

Latin America in Light of China's Global Economic Power: Brazil and Ecuador and their foreign policies A Comparative Study

**América Latina à luz do poder global econômico da China:
o caso do Brasil e do Equador e o comportamento
da sua política externa.
Estudo comparado.**

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Resumen

El presente artículo tiene como objetivo delinear los factores que inciden en el afianzamiento de las relaciones sino-latinoamericanas. Se sostiene que el interés político, comercial y financiero de América Latina respecto a China se explica en función del posicionamiento logrado por dicho país



como segunda economía mundial. El análisis de los casos de Brasil como un país relativamente industrializado y Ecuador como un país pequeño sirve como un referente empírico para comprender y explicar cómo se ha comportado la política exterior de ambos países en torno a China y permiten indagar sobre los ejes prioritarios de su relación desde una perspectiva comparada. El artículo concluye que si bien ambos países tienen una relación estratégica con China, el caso de Brasil muestra matices de una política exterior fuertemente vinculada a China en las esferas políticas, comerciales y

financieras, mientras que en el caso de Ecuador la dependencia financiera subyace como elemento de peso en la política exterior.

Palabras clave: economía de América Latina, comercio exterior, política exterior, China, Ecuador, Brasil, Temas de Nuestra América

Abstract

This article aims to outline the factors that have influenced the strengthening of Sino-Latin American relations. It argues that Latin America's political, commercial and financial interests towards China are explained in terms of the position consolidated by China as the world's second largest economy. An analysis of Brazil as a relatively industrialized country and of Ecuador as a small nation serve as an empirical reference in explaining and understanding how the foreign policies of both countries have behaved with respect to China and allows us to question the priority areas of their relationship from a comparative perspective. The article concludes that while both countries have a strategic relationship with China, in Brazil's case, foreign policy is strongly tied to China in the political, commercial and financial spheres, while Ecuador's financial dependence on China is the most important element in its foreign policy.

Keywords: Latin America economy, international trade, foreign policy, China, Ecuador, Brazil, Temas de Nuestra América

Resumo

O objetivo de este artigo é descrever os fatores que afetam o fortalecimento das relações sino-latino-americanas. Se argumentado que o interesse político, comercial e financeiro na América Latina em relação a China é explicado em termos de posicionamento alcançado por esse país como a segunda economia mundial. A análise dos casos do Brasil como um país relativamente industrializado e Equador como um país pequeno serve como um referente empírico para entender e explicar como se comportou a política externa de ambos os países em torno da China e, ainda, permitir obter informações sobre as prioridades da sua relação, a partir de uma perspectiva comparativa. O artigo conclui que, embora ambos os países têm uma relação estratégica com a China, o caso brasileiro mostra nuances de uma política externa fortemente ligada a China nos âmbitos políticos, comerciais e financeiros, ao passo que no caso do Equador, a dependência financeira é o elemento mais importante na política externa.



Palavras chave: Economía da América Latina, comércio exterior, política externa, China, Ecuador, Brasil, Questões de Nossa América

Introduction

Since China emerged as the second largest economy in the world, their political and diplomatic efforts have been focused on identifying a common agenda with Latin America. This includes a foreign policy agenda known as China's Policy Paper on Latin America and the Caribbean for 2008, based first and foremost on cooperation, mutual benefit and shared profit. The strengthening of Sino-Latin American relations is strongly influenced by geopolitical interests, specifically the demand for energy resources and agricultural food products and the introduction of products manufactured in China in the region's markets. Several countries have further strengthened their relations with China in different areas. In terms of trade, China became the top export destination for both Brazil and Chile in 2013, representing 43,9 % of the total value of exports from both countries for that year and 61,8 % of exports from Brazil, Chile and Peru in 2014. Additionally, 35,3 % of all imports into Brazil and Chile in 2013 and 60 % of all imports into Brazil, Chile and Peru in 2014 originated from China. While

17 of the region's countries imported products from China in 2013, most of which were manufactured goods, for Argentina, Brazil, Chile, Cuba, Ecuador, Panama, Peru and Venezuela, Chinese imports amounted to more than 10 % of their total imports (The World Factbook, 2013). Furthermore, China has established itself as the region's top international lender, ousting traditional sources of financing such as the World Bank, especially in the case of Venezuela, Argentina and Ecuador, which have allocated their loans from China to financing their economies. Within this framework, we find it necessary to contextualize the main aspects of China as the world's second largest economy in order to outline its relationship with Latin America.

