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China’s Role in Democratic Backsliding in Latin America: Mechanisms and Policy Recommendations

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Once celebrated for its hard-won gains in governance, human rights, and political freedoms, Latin America has suffered the world’s most significant recession of democracy over the past two decades.1 Concurrently, China has aggressively pursued influence in Latin America through financial investments, participation in telecommunication auctions, technology transfers, development of dual use infrastructure, trade, the Belt and Road Initiative (BRI), International Military Education & Training (IMET) opportunities, vaccine diplomacy, academic exchange programs, and various other diplomatic and soft power initiatives.2 These developments have led many to sound alarm bells about possible prospects for democratic weakening and backsliding, but to date, evidence remains wanting.

In this piece, we argue that China’s growing influence in Latin America: 1) relieves Latin American countries of financial and other pressures to uphold democratic norms and institutions; 2) undermines the sovereignty of Latin American countries by subverting political competition; 3) reduces vertical accountability between governments and voters in Latin America through corrupt transactions; 4) legitimizes and enables undemocratic behaviors in Latin America related to individual freedoms, surveillance, and free speech; 5) challenges free speech and media transparency in the hemisphere; and 6) contributes to global disorder in ways that detract attention from democratic weakening in the region. In the following, we discuss each in turn and conclude with several policy recommendations.

1. Relieving Democratic Pressures and Advances Parallel International Infrastructure

Leveraging various economic instruments, China routinely empowers and stabilizes likeminded authoritarians around the world with the overarching goal of building support for its domestic authoritarian model and a coveted revised international order. In their recent report, Berg and Ziemer (2024) classify this form of China’s influence on democratic backsliding as occurring by way of a “protection mechanism” – through which” China helps to “lock in” authoritarian regimes that emerge primarily as a result of endogenous factors” - and claim that contemporary authoritarian regimes support one another in ways that increase their chances of staying in power.3

In the context of Latin America, this coordination has involved Beijing shielding its closest partners in the region – namely, Venezuela, Nicaragua, and Cuba – from international sanctions, pressure regimes, and conditions (related to, for example, corruption and labor rights) that are often attached to financial support from democratically committed bilateral lenders and longstanding international financial institutions. Illustrative of this is both the fact that Venezuela was the largest recipient of Chinese loans to the region as of 2022 and the notable disparity between the $60 billion in Chinese loans provided to Venezuela, the largest recipient in the Latin

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3 Ryan C Berg and Henry Ziemer, “China’s Role in Democratic Backsliding in Latin America and the Caribbean,” 2024.
American region, and the $31 billion provided to Brazil, the second largest recipient in the region.\(^4\)

Most recently, there is increasing and striking evidence of an authoritarian relationship deepening between Nicolas Maduro and Xi Jinping. Anticipating growing tension with the United States and the democratic “West” more broadly following the increasingly obvious insincerity of Maduro’s commitment to free and fair elections in 2024, in September 2023 Maduro embarked on a visit to Beijing to renew engagement between the two countries.\(^5\) This visit resulted in the upgrading of the bilateral relationship to an “all weather, enduring strategic partnership” that would mutually benefit both countries – providing Venezuela with financial lifeblood and China with support for its geopolitical ambitions, broadly speaking.\(^6\) With the United States’ recent announcement that it would, in fact, reimpose sanctions on Venezuela due to the administration’s decision to ban opposition leader Maria Corina Machado from competing in these elections, this authoritarian alliance between Venezuela and China will be tested.\(^7\) If it prevails, the potential for authoritarian entrenchment in Venezuela is increased, providing legitimacy to the model and a compelling signal of alternative support to other Latin American leaders interested in pursuing similar authoritarian paths.

2. Undermining Sovereignty and Political Competition

China leverages its economic engagement in the region to subvert political competition and advantage allied incumbents. Substantial Chinese investments, foreign aid, and loans to countries with unstable economies – including Nicaragua, Cuba, Venezuela, Bolivia, and (formerly) Argentina – suggest that much of Beijing’s economic engagement in the region is not aimed at economic returns but rather at insulating specific vulnerable leaders to extract long-lasting political favor. For example, recent research shows that increased Chinese economic engagement in the aforementioned countries led to increased United Nations voting alignment, providing China with necessary support to transform the international order to more closely align with its values and worldview.\(^8\) The desired outcome of these transactional relationships is the consolidation of power of incumbent leaders and political parties in Latin America. In the past two decades, China’s efforts have borne fruit, with autocratic leaders in

Nicaragua, Cuba, and Venezuela entrenching their power and with democratic Argentina and Bolivia witnessing only sparse periods of opposition control.

