, Jamaica, Brazil, Chile) Sino-Jamaican visa exemption agreement
June, 1995	Chinese Defence Minister Chi Hoatian travelled to Cuba and Peru
June, 1995	Peruvian first Vice-President-elect Ricardo Marquez Flores visited China
July, 1995	Sino-Brazilian memorandum of understanding on agricultural technology co-operation
July, 1995	Chinese military delegation visited Boliva, Peru and Ecuador
July, 1995	Sino-Mexican agreement on science and technology
July, 1995	Uruguayan Minister of Livestock, Agriculture and Fisheries Carlos Gasparri went to Beijing
August, 1995	Chinese Minister of Metallurgy Industry went to Peru
August, 1995	Sino-Argentine agreement on agricultural product export

September, 1995	Vice-President of Honduras Guadalupe Jerezano Mejia visited China
September, 1995	Peruvian President Alberto Fujimori travelled to China
October, 1995	Argentine President Carlos Menem visited China Agreement on the establishment of consulates-generals in both countries
October, 1995	Chinese Premier Li Peng went to Cuba, Mexico, Peru Sino-Mexican agreement on economic co-operation
November, 1995	Chilean President Eduardo Frei Ruiz Tagle went to China
November, 1995	Cuban President Fidel Castro visited China Three agreements on economic co-operation
November, 1995	Chilean Minister of Economy went to China
December, 1995	Brazilian President Henrique Cardoso visited China, Six documents on co-operation
January 26 th -February 11 th , 1996	Vice-Premier Zhu Rongji visited Argentina, Chile, Uruguay Sino-Argentine agreement on fishing
March, 1996	Surinam's Defence Minister Siegfried Gilds met his Chinese counterpart in Beijing
April, 1996	Chinese Chairman Qiao Shi travelled to Cuba
June, 1996	The Chinese Minister of Foreign Trade Wu Yi headed the biggest Chinese delegation of businessmen that has ever come to Latin America (Cuba, Mexico, Peru, Chile, Argentina, Uruguay, Brazil)

June, 1996	Foreign Minister of Jamaica Seymour Mullings met his Chinese counterpart in Beijing
August, 1996	Chinese Vice-Foreign Minister visited Colombia
August 1996	Chinese parliamentary delegation in Colombia and Venezuela
October, 1996	Colombian President Ernesto Samper travelled to China (first President of Colombia in China) Note on the maintainance of the Colombian consulate in Hong Kong Agreement on cultural and pedagogical co-operation (1997-1999) 5 documents on co-operation
October, 1996	Uruguayan Foreign Minister Alvaro Ramos went to China
October, 1996	Chinese Premier Li Peng toured Latin America
November, 1996	Mexican President Ernesto Zedillo visited China
January, 1997	Chinese leaders visited Mexico, Brazil, Cuba, Colombia, Peru, Chile, and Argentina. These were: Hu Jintao (Member of the Standing Committee), Li Lanqing (Vice-Premier), Huang Ju (Member of the Politburo)
January, 1997	Chinese cultural delegation toured Latin America (Brazil, Cuba, Ecuador) Sino-Ecuadorian agreement on cultural exchanges
March, 1997	Chinese Vice-President of the Military Commission Zhang Wannian toured Latin America (Argentina, Brazil, Chile)

March, 1997	Chinese Vice-Foreign Minister Li Zhaoxing visited Argentina
March, 1997	Bolivian President Gonzalo Sanchez Losada went to China
April, 1997	Uruguayan President Julio Maria Sanguinetti visited China
April, 1997	Highest ranking Chinese military delegation ever in Latin America visited Argentina
May 23 rd , 1997	Establishment of diplomatic ties between the Bahamas and China
September 1 st , 1997	Foreign Minister of Saint Lucia George Oldum went to China Saint Lucia and the People's Republic of China established diplomatic ties
September, 1997	Prime Minister of the Bahamas Hubert Ingraham went to China
September, 1997	Prime Minister of Antigua and Barbuda Lester Bird visited China
September, 1997	Agreement on economic and technological co-operation between China and Trinidad y Tobago
September, 1997	Agreement on economic and technological co-operation between China and Surinam
September, 1997	Sino-Brazilian joint communiqué on co-operation in human rights
November 17 th , 1997	First Vice-President of the Council of the State of Cuba, Raul Castro Ruz and the Foreign Minister visited China
November, 1997	Defence Minister of Uruguay, Raul Iturria went to China
December 1 st , 1997	Chinese President Jiang Zemin met President Ernesto Zedillo in Mexico