China on Today's Global Economic Stage

As of 2011, China holds claim to the world's second largest economy and was named the world's top trading superpower in 2014 after undergoing one of the most dynamic modernization processes in international history (Rodríguez, 2015: p. 339). In order to fully understand the global economic power achieved by the Asian giant, however, it is necessary to refer back to the period that marked the beginning of China's development as a market economy. At



that time, Deng Xiaoping¹⁸ established a series of economic reforms in China known as the “open doors” model, which aimed to catapult China from a closed economy marked by isolationism to a market economy through economic liberalization. China’s international relations under Deng’s leadership included a strategy founded on the opening-up policy and the withdrawal of diplomatic recognition from Taiwan (Rodríguez, 2015: p.346). Along with Deng’s economic reforms during the 70s and the end of the Cold War, China took significant steps to integrate itself into the global economy. Even though China was not a formal member of the General Agreement on Tariffs and Trade (GATT), it was able to benefit from the trade liberalization policies of countries like the United States through the “most favored nation” clause (Ripley, 2002: p.134). The admission of China to the World Trade Organization (WTO) in 2011 further strengthened the country’s unprecedented economic growth.

In fact, Slipak argues that foreign trade has been the top foreign policy tool used by China to achieve unprecedented economic growth, reaching an annual average of 10 % between 1978 and 2011 (2014, p.12). Current data shows that Chinese exports grew by 107,70 % between 2005 and 2010 and by 40 % between 2010 and 2013. It is worth mentioning, moreover, that in 2013 China achieved overall economic growth of 7 %, positively affecting global economic recovery (ECLAC, 2014: p. 15)¹⁹. The impressive rate of exports from China has continued to grow and in 2014 totaled \$2 342 trillion (WTO, 2015: p.44).

Chinese exports grew by 107.70 % between 2005 and 2010, while achieving a growth rate of 40 % between 2010 and 2013. Due to this growth, in 2013 China took first place as exporter of office equipment and telecommunications, totaling \$594 million, and also became the top global exporter of textiles and clothing that same year, totaling \$285 million and representing 39 % in the clothing sector and 35 % of textiles (WTO, 2014: p.54-60).

18 Prior to becoming the paramount leader of the People’s Republic of China, Deng Xiaoping was a leading member of the Communist Party of China led by Mao Zedong. Along with several other leaders, however, Deng was accused of being a traitor for forming part of a right-wing sect within the party that sought to insert capitalist ideas into the communist model established by Mao in China.

19 Growth percentages have been calculated from the data available from UNCTADstat which indicates that China’s merchandise exports (in millions of dollars) totaled \$761 953 for 2005, rising to \$1 577 754 for 2010 and to \$2 209 007 for 2013.



In 2014, China's merchandise exports grew by 6.0 %, making it the top export power in the world, while its Gross Domestic Product (GDP) grew by 7.3 % that same year, making it one of the fastest growing countries in terms of GDP worldwide (United Nations Conference on Trade and Development, 2016). Chinese exports for 2014, totaling \$2,24 trillion, were distributed among its top trading partners and trade destinations, including the United States (16.9 %), Hong Kong (15.5 %), Japan (6.4 %) and South Korea (4.3 %). It is worth noting that none of China's top trade partners are from Latin America (The World Factbook, 2015). Furthermore, imports into China between 2005 and 2010 grew by 111,56 %, while recording a growth rate of 39,65 % between 2010 and 2013. In 2013 China registered a trade balance surplus of \$259 billion.²⁰

Moreover, the economic position consolidated by China at the international level has served as a platform from which to increase its influence in several regional spheres, as is the case of the Association of Southeast Asian Nations (ASEAN), the Asia-Pacific Economic Cooperation forum (APEC), BRICS and, most recently,

through dialogue with Latin America at the first CELAC-China Summit in 2014, which, according to Rodríguez, has been China's top diplomatic initiative to help strengthen political relations with Latin America (2015: p. 110).