The dynamics surrounding Argentina’s 2023 presidential election nicely illustrate the artificial political advantage afforded to Beijing-friendly incumbents. In 2022, one year before the race, Argentina surpassed Chile and Brazil as the top recipient of Chinese investment in Latin America.9 Despite Argentina’s recent 2020 default (the ninth time in its history)10, China’s investment in the Peronist government surged to help deal with a disastrous economic cocktail of hyperinflation, stagnant growth, and debt crises. In April 2023, months before the race, Peronist economy minister and presidential candidate Sergio Massa visited Beijing and secured a $6.5 billion yuan currency swap to prevent a fourth default on an upcoming International Monetary Fund payment.11 The timing and acutely short-term nature of these financial injections strongly indicate China’s commitment to propping up friendly governments, thereby fostering inequities in political competition. As expected, China froze the $6.5 billion lifeline12 following the victory of right-wing candidate Javier Milei and his pronouncement that Argentina would not, as promised, join the BRICS alliance.

3. Using Financing and Corrupt Practices to Reduce Vertical Accountability Between Governments and Voters

China’s opaque investments in Latin America exacerbate local corruption, amplify disregard for human and environmental rights, and undermine sovereignty to the overarching detriment of democracy.

Through its expansive Belt and Road Initiative, China finances and participates in the development of infrastructure in 21 Latin American signatory countries, often subverting international anti-corruption norms in pursuit of wealth, international access, connections, and soft power.13 Many Chinese state-controlled companies have issued lucrative bribes to local officials to win contracts, reduce official oversight, and inflate prices at the cost of citizens in recipient countries and their leverage in holding their governments to account.14

In addition, through its global infrastructure projects, China has undermined human rights, an important democratic cornerstone. For illustration, a 2023 United Nations (UN) Committee on Economic, Social, and Cultural Rights report found 14 cases of

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human or environmental rights violations related to Chinese business activities in Latin America. In 11 of the cases analyzed, there is compelling evidence of forced evictions, water contamination, and destruction of land and territory belonging to indigenous communities. The transgression of indigenous rights, specifically, compounds democratic weakening through further isolating minority groups and fostering their distrust of and willingness to engage with democratic representatives and institutions.

Finally, China’s high-interest loans lead to unsustainable debt in the Global South, and evidence suggests that China exploits these opportunities not just for financial gain but also for political concessions. For example, to service its $19 billion debt on Chinese loans and the Chinese construction of the massive Coca Codo Sinclair dam, Ecuador agreed to directly sell 80 percent of its oil to China at below-market rates, at the cost of social spending, gasoline subsidies, and public jobs. The giant Coca Codo Sinclair dam, opened in 2016, runs at half capacity, has widespread cracks in its machinery, led to deaths of 13 workers, and creates deadly flashfloods downriver. There is evidence of Chinese bribes to officials involved in the project. A growing financial dependency on China is undermining the sovereignty of Latin American countries and motivating leaders to bend to the will of China rather than the will of their constituents.

4. Promoting Undemocratic Behaviors and Norms in Latin America

China leads the world in the development and employment of mass surveillance practices and censorship technology – facial recognition software, video cameras, internet controls, and digitized identification cards – and increasingly exports its repressive internal security practices.

In recent years, and in light of rising rates of crime and violence, surveillance practices and censorship technologies have drawn the attention of Latin American governments. While offering possible solutions to some regional challenges, these have the potential to undermine democracy through enabling the consolidation of political power, facilitating the targeting of political opponents, and restricting the democratic rights, liberties, and choices of individual citizens. For illustration, in 2011, China financed thousands of high-powered cameras in Ecuador that provided footage to both the country’s police and domestic intelligence agency to use for wide-ranging surveillance purposes. As suggested above, evidence indicates that this technology was largely ineffective in combatting crime and was more impactful in empowering former president Rafael Correa’s targeting of political opponents and tracking and intimidating citizens.

