DOI: https://doi.org/10.37075/BJIEP.2025.2.06
Bulgarian Journal of International Economics and Politics, 2025, Vol. 5, Issue 2, pp. 119-135

The New Silk Road and Latin America: Contributions and Limits to the Power in the Global South

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Received: 19.10.2025
Available online: 22.12.2025

Abstract

The Belt and Road Initiative (BRI) stands as one of the main instruments of China's geoeconomic rise, challenging the monetary and financial hegemony of the United States and promoting a reorganization of global power dynamics. Its expansion into Latin America reflects a strategic move to extend China's influence while simultaneously generating a new configuration of economic interdependence in the region. By analyzing the hegemony of the dollar standard and Sino-Latin American economic relations, this study investigates the impacts of the BRI on Latin America and its implications in the ongoing power struggle between China and the United States. It is argued that, although the Chinese initiative offers an alternative to traditional Western financing and enables new development opportunities, it also imposes structural and strategic challenges. The growing Chinese presence in the region may consolidate new forms of economic dependency, deepening Latin America's specialization in commodity exports and infrastructure aimed at external markets. Furthermore, the BRI unfolds within an environment of increasing geopolitical rivalry, where the United States seeks to maintain its historical influence over Latin America through alternative financial and diplomatic mechanisms. Thus, this study highlights the complexity of Latin America's integration into the Belt and Road Initiative, emphasizing the monetary, structural, and political tensions that arise from this process and the challenges that Latin American countries face in building an autonomous strategy amid the ongoing reconfiguration of the global economy.

Keywords: Belt and road Initiative; Latin America; China; geopolitics
JEL: F50, O19, E44, F15

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Introduction

China's economic rise and the expansion of its global influence have reconfigured the dynamics of the international economic order, challenging the North American hegemony consolidated since the post-World War II period. In this context, the Belt and Road Initiative (BRI), launched by the Chinese government in 2013, emerges as one of the main vectors of this transformation, structured as an ambitious project of global infrastructure and economic integration. Latin America's integration into this initiative reflects a broader movement of reconfiguring international economic relations and gives rise to a crucial debate about the limits and possibilities that arise in the face of this new geopolitical and geoeconomic reality. Thus, the present study seeks to analyze the relationship between the New Silk Road and Latin America, exploring its contributions and limits in the context of the power dispute between the Global North and South.

The study starts from the premise that the United States' hegemony in international relations is deeply linked to the centrality of the dollar as the hegemonic currency in the international financial system. From Bretton Woods to the configuration of the contemporary fiduciary system, the monetary power of the United States has consolidated its ability to finance deficits and expand its global influence without the restrictions faced by other countries. China's economic rise, however, challenges this monopoly, albeit paradoxically: while helping to sustain the dollar's primacy through the accumulation of foreign exchange reserves in US Treasury securities, Beijing progressively seeks to reduce its vulnerability to the dollarized system by promoting the internationalization of the renminbi and developing alternative financial institutions (Santos, 2022; de Conti, 2020; de Freitas, 2019; Torres Filho and Pose, 2018). This movement is part of the logic of contesting and adapting to the current order, characterizing one of the main axes of analysis of this study.

To understand Latin America's insertion in this dispute, it is essential to analyze the evolution of economic relations between China and Latin American countries (Lopes Filho et al., 2022a; Lopes Filho et al., 2022b; Ferchen, 2011), in order to historically situate the ties established over the last decades. If, in the past, the interaction between these regions was marginal, the Chinese economic restructuring from Deng Xiaoping's reforms boosted a process of deeper integration, intensified in the 21st century. China became one of Latin America's main trading partners, acquiring a growing protagonism in the import of commodities and the granting of financing for infrastructure and strategic sectors. This process, however, is not free from challenges, as it reinforces a subordinate insertion of Latin America in international relations, based on the export of primary products and the dependence on external investments for structural projects.

The New Silk Road thus emerges as a mechanism for expanding Chinese presence in Latin America and as a catalyst for disputes between Beijing and Washington for regional influence. The BRI introduces a concrete alternative to traditional Western financing, challenging the logic of historical dependence of Latin American countries on multilateral financial institutions dominated by the United States. However, this new geopolitical and geoeconomic configuration also brings risks and uncertainties, both regarding the indebtedness of Latin American countries to Chinese creditors and the geostrategic implications of Beijing's expanded presence in the region. The Sino-American rivalry manifests itself, in this sense, through increasing pressure exerted by the United States on governments in the region to limit Chinese influence, especially in strategic sectors such as infrastructure and technology.

