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FEATURED Q&A

Will Latin America Turn Against China Over Human Rights?



Earlier this month, the United States slapped sanctions on Chinese technology company Huawei, whose headquarters is pictured above. China has provided billions of dollars in support to Latin America in recent years. // File Photo: Brücke-Osteuropa via Creative Commons.

Q **The United States on July 15 announced it had sanctioned Chinese technology firm Huawei for alleged complicity in human rights abuses, saying “companies like Huawei ... provide material support to regimes engaging in human rights violations and abuses globally.” The announcement comes as China cracks down on protesters in Hong Kong, who for the past year have held massive demonstrations calling for democracy. To what extent have such developments altered Latin American and Caribbean countries’ attitudes toward China, a country that over the past decade has provided billions of dollars in lending and other support for the region? Are Latin Americans perceiving China less or more favorably than before, and how do they view China’s human rights record in Hong Kong and elsewhere? To what extent is increasing U.S.-China competition, including in the technology sector, changing Latin American governments’ relationships with the Asian giant?**

A **Guo Jie, associate professor at Peking University’s School of International Studies:** “The Trump administration’s latest escalation in its campaign against Huawei, citing allegations of it providing ‘material support to regimes engaging in human rights abuses globally,’ does not come as a surprise, given a long list of charges it has previously announced against the company. It is widely regarded in China as another move intended to politicize competition in high-tech innovation and interference in China’s internal affairs. The United States and China are Latin America’s top commercial partners. The ongoing tensions between the two countries have inevitably created

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TODAY’S NEWS

POLITICAL

Chile’s Piñera Shuffles Cabinet

Chilean President Sebastián Piñera changed several cabinet ministers following his government’s defeat on a measure to allow citizens to withdraw money early from their pension accounts.

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POLITICAL

Morales Backers Protest Bolivia’s Move to Delay Vote

Supporters of former President Evo Morales threatened a general strike and took to the streets in protest after the country’s election tribunal announced that it was delaying the presidential election by six weeks, citing the coronavirus pandemic.

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BUSINESS

Former CEO of Mexico’s Pemex Asserts Innocence

Emilio Lozoya, who led Mexican state oil company Pemex from 2012 to 2016, told a court that he was innocent of corruption charges. He was extradited from Spain earlier this month.

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Lozoya // File Photo: Pemex.

POLITICAL NEWS

Chile's Piñera Names New Cabinet Ministers in Shuffle

Chilean President Sebastián Piñera on Tuesday announced several cabinet changes following a strong legislative blow on a measure allowing citizens to withdraw a portion of their pension funds, a plan his government staunchly opposed, Bloomberg News reported. Piñera tapped Sen. Víctor Pérez as his new interior minister, replacing Gonzalo Blumel, and

“I call on this new cabinet and all of the Chile Vamos coalition to begin a new chapter for our government and for our country...”

— Sebastián Piñera

he appointed Jaime Bellolio to replace Karla Rubilar as the government's spokesperson. Other changes included Sen. Andrés Allamand as the new foreign affairs minister and Mario Desbordes as the new defense minister. Commentators have described the cabinet changes as a swing toward conservatism, Reuters reported. The move follows Congress' approval last week of a law that allows citizens to withdraw as much as 10 percent from their pensions savings as emergency relief amid the economic fallout brought on by the coronavirus pandemic. Piñera signed the legislation into law citing widespread support for the measure. His government had strongly opposed the bill, warning of long-term effects on pension payouts. It is Piñera's second cabinet reshuffle in nine months. “I call on this new cabinet and all of the Chile Vamos coalition to begin a new chapter for our government and for our country, with a constructive spirit, conviction, unity, faith and hope,” Piñera said during the swearing-in ceremony in Santiago, Reuters reported. Piñera's approval rating has fallen 15 points

over the past month to 12 percent, according to a recent Cadem survey.