17 Casey and Krauss, “It Doesn’t Matter If Ecuador Can Afford This Dam. China Still Gets Paid.”
18 Casey and Krauss, “It Doesn’t Matter If Ecuador Can Afford This Dam. China Still Gets Paid.”
Similar Chinese surveillance systems exist in Venezuela and Bolivia.\(^{21}\) In Venezuela, specifically, the ZTE Corporation – the People’s Republic of China’s state-linked telecommunications giant – partnered with the Maduro regime to dispatch a national identification card required to access social services, which tracks electoral activity.\(^{22}\) The linkage between receiving social services and political cooperation coerces and intimidates Venezuelans to support Maduro’s authoritarian government. Simply put, through export of authoritarian technology and values, China’s government is empowering authoritarian actors and promoting undemocratic norms in the region.

### 5. Threatening Free Speech and the Media’s Potential as a “Watch Dog”

China has dramatically expanded its global media campaign and operations with the explicit goal of spreading propaganda and narratives that promote Chinese interests. The content of these campaigns reflects the Chinese Communist Party’s (CCP) values and worldviews, often showcasing desirable outcomes that follow from authoritarian values of order and control. However, beyond shaping narratives, a 2022 Freedom House report details that Beijing has “harass[ed] and intimidat[ed]... [media] outlets that publish news or opinions disfavored by the Chinese government... use[d] cyberbullying, fake social media accounts, and targeted disinformation campaigns.”\(^{23}\)

With these various tactics, China’s efforts not only seek to undercut democratic norms surrounding free speech and access to information but also to weaken the media’s potential to serve as a “watch dog,” thereby undermining accountability linkages between governments and voters.

This campaign extends to Latin America, where Peru, Argentina, and Chile, for example, have witnessed particularly high levels of Chinese media penetration (Freedom House 2022). According to a comprehensive recent Diálogo Americas report, Beijing routinely leverages state media in the region to foster narratives favorable to the CCP, sometimes at the expense of objective reporting.\(^{24}\) For illustration, in Chile, Chinese Ambassador Niu Qingbao published an op-ed, titled “Building a Bridge of Civilization Exchange and Mutual learning with Global Civilization Initiative”, which spread disinformation with a distorted narrative accusing the United States of being the source of the COVID-19 coronavirus.\(^{25}\) In another example, in Panama, Beijing has leveraged the Xinhua News Agency and the China Radio and Television Administration to promote one-sided narratives highlighting the benefits of cooperation with China.\(^{26}\) As these examples illustrate, through its media outreach and promotion of anti-American and pro-Chinese messaging, Beijing is transforming information available to and consumed by Latin Americans.

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\(^{25}\) “China’s Charm Offensive in Latin America and the Caribbean.”

\(^{26}\) “China’s Charm Offensive in Latin America and the Caribbean.”
Americans in ways consistent with its worldview and inconsistent with democratic principles.

While there is impressive resilience and democratic pushback to Beijing-backed media influence in Latin America, China’s overarching and growing influence in the region may call into question prospects for continued resistance, especially among pro-Beijing actors. Any negligence of oversight or ineffective enforcement of legislation pertaining to press freedom from Latin American administrations has the potential to create openings for Chinese infiltration and democratic setbacks in the region.

6. Contributing to Global Disorder as a Distractor from Backsliding

Finally, China may be enabling democratic backsliding in Latin America by fueling global instability in ways that detract attention from Latin America and empower actual or want-to-be authoritarians in the region. For illustration, by prolonging the Russia-Ukraine War through providing “massive volumes of manufactured goods and technologies vital to Russia’ war effort” and reaffirming its “comprehensive strategic partnership with Tehran” in the aftermath Hamas’s October 7 attack leading into the Israel-Hamas War, Beijing-enabled distractions have captured the attention of the international community and media, leaving little bandwidth for less geopolitically salient stories. For illustration, in the height of the turmoil associated with conflicts in Eastern Europe and the Middle East, Nicolas Maduro threatened to invade Guyana’s Essequibo region, a particularly lucrative region following the discovery of significant oil deposits in 2015. While Maduro defends his posturing, arguing that Guyana’s claim to the Essequibo regime stems from an illegitimate agreement dated back to the 1800s, many understand his actions to reflect desperation for support and legitimacy for his authoritarian rule in advance of potential 2024 elections. While Maduro’s actions have resulted in diplomatic blowback, international attention quickly reverted to the Russia-Ukraine and Israel-Hamas conflicts, leaving Maduro outside of the spotlight and empowered to push his authoritarian project forward. Taken together, China’s contributions to global conflict and chaos have provided authoritarians with opportunities to misbehave and entrench their political power without the spotlight of the international community.