Given this scenario, this study is structured around three central axes. Firstly, it investigates the hegemony of the dollar standard and its relationship with China's economic rise, analyzing the mechanisms of dependence and monetary contestation that characterize the contemporary global economy. Secondly, it examines the evolution of Sino-Latin American economic relations, exploring the structural dynamics that shaped this interaction over the last decades. Finally, it analyzes the impact of the New Silk Road on Latin America, highlighting its implications for the power dispute between the United States and China and the challenges that face the countries of the region in the face of this new geopolitical board.

The present study adopts a qualitative research design based on a critical literature review and documentary analysis, contextualized within the theoretical framework of International Political Economy (IPE). This methodological choice is justified by the need to interpret complex geopolitical shifts and the reconfiguration of global power dynamics through a "structuralist" lens rather than a purely functionalist or market-based approach. The research is structured around a comparative analysis of primary and secondary sources, including official government white papers, multilateral infrastructure agreements (such as BRI Memorandums of Understanding), and specialized scholarship in international relations and monetary theory. By triangulating official Chinese geostrategy—specifically the 2013 Belt and Road Initiative framework—with US regional responses and Latin American diplomatic documents, the research identifies the evolving patterns of dependence and contestation within the Global South.

To ensure empirical rigor, the analysis integrates a multi-scalar comparative approach. At the global level, the study assesses the "dollar standard" and the internationalization of the renminbi through recent SWIFT and PBOC institutional data. At the regional level, the methodology employs geopolitical coding to contrast the varying responses of Latin American states to Chinese infrastructure capital, distinguishing between countries formally integrated into the BRI and those maintaining a balanced or ambiguous stance due to North American influence. This process involves a systematic review of trade agendas (e.g., ComexStat data) and financing terms provided by institutions like the China Development Bank vs. traditional Western creditors, allowing for an evaluation of whether current investments reinforce neo-extractivist patterns or offer viable pathways for regional productive diversification.

The hegemony of the dollar standard and China's economic rise: between dependency and monetary contest

The supremacy of the United States in international relations is inextricably linked to the centrality of the American dollar as the hegemonic currency in the international financial system (Fines and Soni, 2024; Belluzzo and Tavares, 2002). The rise of the dollar standard as the main medium of command consolidated the preponderant position of the United States, giving it a monetary prerogative that transcended historical conjunctures and economic crises of significant magnitude. In its trajectory of affirmation, this monetary hegemony became one of the structural pillars of the contemporary world order, facilitating the financing of trade deficits and the expansion of North American foreign policies without the usual restrictions faced by other States. China, emerging as a central actor in the global economy, plays an ambiguous role in this architecture: simultaneously supporting the dollar's primacy and building alternative paths to mitigate its dependence on the US currency (Hung, 2013: 17).

Under Bretton Woods, the dollar was central, fixed to gold at $35 per troy ounce. Other national currencies were pegged to the dollar, creating a structural global dependence on its stability. This arrangement conferred a unique advantage: the US could finance deficits without the restrictions other nations faced, thanks to constant global demand for dollars for reserves and trade. This dependence was reinforced because other countries had to accumulate dollar reserves to maintain exchange rate stability and participate in trade, as the dollar was the only currency directly convertible to gold. While the US had the privilege of issuing the dollar, this power was ultimately limited by the US Treasury's gold reserves, which conditioned its global economic and political influence.

In this context, Hung (2013) emphasizes that China, which had gone through the Communist Revolution in 1949, remained relatively isolated from the monetary order imposed by Bretton Woods. During the 1950s and 1960s, the country adopted an autarkic economic strategy, based on a centralized planning model, without great integration into global financial markets. Unlike other emerging economies that depended on the dollar's convertibility to facilitate their commercial transactions, China tried to develop a self-sufficient economic system, minimizing its exposure to the volatility of the international monetary market dominated by the United States. However, the lack of access to the global monetary system and the absence of dollar reserves significantly hampered China's economic growth during this period. While countries like Japan and Western Europe rebuilt their economies based on integration into the dollar standard and North American economic support via the Marshall Plan, China remained on the margins of the global financial system, resorting to strategic alliances with the Soviet Union until the early 1960s, when the Sino-Soviet relationship deteriorated.

