

## Abstracts

1 Approach to a New Model of International Relations and the Chinese–Latin American Community of Shared Destiny

He Shuangrong

**Abstract:** Building a “Community of Shared Destiny” is one of China’s new ideas and practices promoted by Xi Jinping, General Secretary of the CPC Central Committee, since the 18<sup>th</sup> National Congress of CPC. It is not only China’s “dream for the world” and peaceful development commitment, but also a new guiding principle for China’s international affairs. Latin America is an important partner for China’s call for building a “Community of Shared Destiny”. Based on the leap–forward development in the past tens of years, China and Latin America have forged a community for mutual development, and now are making efforts together to develop it into a community of common security and political interests to promote a new type of international relations and the international regime change in the global governance structure. However, the process is facing massive challenges due to a variety of uncertainties including economic growth slowdown in China and Latin America, political and economic uncertainties in the world, identity changes of some Latin American countries, and the emerging view that China’s relationship with Latin America represents a north–south relationship rather than a south–south one. To overcome those challenges, China should maintain strategic concentration and patience and continue to make joint efforts with Latin American countries to develop the Community.

**Key words:** Community of Shared Destiny, Chinese–Latin American relations, development interests, global governance

23 Chinese–Latin American Production Capability Cooperation: Motivating Factors, Progress and Challenges

Wan Jun

**Abstract:** Based on economic complementarity, the Chinese–Latin American economic relations gained a rapid development in the past tens of years. Now, against the backdrop of global economic slowdown, both parties are facing massive challenges of sustaining and expanding their economic linkages. On the other hand, there are emerging opportunities for them to take as they are advancing structural reforms of economy. In Latin America, there is a strong demand for investment in infrastructure. Some regional countries are implementing development plans centered at industrialization and industrial

diversification. Thanks to the complete industrial system and the high production capacity, China is able to respond to development demands in Latin America. The cooperation of production capacity between China and Latin America will greatly contribute to Latin America by fully utilizing China's technology, equipment and capital. It will play a significant role in promoting China's reform of the economic structure and updating its economical open-up process. The cooperation is advancing and has achieved certain results in some key areas. But, it has yet to reach the expected level due to a variety of constraints including the lack of continuity of economic policies in Latin America, the deficiency of Chinese enterprises' communication with local communities, and the failure of Chinese enterprises in fulfilling the responsibility of protecting the environment.

**Key words:** China, Latin America, international industrial cooperation, trade, investment

#### 42 Medium to High Rate Growth of China's Economy and the Economic and Trade Cooperation Between China and Latin America

Xie Wenzhe

**Abstract:** Latin America is quite closely related to China in some key fields including reduction of greenhouse gas emission, exportation growth of goods, and importation of resource commodities. The over-supply of these commodities is the root cause for the sharp fall of prices. China continues to play a significant role in stabilizing the global demand for commodities and sustaining the export of commodities in Latin America. It is indicated that the economic and trade cooperation between China and Latin America is moving from the "trade-driven" period to the "financing-driven" one, due to the accelerated economic integration in the Asia-Pacific region, a new wave of global industrial restructuring and especially the medium to high rate growth of China's economy. In the second period, China's strong demand for Latin America's resource commodities will remain to be an important engine of the bilateral economic cooperation. In the meantime, China and regional countries are expected to forge the "Trade + Investment + Financing" model to deepen their economic ties. Latin America can be regarded as a potential part for China to fulfill the "One Belt, One Road" strategy. Infrastructure is an important physical basis for the cooperation between China and the region. Free trade will contribute to building up the institutional framework of economic cooperation. Production capacity cooperation between China and Latin America should focus on capital and technology intensive industries in major regional economies such as Brazil and Mexico.

**Key words:** medium to high rate growth, Latin America, economic and trade cooperation, capacity cooperation

#### 59 Red Soybean: The International Political Economy of Agriculture Between China and South America

Mariano Turzi

**Abstract:** This paper analyzes the determinants of Chinese demand for agricultural

products in Latin America. With a focus on soybeans, it then describes the economic and political conditions of South American supply, taking into account the region's historical experience with a trade model based on commodity exports. During the past decade, the region has been one of China's most dynamic trading partners. Producers in South America (Brazil, Argentina, and Paraguay) and buyers in Asia (China in particular) are locked into a mutually interdependent relationship poised to grow in the future as a result of demographic and economic factors in emerging Asia. It is pointed out that the agricultural sector is a new vector of international integration (between producers) and a potential source of regional dis-integration (with China being the pulling apart force). It is worth of attention that the international agricultural political economy links being created with China are not serving a redistribution of the added value in favor of resource rich countries. From an international political economy standpoint, management of the relation will eventually require new institutional frameworks to guarantee long-term credible commitments. Countries in South America are pressed to formulate regional-level coordinated policies to address the challenges in the areas of infrastructure and logistics development, education and human capital formation or the creation of cross-border production clusters.