China's Policy Paper for 2008: A political and diplomatic tool in China's relationship with Latin America

China's political and diplomatic relations have been focused on developing a common agenda with Latin America. This includes a foreign policy agenda known as China's Policy Paper on Latin America and the Caribbean for 2008, based on the Five Principles of Peaceful Coexistence²¹ that serve as the basis for all of China's international relations in the region. In 2015 Song Xiaoping wrote that "China's relationship with third States is always based on the five principles of peaceful coexistence. China will conduct normal State relations with any country, regardless of its left- or right-wing ideology, provided the five principles of peaceful coexistence are respected" (Xiaoping, 2015: p.73). Additionally, China's Policy Paper clearly states that the country's foreign

20 Growth percentages have been calculated from the data available from UNCTADstat which indicates that China's imports (in millions of dollars) totaled \$659 953 for 2005, rising to \$1 396 247 for 2010 and to \$1 949 992 for 2013.

21 The five principles of peaceful coexistence are: 1) territorial integrity and sovereignty; 2) non-aggression; 3) non-interference in internal affairs; 4) equality and mutual benefit; 5) peaceful coexistence.



policy towards Latin America is based on a win-win strategy and not a win-lose or a zero-sum game. This statement is supported by Rodríguez's study in which he argues that China's strategy in Latin America differs from the strategies implemented by the traditional powers throughout history, which always included the category of enemy (Rodríguez, 2015: p. 348). As a result, and through this political and diplomatic tool, China has outlined its main area of interest as the natural resources possessed by the region.

China and Latin America: Common strategic interests?

In terms of its relationship with Latin America, China has established itself in the international sphere as a strategic actor with interests focused on two core ideas. In the context of China's economic growth during the past three decades, the need has arisen to strengthen international trade with Latin America, a region with the capacity to offer not only food products, but also energy (Slipak, 2014: p. 12). China's large-scale industrialization model demands significant energy resources, many of which can be found in the heart of Latin America, in areas with the greatest biodiversity on the planet. In fact, China's demand for energy resources from the region has increased considerably with certain

oil-producing Latin American nations. This is in addition to the demand for other sources of energy such as gas, coal, copper, etc. Some studies maintain that China's demand for commodities from the region has led to the reprimarization of the different countries' economies due to their refocusing on primary extractive or maquila-type activities which have no added value, coupled with a serious impact on land, territory and resource tenure, specifically with regard to the extraction activities conducted by China in the different countries (Svampa, 2013: p.3).

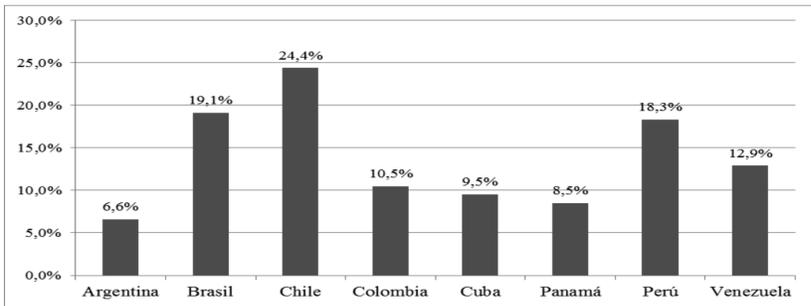
According to Ramirez, China's strong commercial interest in the commodities possessed by Latin America is partly explained by the trade deficit experienced by China since the end of the 90s in different industries for the industrialization of copper, iron ore, nickel and soybean (2013: p.241). Slipak maintains that the trade relationship between Latin America and China is asymmetric, given that Latin America exports products from primary extraction or industrial activities based on natural resources, while its imports from China are highly diversified and include products with a high degree of added value (2014: p.7). Nevertheless, as Ramirez points out, "In Sino-Latin American trade, China has emerged as the region's most



dynamic Asian trading partner, ousting Japan and foreshadowing the imminent replacement of the European Union as the second biggest trading partner in the region for 2016” (2013: p. 241). Several countries have already made China their top trade destination for exports in 2014, including Brazil, Chile and Peru,