When President Nixon ended the dollar's gold convertibility in 1971, that move fundamentally reshaped the global economy. Belluzzo and Tavares (2002) argue that the resulting new international division of labor, driven by multi-sourcing, forced the US to sustain growing trade deficits to accommodate rising Asian economies. This process, tied to the global expansion of US capital, both fuelled the Bretton Woods rupture and intensified financial liberalization starting in the 1980s. The end of the gold-dollar link was more than a mere technical shift; it established the Flexible Dollar Standard. The dollar, now unbacked by gold, was sustained primarily by confidence in the US government's stability. This new arrangement cemented the dollar's centrality not just as a unit of exchange, but as the main instrument of global economic and geopolitical command. It allowed the US to finance growing deficits without the limitations of the old gold-backed regime. The standard's maintenance hinges on a complex interplay of US monetary power, global financial structure, and geopolitical influence, solidifying an asymmetric interdependence between the US and the world.

In this period, China was beginning the restructuring of its economy under the command of Deng Xiaoping, adopting measures of openness – albeit controlled and restricted – and modernization, which gradually inserted it into global production chains. The export-oriented industrialization model transformed China into one of the main creditors of the United States, since the accumulation of trade surpluses was accompanied by a growing acquisition of US Treasury securities. This phenomenon consolidated Sino-American interdependence, in which China finances the expansion of North American consumption while the United States maintains the dollar as the essential unit of global transactions.

The relationship between China and the United States in the monetary field reveals an inherent contradiction in the global financial system: while Beijing seeks to diversify its foreign exchange reserves and reduce its dependence on the dollar, its own economic position depends on maintaining the monetary stability provided by the American currency. The accumulation of US debt securities allows China to control part of the United States' financing capacity. However, due to the closed capital account, the country is not exposed to international capital flows of a speculative and volatile nature, while the stabilization of the yuan remains linked to the dollar standard. The 2008 financial crisis highlighted the fragilities of this arrangement, as market volatility led Beijing to seek alternative strategies, including promoting the yuan as an international settlement currency and strengthening financial institutions parallel to the Western-dominated system, such as the Asian Infrastructure Investment Bank (AIIB) (Zhang, 2015: 2).

However, this dynamic is fundamentally geopolitical, not solely monetary. The Euro's and RMB's ability to compete with the Dollar (USD) relies heavily on the issuing countries' political and military power, institutional reliability, and international alliances. The dollar's hegemony is sustained not just by US monetary policy, but by its geopolitical position, control over global financial institutions, and the security guarantees it offers allies. Therefore, even if an expansionary Federal Reserve policy caused the dollar to depreciate—leading investors to sell dollar-denominated assets—the USD's dominance would likely be maintained by geopolitical factors, such as US influence and global power projection.

Defenders of a multipolar monetary regime predict that greater substitutability between reserve currencies would induce a new discipline in the domestic monetary policies of each reserve currency issuing country, mitigating the negative externalities associated with these policies and promoting a stabilization of volatile international capital flows. Furthermore, the reserve currency issuing countries would have a more robust incentive to coordinate their domestic monetary policies within a multipolar regime, since they would share both the benefits of international seigniorage and the burden of adjusting the global balance of payments.

One major challenge is that China limits the Yuan's global liquidity by maintaining closed capital accounts, preventing it from becoming a viable alternative to the dollar as the main reserve currency. Furthermore, the relative stability of multipolar versus unipolar systems is a key theoretical debate. The widely-cited Theory of Hegemonic Stability argues that the international monetary system is most efficient and stable when dominated by a single economy (da Silva et al, 2020; Eichengreen, 1987). This model posits that a dominant power provides the necessary coordination and predictability, thereby minimizing monetary disorder. Historical examples supporting this include Great Britain's dominance under the 19th-century gold standard and the United States' central role during the post-WWII Bretton Woods regime, both relying on the hegemonic power's economic and political strength.