March, 1998	Chinese Commander of the PLA air force Lt-Gen Liu Shun Yao visited Chile, Brazil and Argentina
April 13 th , 1998	Chinese State Councillor Wu Yi met Cuban Vice-Foreign Minister Isabel Allende
May, 1998	Meeting between Chilean Foreign Minister José Miguel Insulza and Chinese officials, including Premier Zhu Rongji (6 th) in Beijing
May 8 th -19 th , 1998	Chinese Parliamentary delegation made a good-will visit to Brazil, Chile and Peru
May 18 th , 1998	Surinam's President Jules Wijdenbosch arrived in Beijing
June, 1998	Uruguayan Vice-President Hugo Batalla went to China
July 18 th -27 th , 1998	Chinese Vice-Premier Qian Qichen visited 5 Caribbean countries (Barbados, Guyana, Trinidad y Tobago, Cuba and Jamaica)
July, 1998	Mexican Secretary of Foreign Relations Rosario Green Macias visited China
July, 1998	Agreement on encouragement and protection of investments between China and Barbados
July, 1998	Sino-Cuban agreement on technology and economic co-operation
July, 1998	Sino-Guyanian agreement on exemption of visas for officials and on technological and economic co-operation
July, 1998	Exchange for letters of grant of 2 million RMBY for food supply between Trinidad y Tobago and China

September, 1998	Chinese Vice-Premier Wu Bangguo travelled to 4 Latin American countries (Venezuela, Peru, Colombia, Argentina)
September 9 th , 1998	Meeting between Venezuelan President Rafael Caldera Rodriguez and Chinese Vice-Premier Wu Bangguo in Caracas Agreement on agriculture, livestock farming, and fisheries
September 11 th , 1998	Agreement for disbursement of US\$ 2 million (“solidarity gift”) between Saint Lucia and China
October 8 th -9 th , 1998	Meeting between Chinese Premier Zhu Rongji and his Jamaican counterpart Perceival Patterson in Beijing on the 8th of October Meeting between Chinese President Jiang Zemin and the Jamaican Premier on the 9 th of October Jamaica supported the full membership of China to the WTO Agreement on preferential loans for Jamaica
October 19 th -31 st , 1998	First visit by a Chinese chief of general staff of PLA Fu Quanyou to Latin American countries (Argentina, Peru, Uruguay, Brazil)
October, 1998	Sino-Chilean agreement on economy and trade
November 3 rd , 1998	Peruvian Defence Minister General Julio Salazar went to China
November 28 th , 1998	Brazilian Foreign Minister Luis Felipe Lampeira arrived in China for a five-days-stay
November, 1998	Sino-Peruvian agreement on shipping and on economic and technological co-operation

December 1 st , 1998	Brazilian Foreign Minister Luiz Felipe Lampeira met his Chinese counterpart Tang Jiaxuan in Beijing Complementary agreement to the agreement on economic and technological co-operation
February, 1999	Meeting between Chairman Li Peng and Premier of Saint Lucia Kenny Anthony
February 25 th , 1999	Chinese Defence Minister Chi Haotian arrived in Cuba.
March, 1999	Chinese Defence Minister Chi Haotian went to Mexico
March 31 st , 1999	Meeting between Chinese Minister of Agriculture Chen Yaobang and Venezuelan President-elect Hugo Chavez
April, 1999	Mexican Defence Minister Enrique Cervantes Aguirre met his counterpart Chi Haotian in Beijing
June, 1999	Vice-Chairman of the Standing Committee Caon Zhi paid an official visit to Colombia and Cuba
August, 1999	Ecuadorian President Jamil Mahuad Witt held talks with Jiang Zemin in Beijing
September, 1999	Peruvian President Alberto Fujimori supported China's desire to enter the WTO during and APEC summit held in Auckland/New Zealand
October, 1999	Meeting between Venezuelan President Hugo Chavez Frias and Jiang Zemin and Zhu Rongji Seven agreements on the establishment of a mixed energy committee, mutual investment protection, and the provision of export credit to Venezuela worth US\$30 million

March, 2000	<p>Peruvian Foreign Minister Fernando De Trazegries visited China.</p> <p>Agreement on civil air transportation, on the protection and recovery of market property, on the establishment of political consultation and co-operation mechanisms between China and the Andean Community</p>
May, 2000	<p>Prime Minister of Barbados Owen Arthur visited China</p> <p>Agreements on the avoidance of double taxation, and the prevention of fiscal evasion</p> <p>Barbados' provision with a grant of US\$ 950,000 for project funding</p>
August, 2000	<p>Foreign Ministers of Colombia, Mexico and Chile as representatives of the Rio Group visited China</p>

Sources: *China Quarterly* (1990-2000), *China aktuell* (1998-1999), *China daily*, Xu Shicheng (1998), *Beijing Review* (1990-1999), *Beijing Rundschau* (1990-1999), Summery of World Broadcast (1990-1999)

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Discovery of the *Terra Incognita*: Five Decades of Chinese Foreign Policy towards Latin America.

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Working Paper No.2

Research Project: Latin America and the Pacific Asia

Institute of Political Science

University of Mainz, Germany

October 2000

www.asiayargentina.com

Editor General: Gustavo A. Girado

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