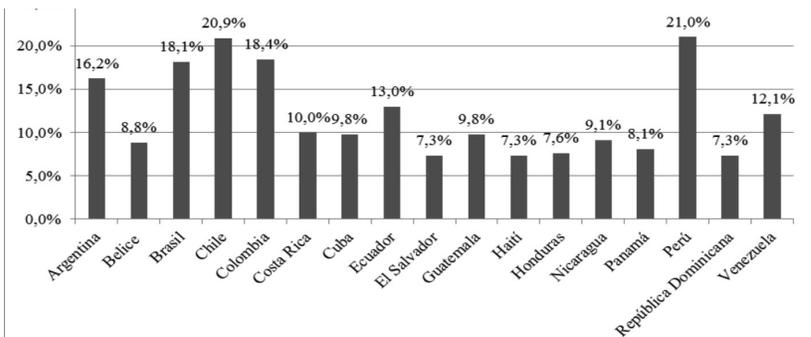
while for countries like Belize, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras and Nicaragua, China does not even feature among their top five (The World Factbook, 2014).

Graph 1.
Top Percentages of Exports from Latin America to China for 2014



Source: Prepared by the author based on data provided by The World Factbook (2015).

Graph 2.
Percentages of Imports to Latin America from China for 2014



Source: Prepared by the author based on data provided by The World Factbook (2015).

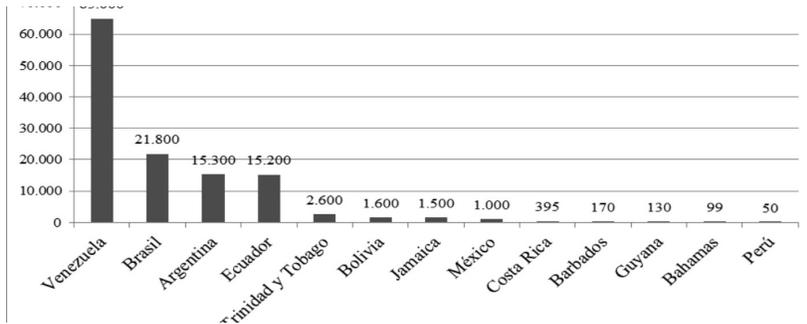


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Moreover, China has emerged as the primary international lender for Latin America. According to the Inter-American Dialogue’s China-Latin America Finance Database for 2015, “Since 2005, China Development Bank and China Export-Import Bank have provided upwards of \$125 billion in loan commitments to Latin American and Caribbean (LAC) countries and state-owned firms” (Gallagher and Myers, 2014).

The financing received by many Latin American countries has been concentrated on infrastructure, mining and energy projects and others areas tied to the needs and demands established by each government in accordance with their development models (Gallagher and Myers, 2014). This, in the words of Ramirez, represents a “shift to center-left by Latin American governments” (2013, p.241).

Graph 3.
China-Latin America Finance by Country (in millions of dollars)
2005-2015



Source: Prepared by the author based on data provided by Gallagher and Myers (2014).

http://www.thedialogue.org/map_list/

In fact, several Latin American countries have even opted to secure Chinese financing over sources of lending from Western organizations like the World Bank. This can be observed in the case of three Latin American countries: Venezuela with 82.52 % of loans from Chinese sources vs. 0 % obtained through

the World Bank; Argentina with 41.9 % of loans from Chinese sources vs. 24.81 % obtained through the World Bank; and Ecuador with 73.54 % of loans from Chinese sources vs. 1.55 % obtained through the World Bank from 2005-2011 (Basabe and Martinez, 2014: p.149). That said, for this study we have



found it interesting to expound on the behavior of the foreign policies of Brazil as a relatively industrialized country and of Ecuador as a small country in relation to China.

Behavior of Brazil's Foreign Policy: Multilevel perspectives in its relationship with China

Beginning with Lula da Silva's presidential term, Brazil's interest in building a strategic alliance with China has increased. As a presidential candidate in 2002, Lula revealed the nuances of his top foreign policy proposals, focused primarily on creating an economic and development agenda of his own through the use of an alternative model, placing an emphasis on reducing Brazil's risk and vulnerability in international financial markets, expanding its trading spectrum and strongly criticizing interventionism in domestic policy by international organizations like the International Monetary Fund and the World Bank, among others (Grasa, 2004: p. 8). Lula's agenda included other important aspects as well, such as building a closer relationship with other regionally-important countries like South Africa, India, China and Russia (Grasa, 2004: p. 8). Furthermore, Lula declared his support for forming a strategic alliance with Beijing, which would include support in international

organizations and permanent scientific collaboration (Spitaels, 2009: p. 276).