This perspective is contested by authors like Barry Eichengreen, who argues that, even during these periods of hegemony, the stability of international monetary systems was not guaranteed exclusively by the leadership of a dominant power. Eichengreen points out that, both in the gold standard period and in the Bretton Woods regime, the stability of the system depended largely on international cooperation between economic powers, and not just on the ability of a single power to impose its rules. Even when Great Britain and the United States held dominant positions, the global system was, in practice, sustained by multilateral agreements and the recognition that collaboration between countries was essential for maintaining global financial order (Eichengreen, 1987: 63).

According to John Mearsheimer, the pursuit of hegemony is a dynamic and competitive process because great powers constantly seek to maximize their own power. While the dominance of a single power may offer temporary stability, it remains vulnerable to shifts in the balance of power, leading to long-term instability. The historical pattern of the rise and fall of British hegemony, followed by the rise of the US, demonstrates this intrinsic dynamic: supreme powers are always challenged by rivals seeking to reconfigure the global balance. Mearsheimer (2001) argues that the contemporary rise of China and the inevitable containment response from other powers follow this same historical logic. The trajectory of any challenged hegemonic power reflects the transitory and competitive nature of international relations, where the quest for dominance invariably sparks security conflicts and confrontations.

Therefore, building a new international monetary regime that depends exclusively on a single hegemonic power would be, according to Eichengreen (1987), a risky strategy, as it would ignore the transitory nature of hegemony and the need for a system based on cooperation and negotiation between multiple actors. The stability of a more enduring global monetary regime, whether multipolar or unipolar, would require a structure that takes into account the diversity of interests and powers in the international system, recognizing that, although a hegemonic power can provide leadership in times of crisis, the sustainability of the system fundamentally depends on collaboration between States. Thus, a regime based exclusively on the domination of a single power can be unstable in the long term, and multilateral cooperation remains an important element to guarantee the stability of the system.

Sino-Latin American economic relations: a historical and structural analysis

The rise of China as a global economic power has reconfigured the dynamics of the international system and imposed structural transformations on economic relations between the Asian country and Latin America. If, during much of the 20th century, Sino-Latin American interaction remained peripheral, the beginning of the 21st century witnessed a substantial deepening of these ties, driven by Chinese economic growth, demand for raw materials, and Beijing's internationalization strategy. In this context, the New Silk Road (Belt and Road Initiative/BRI), launched in 2013, inaugurates a new chapter in the Sino-Latin American relationship, promoting an investment model that, although it expands interactions beyond the traditional commercial axis based on commodity exports, still faces challenges and controversies regarding its capacity to effectively diversify the region's economic and productive relations. To understand this dynamic, it is essential to chronologically analyze the trajectory of Sino-Latin American economic relations, considering their main historical milestones and the factors that shaped this relationship (Ferchen, 2011).

This is closely linked to three conditions witnessed then in international relations. Firstly, the global trade liberalization with the end of the cold war and the resulting economic globalization. […] Secondly, […] the increasingly growing Chinese participation in global commercial relations, especially with its entry into the WTO (World Trade Organization), in 2001. Finally, the Chinese economic growth […] which counted on a high demand for commodities for which Latin America fit and thus serves as a large-scale supplier.

Relations between the People's Republic of China and Latin America, during much of the 20th century, were marked by timid and sporadic interaction, circumscribed by geographic, ideological barriers, and the Western preponderance over the region's economic and political flows. During this period, China was immersed in complex internal challenges, including the consolidation of its socialist model, the Cultural Revolution, and the need for economic restructuring, factors that limited its capacity for external projection and systemic engagement in Latin America [China's Geostrategy]. However, the international conjuncture of the 1970s and 1980s provided a gradual reconfiguration of this scenario. The Sino-American rapprochement, formalized after Richard Nixon's historic visit to Beijing in 1972, and the subsequent adoption of the Reform and Opening (改革开放 – Gaige

Kaifang) policy, launched by Deng Xiaoping in 1978, paved the way for a more assertive Chinese insertion in the global economic system. Its main objective was to promote a relative, selective and meticulously controlled economic openness, ensuring that the State maintained a central role in defining guidelines and controlling strategic decisions. In this context, Beijing began to explore new commercial and diplomatic fronts, seeking to expand its strategic partnerships and diversify its sources of inputs and consumer markets.