**Key words:** food security, South America, soybean, the Dutch disease, Global Value Chain

## 76 Chinese–Latin American Economic Relations: An Analysis Based on China's Economic New Normal

Niu Haibin

**Abstract:** Due to China's entry into the economic New Normal and the economic slowdown in Latin America, there is a rising concern over whether they could sustain the economic and trade relations at a high level and whether the economic transformation in Latin America could be benefitted from its economic partnership with China. Both parties are facing common challenges of pushing forward reforms of economic structures and updating international economic rules. China has made remarkable efforts to sustain the Chinese–Latin American economic relations by promoting domestic economic transition, making overall development plans, and enhancing investments and financial cooperation. In Latin America, there is economic slowdown, the right-turn of regional politics and the diplomatic swing to developed countries, imposing a massive impact on China. To overcome challenges from the New Normal and Latin America, China needs to take new measures including improving its international image, pursuing a strategy of diversified investment, emphasizing the development of infrastructure, building up relations among the government, the market and the society, and facilitating the arrangements for economic liberalization. The 2030 Development Agenda will occupy an important position in the Chinese–Latin American economic cooperation agenda.

**Key words:** new normal, economic slowdown, sustainable development, Chinese–Latin American economic and trade relations

## 94 Outward FDI in China and Latin America: A Comparative Study

Chen Taotao, Chen Chen, Lourdes Casanova

**Abstract:** In the past decade, the growth rates of outward foreign direct investment from China and Latin America were remarkable. China and Latin American countries have emerged to be the main investors among developing countries or even in the world. They have different development bases and modes although they are developing countries. The article conducts a comparison of major characteristics of China and Latin America's outward foreign direct investment covering investment trends, industrial distribution, geographical distribution and types of their enterprises. Then it explains how these characteristics came into being and analyzes the outward FDI development process of both sides. It is pointed out that China's outward FDI is from large-sized state owned enterprises and concentrated on energy, mining and manufacturing industries. In Latin America, outward FDI is mainly from large-sized privately run enterprises and concentrated on resource and resource related manufacturing industries.

**Key words:** China, Latin America, outward FDI, investment capability

## 111 Evolution of Industrial Policies in Developing Countries: A Case Study of Brazil's Bio-fuel Industry

Li Jinbing

**Abstract:** The article conducts an analysis of Brazil's bio-fuel industry based on Porter's "diamond model" to reveal the industrial policy changes of the developing countries. They continued to use industrial policies as a tool to foster competitive advantages of their emerging industries. It shows that proper industrial policies can lead to a virtuous circle among industrial fundamental factors. The driving factors of industrial policy changes involve varied strategic needs along with the variation of development stages, relative changes in market prices and advances in industrial technology. In the short term, a well-developed industrial policy can contribute to the rapid rise of emerging industries and in the long term, it will be able to promote industrial and technological progress and to change consumers' needs and preferences. The market continues to be a mechanism in correcting mistakes caused by an industrial policy, promoting industrial technology, and expanding the scale of an industry. The government should take the initiative to update industrial policies to promote industrial competitiveness. It is concluded that the Chinese government at all levels should develop and implement new policies for specific industries and foster industrial competitive advantages corresponding to a particular development stage.

**Key words:** developing countries, emerging industries, competitive advantages, industry policy, Brazil

123 *Democracy in Latin America: Political Change in Comparative Perspective* (by Peter H. Smith)

Tan Daoming

**Abstract:** In his book of *Democracy in Latin America*, Peter H. Smith outlines a map of political change of Latin America in the 20<sup>th</sup> century, and evaluates the quality of regional democracies since the third political circle. He finds out that by the end of the 20<sup>th</sup> century, democracy defeated all other forms of government and became the most common form of government in the region. However, in terms of the quality of democracy, regional democracies remain to be electoral ones and are considered as illiberal in terms of rights guarantees. As Peter H. Smith points out, the rise of the New Left has demonstrated this region's democratic dialectics. But, in some regional countries, left wing ideologies are proved to be closely intermingled with deeply rooted populism, posing a serious damage to their democratic institutions and causing a more illiberal democracy. It is concluded that Latin America could hardly cross the so-called Illiberal Democracy Trap in the short term, due to long recessions of major economies in the region, political losses from the Pendulum Effect, the global emergence of populism represented by the Trump phenomenon in the United States and the referendum to leave the European Union in Britain, and the possible reversal of globalization.

**Key words:** *Democracy in Latin America*, illiberal democracy, Illiberal Democracy Trap, New Left, populism

135 *Capitalismo Periférico: Crisis y Transformación* (by Raul Prebisch)

Yuan Xingchang

**Abstract:** Structuralism, founded by Argentine economist Raul Prebisch, is a school of thought proposing the center-periphery concept and the deterioration in terms of trade condition. It advocates a research of economic development based on the specific relationship between economic, social and political power structures in periphery countries instead of simply relying on an economic theory. According to this thought, the unfair distribution of income generated by the social structure as well as the disturbing role of power factors on the market is the main reason resulting in economic structural imbalances, spiraling inflation and economic system crises. Development and underdevelopment are two aspects of the process of world capitalism. Market rules would fail to be an effective mechanism for resource allocation if structural imbalances were not fully corrected. It is concluded that peripheral countries are able to achieve full development by creating their own driving force and breaking away from the traditional developing pattern.

**Key words:** structuralism, center-periphery, structural imbalances, market rule, monopoly law, inflation

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