To that effect, Brazil's foreign policy during Lula's presidency from 2003-2010, known as "autonomy through diversification", included a phase in which Brazil possessed both the resources and the capacity necessary to diversify its relations (Pereyra, 2013: p. 109-114). In this way and as part of this strategy, China went from being an important actor for Brazil's interests in Lula's speeches to a strategic partner during his presidency. Mansilla points out that "China became Brazil's largest trading partner, a position previously held by the United States of America. In this way, Beijing absorbed 13.2 % of all Brazilian exports and originated 12.5 % of all imports into the South American country" (2012: p. 2). The strengthening of Brazil-China relations can best be explained by Brazil's need to expand into the global market, one of the top goals of Lula's foreign policy agenda, that is, to establish the country as a "global trader" as is defined by Duarte and Trindade in which "globalism" or the "universality of diplomatic action" looks for a concrete course of action to help transform the country into a global trader (2008: p. 90).



As former president Lula stated, “As of 2003, our government has made the strategic decision to build an increasingly closer relationship with China” (Duarte and Trindade, 2008, pp.92 citing Silva, 2004). This rapprochement was later visible in the trade figures between the two countries, which registered growth of 72.72 % from 2000-2001 and 80 % from 2002-2003.²² In 2004, former president Lula made an important visit to China during which Brazilian companies entered into a total of 15 trade agreements with the Asian giant in several different industries, including iron and steel, oil (such as the agreement between Petrobras and Sinopec for oil exploration, production, refining, sales and pipeline construction), telecommunications, thermoelectric power and investment, among others. During his visit, then-president Lula stated, “We share the same objective of competitively integrating our economies into the globalized market of the 21st century” (El Universo, 2004). The agreements reached energized political and trade relations between the two countries in the different industries. It is especially important to note that during Lula’s presidency, in May of 2008, Brazil, Russia, India and China formed what has come to be known as the BRICS countries, joined later by South Afri-

ca in 2011. Of these countries, China represents half the combined GDP (Rosales and Kuwayama, 2012: p.15). Under President Dilma Rousseff, relations between the two countries continued the course set by her predecessor. The scope of Brazil-China relations during Lula and Rousseff’s presidencies can be seen through Brazil’s growing international trade, primarily in terms of exports as we will discuss below.

Foreign Trade and International Finance

Brazil’s merchandise exports grew by 70.35 % between 2005 and 2010 and by 19.94 % between 2010 and 2013²³. The export structure by product group in 2013 was distributed as follows: 36 % food items, 4 % agricultural raw materials, 16 % ores and metals, 9 % fuels, 24 % manufactured goods and 1 % other (United Nations Conference on Trade and Development, 2016).

In 2014, China was Brazil’s top export market, receiving 19.1 % of all merchandise from Brazil. The United States came in second with 12.6 % and Argentina third with a total of 6.8 % (The World Factbook, 2014). In terms

22 Percentages have been calculated from the data available in Duarte and Trindade’s article (2008).

23 Growth percentages have been calculated from the data available from UNCTADstat which indicates that Brazil’s merchandise exports (in millions of dollars) totaled \$118 529 for 2005, rising to \$201 915 for 2010 and to \$242 179 for 2013.



of merchandise imports, between 2005 and 2010 Brazil registered a growth rate of 146.73 % and of 30.75 % between 2010 and 2013.²⁴ Similar to the export sector, China was also Brazil's top trading partner in terms of imports, originating 15.6 % of all imports into the country in 2013 and 18.1 % in 2014 (The