During the 1980s, Sino-Latin American relations began to gain density, although still incipiently. Countries such as Brazil, Chile, and Argentina stood out as preferred interlocutors of Beijing, establishing commercial and diplomatic ties that would intensify in the subsequent decades. This process coincided with the decline of the Latin American developmental model and the adoption of economic liberalization policies, creating an environment more conducive to the deepening of commercial ties with China.

The 1990s represented a new turning point in these relations. The Chinese economic restructuring consolidated its development model based on attracting foreign investment and expanding export-oriented industrialization, which was favorable for the intensification of commercial exchanges since China began to increasingly demand strategic commodities to sustain its accelerated industrialization (Carletti et al., 2019). Simultaneously, in Latin America, there was a movement of commercial openness and privatizations that was greatly influenced by the guidelines of the Washington Consensus, a set of economic reforms that proposed trade liberalization, reduction of state intervention, and promotion of greater integration of Latin American economies into global markets. Such reforms were gradually implemented in many countries in the region, resulting in a greater insertion of Latin America in international trade and the adoption of fiscal austerity policies, inflation reduction, and deregulation of economic sectors.

This scenario provided a favorable environment for the intensification of Sino-Latin American commercial exchanges, with China positioning itself as a central actor in international trade and as a growing demand for strategic commodities. The accelerated industrialization unfolding in Chinese territory generated a need for essential natural resources, such as oil, iron ore, soybeans, copper, and other primary products, which became fundamental to sustaining the pace of its industrial expansion and urbanization. In contrast, Latin American countries, with their abundance of natural resources, became indispensable suppliers for China, while at the same time seeing themselves as recipients of Chinese manufactured products, which were offered at highly competitive prices, driven by China's comparative advantage in terms of production costs.

However, this commercial relationship, although having experienced substantial growth in the 1990s and 2000s, remained essentially asymmetric. The Latin American export agenda remained predominantly anchored in primary products, that is, agricultural and mineral commodities, whose exports were essential to meet China's growing demand. On the other hand, China consolidated itself as a major exporting power of high value-added manufactured goods, such as electronics, machinery, textiles, and other industrial products, which were inserted into Latin American markets. This exchange, based on structural complementarities between the two regions, was configured as a relationship of unequal exchange, in which Latin American countries were, for the most part, suppliers of raw materials for the Chinese productive machine, while China, in turn, supplied finished products at low prices, with high competitiveness.

Finally, the construction of infrastructure that stimulates only the export of a greater volume of commodities may accentuate the region's situation of dependence on other actors in the global economy (Jenkins and Barbosa, 2012; Powell, 2016). This fact could reproduce patterns of unequal exchange, in which Latin American nations would export commodities and other lower value-added products and import, primarily, industrial and high value-added goods from China (Carletti et al, 2019: 20).

This exchange model, which during the "commodity boom" could be perceived as advantageous from a merely accounting perspective, without a structuralist approach, ended up generating significant challenges for the Latin American region. The excessive dependence of regional markets on Chinese demand for commodities generated an economic vulnerability in Latin American countries, which began to face fluctuations in the international prices of these commodities and a high risk in case of a slowdown in Chinese growth. The concentration of Latin American exports in a limited number of primary products, associated with Chinese dominance in the manufacturing sector, hindered the region's economic diversification and increased economic disparities. Furthermore, this dynamic led to an imbalance in commercial relations, with Latin American countries finding themselves in a subordinate position in bilateral trade.

Ferchen's (2011) considerations regarding the tension between complementarity and dependence in the China-Latin America relationship draw our attention. The issue highlighted revolves around two observations. On the one hand, the high Chinese demand for commodities positively situates Latin America in the commercial relationship with that country, considering that the great Chinese economic growth boosts the large export of Latin American commodities. On the other hand, such a relationship of complementarity contains another type of relationship: dependence. The level of export of Latin American commodities will follow the behavior of Chinese economic growth.