Morales Supporters Protest Bolivia's Move to Delay Election

Supporters of former Bolivian President Evo Morales on Tuesday threatened a general strike, and at least 5,000 demonstrators took to the streets of the city of El Alto to protest the election tribunal's move to delay the vote by six weeks, Agence France-Presse reported. The election tribunal last week delayed the vote to Oct. 18, saying the move was needed because of a spike in coronavirus cases in the South American country. The vote had been scheduled for Sept. 6, though it was originally scheduled for May but delayed because of the pandemic. “The election date of Sept. 6 must be respected,” mining leader Lucio Padilla told AFP in an interview. “Our obligation is to defend democracy.” Labor activists are also threatening to call for national work stoppages beginning Monday if the election authorities do not move the election back to Sept. 6. “If this council is not heard ... the indefinite general strike begins,” said Carlos Huarachi, who leads Central Obrera Boliviana, the country's largest trade union federation. Supporters of Morales, who resigned last November after the military asked him to step down, accuse the government of right-wing interim President Jeanine Áñez of delaying the vote because Luis Arce, the candidate from Morales' MAS party, is leading in the polls. Áñez's government has said the Covid-19 pandemic has forced the delay. There are more than 72,000 confirmed cases of the disease in Bolivia and 2,720 reported deaths related to it, according to a tally by Johns Hopkins University. Yerko Núñez, the minister of the presidency, accused Morales and Arce of encouraging public protests, saying they raise the risk of further spread of the disease. Arce “has admitted that he is behind these protests ... and will have to be held accountable for the decision he has made,” said Núñez. “Let it be clear, the leaders of MAS, the coca growers of Chapare, the Bolivian Workers' Center and

NEWS BRIEFS

Mayor of Medellín Tests Positive for Covid-19

The mayor of the Colombian city of Medellín, Daniel Quintero, has tested positive for Covid-19, El Tiempo reported Tuesday. In a video published on social media, Quintero made the announcement, saying his viral load was so low he had to take the test twice to confirm he had contracted the novel coronavirus. Quintero said he had no symptoms, adding that he would be governing from a command center for the next 15 days, which will allow him to continue working while reducing his number of contacts.

Caribbean Islands Bracing Today for Tropical Storm

Puerto Rico and other Caribbean islands are bracing for a tropical storm today, with the U.S. National Hurricane Center warning of dangerous heavy rains and strong winds, the Associated Press reported. The agency said the storm is expected to move over or near the Leeward Islands during the day and arrive in Puerto Rico tonight. Then it is forecast to head toward the northern shores of the island of Hispaniola, the AP reported.

Paraguay's Economy Expected to Shrink 3.5 Percent This Year

Paraguay's economy is expected to shrink 3.5 percent this year due to the economic effects of the coronavirus pandemic, the central bank said Tuesday, Reuters reported. The central bank had previously said it expected the economy to contract 2.5 percent this year. From mid-March to early May, Paraguay was under a strict lockdown in an effort to curb the spread of the novel coronavirus. However, the economy has largely reopened since then. The country has more than 4,500 confirmed cases of Covid-19, and 43 people there are confirmed to have died of the disease.

all those who called for this mobilization, will be solely responsible for infections that occur and the collapse of the health system," Núñez added, Reuters reported.

ECONOMIC NEWS

Brazil's Extreme Poverty Rate Plunges Due to Payout

The number of Brazilians living in extreme poverty has plunged due to a government payout during the Covid-19 pandemic, though the poverty rate is expected to rise again after the government ends the program, according to a study by the Getúlio Vargas Foundation, the Associated Press reported. According to the study, the number of Brazilians living in extreme poverty declined in June to 6.9 million, or 3.3 percent of the country's population, as compared to 6.2 percent at the beginning of this year. The level of extreme poverty in Brazil is now at its lowest level since the late 1970s. Since April, Brazil's government has given some workers \$115 monthly, with single mothers receiving twice that amount.

BUSINESS NEWS

Former Pemex CEO Lozoya Asserts Innocence in Court

Emilio Lozoya, a former head of Mexican state oil company Pemex, on Tuesday told a court that he was innocent of corruption charges and vowed to denounce those who he said are responsible for his alleged crimes, Reuters reported. The trial is the highest-profile probe so far during the administration of President Andrés Manuel López Obrador, who ran on a promise to root out corruption in Mexico. Lozoya, who led Pemex from 2012 to 2016 while former President Enrique Peña Nieto was in

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spillovers into the region. I remember that about six or seven years ago, the United States publicly said China's presence in Latin America had played a positive role in promoting regional economic well-being. Today, this view basically no longer exists. Latin American countries are now under increasing pressure from Washington to resist China's growing influence. It remains unclear whether China would consider or has considered repositioning Latin America in its international strategy. Nevertheless, for the time being, with the exception of some cases such as Brazil, most countries in the region still give priority to their own practical interests rather than simply taking sides for ideological reasons. Considering the acute Covid-19 crisis and the looming economic and social 'pandemic' afterwards, Latin America's choice is more likely to be to take a balanced route to seek advantages and avoid losses caused by unnecessary involvement in the competition between the world's two largest economies."