Table 1.
Top Exports to China (in millions of dollars) 2013-2014

Description	2013	2014
Soybean, including soybean meal	17 148	16 615
Iron ore and concentrates	15 933	12 303
Crude oil	4 035	3 473
Cellulose	1 347	1 424
Sugars	1 432	880
Hides and unprepared skins	429	554
Poultry meat	441	519
Ferroalloys	497	504
Soybean oil	517	340
Raw tobacco	454	334
Cotton	189	333
Chemical wood pulp	230	282
Tanned hides	210	271
Refined copper and copper alloys	587	256
Others	2 577	2 529
Total	46 026	40 617

Source: Prepared by the author based on the data available in the China-Brazil Business Council Update. http://www.cebc.org.br/sites/default/files/china-brazil_update_v.final_oficial.pdf

²⁴ Growth percentages have been calculated from the data available from UNCTADstat which indicates that Brazil's merchandise imports (in millions of dollars) totaled \$77 628 for 2005, rising to \$191 537 for 2010 and to \$250 447 for 2013.

World Factbook, 2013-2014). The top exported products from Brazil to China include soybean, iron ore, crude oil, animals, sugar, tobacco, cotton, leather and



refined copper, among others. Exports from Brazil dropped significantly in 2014, however, due to the falling prices of international commodities, including soybean and iron ore (China-Brazil Business Council, 2015: p.4).

China is not only important to Brazil in terms of their merchandise trade, however, given that it has become a significant source of financing for a number of different projects. Brazil is now China's second largest debtor from Latin America with loans totaling almost \$21.8 million. Brazil received eight international loans between 2005 and 2015 from entities such as China Development Bank, SINOPEC, The Export-Import Bank of China, Bank of China and ICBC, for the mining, energy and infrastructure industries, among others (Gallagher and Myers, 2014).

Behavior of Ecuador's Foreign Policy: Multilevel perspectives in its relationship with China

Ecuador, a small Andean nation, is another country that has strengthened its foreign relations with China as a result of the development model proposed by President Rafael Correa. According to the National Plan for Good Living (2013-2017), the goal is to overcome traditional logic based on capital accumu-

lation and economic growth and aim instead for human development as a key objective in the fight against poverty. Without a doubt, transforming the nation's international policies is the backbone of Correa's program. This is reflected in several different documents, including the Ideological Manifesto of the PAIS Alliance movement²⁵, which also expresses the country's interest in the integration of Latin America and in cooperation and solidarity as a strategic objective (2006: p.12). In this context, there is a clear interest in South-South cooperation, refocusing foreign policy on the countries or groups of countries that have been classified as marginal or third world, calling them "the great victims of the hegemonic capitalist system, performing the role of subordinate or dependent" (Alianza País, 2006: p.12). For its part, Article 416, paragraph 10 of Ecuador's Constitution determines the need to promote a multipolar world order through the active participation of regional political and economic blocs and the strengthening of horizontal relations.

It is worth noting that the new global dynamic into which Ecuador's international policy has been inserted also appeared in both the National Development Plan (2007-2010) and the National Plan (2010-2013). However, it

25 Political party led by Rafael Correa.



is the National Plan for Good Living (2013-2017) that outlines the importance of China for Correa's administration, citing the crisis of capitalism and its impact on decelerating the economic power of the United States as one factor that explains the need to reevaluate Ecuador's political, economic and trade relations worldwide (2013: p.13). In this new global economic order, Ecuador is committed to consolidating its economic relations first and foremost with strategic actors in the global system and, in this context, China is considered a key actor for Ecuador: "In today's renewed global context, two phenomena have emerged that directly favor the positioning of Ecuador and Latin America in the global system: the emergence of regional political and economic integration processes and the increase of political and trade relations with new global actors" (SENPLADES, 2013, p.13). Within this framework, Ecuador's foreign policy during Correa's presidential term has prioritized its relationship with China, due, to a large extent, to the interests pursued by the government at the national and international levels.

Foreign Trade and International Finance

Ecuador's merchandise trade in terms of total exports grew by 73.16 % between 2005 and 2010 and by 42.65 % between 2010 and 2013²⁶. In the case of merchandise imports, growth was recorded at 100 % between 2005 and 2010 and at 32.60 % between 2010 and 2013.²⁷ The export structure by product group in 2014 was distributed as follows: fuels (52 %), food items (34 %), manufactured goods (6 %) and agricultural raw materials (4 %) (United Nations Conference on Trade and Development, 2016).