27 “Authoritarian Expansion and the Power of Democratic Resilience.”
28 Markus Garlauskas, Joseph Webster, and Emma Verges, “China’s Support for Russia Has Been Hindering Ukraine’s Counteroffensive,” Atlantic Council (blog), November 15, 2023, https://www.atlanticcouncil.org/blogs/new-atlanticist/chinas-support-for-russia-has-been-hindering-ukraines-counteroffensive/.
Conclusion

Through its leverage and influence, China may intentionally or inadvertently undermine democracy in the Latin American region and beyond. In response, the United States must be deliberate in countering China’s influence in Latin America and be particularly active in those mediums with the potential to subvert democracy in the region.

First, while refraining from historical practices of overt political intervention in the region, the United States should continue to promote democracy, recognize and legitimate democratic processes and their outcomes, and empower grassroots democratic organizations in the region. The Biden administration’s pro-democracy efforts targeting the Brazilian armed forces32 and prompt recognition of the results of the contentious 2022 Brazilian Presidential Election33 are instructive. These efforts are understood to have played instrumental roles in both subverting the execution of a planned coup d’etat and preserving democracy in Brazil, providing a guiding roadmap for effective democracy promotion in the region. Fast forward a year, and Latin America was confronted with another acute challenge to democracy – this time in Guatemala. Despite an uneven electoral playing field favoring the governing elite34, democracy and anti-corruption champion Bernardo Arévalo stunned domestic and international observers, winning the 2023 Guatemalan presidential elections.34 In response to challenges to his inauguration – including Guatemalan authorities’ claims that the elections were fraudulent and that Arévalo should be criminally investigated35 – the United States promptly issued strong statements of support for the country’s electoral process36 and supported Guatemalan democratic grassroots movements with intense and targeted diplomatic initiatives.37 With American support and despite persistent challenges, Arévalo was inaugurated as President of Guatemala in January 2024, with many claiming that this transition of power would not have been possible without continued engagement and support of the United States.38 As these examples illustrate, the United States has the potential to play an important role in preserving and promoting democracy in the region and one that may prove critical to countering democratic backsliding that may follow from China’s increasing influence in the region.

Second, the United States should incentivize greater American economic engagement with Latin America. Many Latin American countries turn to China because the country’s state-backed enterprises often provide the only options to meet their urgent

36 McFarland, “Sometimes the Good Guys Win.”
37 Sheridan, “How the Biden Administration Helped Avoid a Coup in Guatemala.”
38 Sheridan, “How the Biden Administration Helped Avoid a Coup in Guatemala.”
development needs. In 2023, China was South America’s largest trade partner.39 Leveraging its sizeable economy, the United States must do a better job of directing its foreign investment to provide a democratic funding alternative in the region. The majority of U.S. foreign direct investment continues to go to East Asia and the Pacific despite risks of a potential future conflict with China.40 A renewed economic partnership between the United States and Latin America would have profound mutual benefits. Moreover, it would go hand-in-hand with Washington’s interest in friendshoring industry and reducing reliance on China and economic interests in the broader Indo-Pacific region.41 The United States’ strict anti-corruption regulations and higher environmental, accountability, and labor standards has the potential to fuel growth in Latin America in critical sectors such as renewable energy, semiconductors, and education.42 The tradeoff is clear: opaque deals with China may lead to myriad of unforeseen costs and compromises to both local governance and national sovereignty while transparent engagements with the United States have the potential to cultivate sustainable development and protect democracy. With access to attractive foreign investment opportunities from the United States and partner democracies, Latin American leaders may experience added encouragement to uphold democratic institutions and practice accountability to their citizens, and Latin American publics may experience advances in human capital that cultivate the factors necessary for democratic strengthening and preservation throughout the region.

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