A Ricardo Barrios, senior analyst at RWR Advisory: "The United States' measures against Chinese companies, including Huawei, have not visibly changed Latin American governments' receptiveness toward Chinese companies, nor Latin Americans' disposition toward the People's Republic. This is, at least partially, due to the fact that the country remains a distant unknown to the majority of Latin America and the Caribbean (LAC). The information

office, has another court hearing today. Federal prosecutors accuse him of authorizing outlays worth hundreds of millions of dollars on a defunct fertilizer plant that Pemex acquired from Altos Hornos de México, a steelmaking company he is alleged to have taken bribes from. The heads of the steelmaker have denied wrongdoing. Lozoya is also charged with taking \$4 million in bribes from Brazilian construction giant Odebrecht. Prosecutors have yet to read

gap is particularly wide when it comes to China's human rights abuses in Hong Kong and Xinjiang—and the complicity of certain Chinese firms in them—which are regularly covered by the press in the United States, but do not feature as visibly in LAC. In the absence of that context, many in the region

“No country, not even Bolsonaro's Brazil, wants to publicly commit to excluding Chinese firms...”

— Ricardo Barrios

attribute the United States' claims against Chinese firms in their entirety to an unfolding great power rivalry in which they are reluctant to participate. Though the United States has sought to galvanize the region into drawing down their engagement with China (especially in critical areas such as telecommunications infrastructure), the effort has not had Washington's intended effect. Faced with increasingly urgent demands that they turn China away, Latin American countries are refusing to take a side in the contest. Regardless of how they really feel, no country, not even Bolsonaro's Brazil, wants to publicly commit to excluding Chinese firms, as this would jeopardize their economic relationship with the world's second-largest economy. This is doubly so if they are not convinced that Chinese firms pose a greater security risk than any other foreign firm."

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out the charges relating to this part of the investigation, Agence France-Presse reported Tuesday's trial was held by videoconference, as Lozoya was hospitalized due to anemia upon his arrival in Mexico earlier this month. Lozoya was extradited from Spain, where he was arrested in February after having fled Mexico last year. "I will demonstrate that I'm not responsible or guilty of the crimes attributed to me," Lozoya said in court.

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A **R. Evan Ellis, Latin America research professor at the U.S. Army War College's Strategic Studies Institute:** "In my interactions with military, business and other people in the region since China's engagement began to take off there in the early 2000s, I observe that distrust toward the People's Republic of China coexists with hopes of benefiting from access to the Chinese market or playing a role in local investment and other activities by Chinese companies. Mistrust varies by person, but often includes concerns over Chinese business practices,

“**The Chinese government and its companies have a record of vindictiveness for those who criticize...**”

— R. Evan Ellis

the authoritarian character of its government and China's human rights practices. The Chinese government and its companies have a record of vindictiveness for those who criticize (such as the embargo against Australian beef for calling for an investigation of China's role in Covid-19 or threatening to cancel British infrastructure projects when it considered excluding Huawei from 5G). Thus, Latin American officials and businessmen, and academics not wanting to jeopardize their next PRC-sponsored invitation to China, mute expression of such concerns. While most Latin Americans see Huawei simply as a provider of competitively priced phones, its products and architectures present two grave risks. Under China's 2017 National Security Law, the PRC government can demand providers such as Huawei turn over data on Latin American users, including sensitive commercial and government data, as well as compromising, exploitable information on individual users. Additionally,

China's export of surveillance and control systems (for example, ECU-911, BOL-110, Uruguay's border surveillance system, cameras in the Colón free trade zone and various 'Smart Cities' initiatives attractive in combating crime) potentially give authoritarian regimes such as Venezuela tools to control and repress their populations."

A **Rebecca Bill Chavez, nonresident senior fellow with the Peter D. Bell Rule of Law program at the Inter-American Dialogue and former U.S. deputy assistant secretary of defense for Western Hemisphere affairs:** "Like the rest of the world, the people of Latin America and the Caribbean are increasingly troubled by the Chinese government's human rights abuses in Hong Kong and the Xinjiang province. Nevertheless, China will continue to be an essential economic partner to the region. In fact, Chinese finance and investment will only grow in importance as the Covid-19 crisis decimates the economies of Latin America and the Caribbean, which are expected to contract by 9 percent this year. When it comes to China, U.S. messaging to the region needs a complete overhaul. Many of our Latin American partners view the Trump administration's critiques of Chinese abuses as disingenuous given the degradation of democratic governance and the rule of law here in the United States. Images of active duty U.S. troops putting down peaceful protests in Lafayette Square have permeated Latin America's news media. The message that Latin America must choose between the United States and China in areas such as the technology sector has also fallen on deaf ears—especially given the need for productive U.S. engagement in the region."

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at gkuleta@thedialogue.org.

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