From January to April of 2013, China was among the top destinations for non-petroleum exports from Ecuador, occupying twelfth place with a total export amount of more than \$82.45 million (FOB) (PROECUADOR, 2013, p.11). From January to October of 2015, China moved up to fourth place for non-petroleum exports from Ecuador, receiving 4.90 % of total exports (PROECUADOR, 2015, 11). Included

26 Growth percentages have been calculated from the data available from UNCTADstat which indicates that Ecuador's exports (in millions of dollars) totaled \$10 100 for 2005, rising to \$17 490 for 2010 and to \$24 951 for 2013.

27 Growth percentages have been calculated from the data available from UNCTADstat which indicates that Ecuador's merchandise imports (in millions of dollars) totaled \$10 287 for 2005, doubling to \$20 591 for 2010 and rising to \$27 305 for 2013.



Table 2.
Top Exports to China (in thousands of dollars)
January to April 2012-2014

Description	Units	2012	2013	2014
Fish flour	FOB ¹	4 421	24 682	9 990
Copper waste and scrap	FOB	15 569	14 549	11 612
Shrimp, prawns and other unfrozen decapods	FOB	5 662	9 582	16 905
Sawn or refined timber	FOB	2 993	4 194	6 305
Fresh bananas	FOB	2 228	4 041	23 666
Copper ore and concentrates	FOB	0	3 304	3 624
Gold ore and concentrates	FOB	429	2 860	9 455
Others	FOB	16 557	16 994	25 228
Total	FOB	47 589	80 206	106 786

Source: Prepared by the author based on the data available in the *Evolution of Ecuadorian Exports Report January-April (2012-2014)*

http://www.proecuador.gob.ec/wpcontent/uploads/2013/07/PROECUADOR_IC_03-31.pdf

in Ecuador's top non-petroleum exports to China are fish flour, copper waste and scrap, shrimp, prawns, sawn timber, fresh bananas, copper ore and gold, among others. From January to April of 2014, total imports grew to approximately \$106.79 million (FOB) (PROECUADOR, 2014).

Moreover, China has emerged as the primary source of financing for Ecuador. During President Rafael Correa's

presidency, the country has acquired a significant international debt of more than \$15.2 million, making it China's fourth largest debtor from Latin America (Gallagher and Myers, 2014). Between 2009 and 2015, Ecuador acquired 11 new international loans through entities like China Development Bank and The Export-Import Bank of China, in the energy and infrastructure industries, among others (Gallagher y Myers, 2014).

28. Free on Board; Incoterm used in international commerce to refer to the cost of merchandise at the time it is loaded onto the buyer's transport in the country of origin.



Conclusions

The position consolidated by China in the global economic scene over the past few years has been a decisive factor in its relationship with Latin America. The tendency of many Latin American countries to insert their economies into new international markets as well as the need to diversify their expanding markets has led to a significant rise in exports from the region to China as a top trade destination. Such is the case of Brazil, where China has become a strategic foreign policy actor on many different levels, including strengthening political relations and its influence on Brazil's trade policy to promote increased exports to the Asian giant, as well as the importance of China in terms of international lending for the relatively industrialized Southern Cone country. Similarly, the BRICS countries platform has one of the highest projections in terms of economic and trade growth achievable by both countries on an international level.

In the case of Ecuador, as a small Andean country, we have been able to observe that during President Rafael Correa's presidency, China has become a major actor in some sectors more than others. Within this framework, the National Plan for Good Living (2013-2017) revealed that one of the reasons for

strengthening relations with China lay in the need to form ties with new strategic actors based on the country's interests. Thus, China and its importance at the global level constitute a key element in understanding its importance in Ecuador's foreign policy. To illustrate this point, China currently places among Ecuador's top twenty merchandise export destinations, occupying an important place in terms of trade exports. Moreover, a cross-cutting theme is Ecuador's distancing itself from traditional sources of financing, such as the World Bank, and rather turning to Chinese lending institutions, where, during recent years, Ecuador has acquired significant international debt relative to the size of its economy. Against this backdrop, Ecuador's financial dependence lurks beneath the surface as an important factor in the foreign policy of a small country like Ecuador in relation to China.

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