Currently, considering the China-Brazil relationship, despite the trade balance being quite favorable to Brazil (more than USD 30 billion, in 2024), the analysis of the China-Brazil export and import agenda evidences what has been said in the preceding paragraphs. 2024 data (ComexStat, 2025) show that 46% of Brazilian exports to China were based on agricultural products (22%) and extractivism (24%) highly concentrated in three products: soybeans, crude petroleum oils or crude bituminous minerals, and iron ore and its concentrates. Furthermore, the manufacturing industry, which accounted for the remaining 54% to complete the 100% of the Brazilian export agenda to China, concentrates 39% in six main processed agricultural products: sugars and molasses, fresh, chilled or frozen beef, petroleum fuel oils, cellulose, soybean meal, and poultry meat. Thus, almost half of Brazil's export agenda to China was composed of agricultural products (46%). Of the other almost half (54%), the six main products, which make up 39% of the 54%, are agricultural processing. On the other side of the agenda, imports, 91% of what Brazil imported from China in 2024, was manufacturing industry products, especially fuel oils, chemical fertilizers or adubos and only 9% of agricultural products (unmilled wheat and rye, fruits and nuts, and fish) and extractivism (crude oils, natural gas, and coal).

Despite the positive trade balance favorable to Brazil, China has played the role of exporter of manufacturing products (higher added value) and Brazil, of primary products (lower added value), when Brazil still gains in volume. This may signify Brazil's great dependence on the Chinese market: in 2024, China was the destination of 28% of all Brazilian exports. Considering the US (second destination of Brazilian exports), we reach 40% of exports concentrated in just two countries, in 2024, denoting Brazilian foreign trade is very little diversified in terms of partners (ComexStat, 2025). Still in the Brazilian case, in the Brazil-US-China triangular relationship, we can consider the level of strategic relevance among the countries based on the economic complexity index (OEC, 2025). In the world ranking of economic complexity, in 2023, the US enjoys the 10th position among 132 countries; China, the 21st, and Brazil, the 49th. In commercial relations, China and the US rank 1st and 2nd, respectively, representing 40% of Brazilian commercial exchanges in relation to the rest of the world. Brazil, in turn, does not appear among the 10 main destinations for either Chinese or American exports.

In the relationship with China, the Sino-Latin American exchange model in subsequent decades, while being based on a structural complementarity between the two regions, also revealed the fragility of this relationship. The growing dependence on commodity exports and the scarcity of a diversified and more advanced industrial base in Latin America configured persistent structural challenges, hindering the strengthening of regional economies and the expansion of Latin American protagonism on the global stage.

The new Silk Road in Latin America: the board of the dispute between the United States and China

The New Silk Road, formally known as the Belt and Road Initiative (BRI), emerged as one of China's most ambitious geopolitical and economic strategies in the 21st century. Idealized by President Xi Jinping in 2013, the initiative initially aimed to connect Asia, Europe, and Africa through large infrastructure, trade, and investment projects, symbolically recovering the ancient commercial routes of imperial China. However, its expansion into Latin America and the Caribbean consolidated the Chinese strategy of global projection, changing the balance of power in the region and challenging North American hegemony. The progressive accession of Latin American countries to the BRI reflects not only an economic reconfiguration, but also a substantial change in the diplomatic and geostrategic orientation of these States, whose historical dependence on Western financial institutions is beginning to be mitigated by the availability of Chinese capital.

Latin America's entry into the BRI was formally announced in 2018, during the Second Ministerial Meeting of the China-CELAC Forum, when Beijing consolidated its discourse on the region's role as a "natural extension" of the 21st Century Maritime Silk Road (Carletti et al., 2019). Since then, countries like Argentina, Chile, Ecuador, and Venezuela have formally joined the Belt and Road Initiative, attracted by the promise of infrastructure investments, accessible financing, and the expansion of commercial relations with China. This movement reflects these countries' search for economic diversification and alternatives to traditional Western financing, especially in the face of the stricter conditions imposed by institutions like the International Monetary Fund (IMF) and the World Bank.

On the other hand, countries like Brazil and Mexico maintained an ambiguous stance, oscillating between interest in Chinese investments and North American diplomatic pressures, which see the growing Chinese presence in Latin America as a threat to their historical influence in the region. In the case of Brazil, despite the significant volume of bilateral trade and Chinese investments in strategic sectors such as energy and infrastructure, the government has shown caution in formally joining the initiative, partly due to historical relations and dependence on Western markets. Mexico, highly integrated into the United States' production chains due to the United States-Mexico-Canada Agreement (USMCA), faces a similar dilemma, seeking to balance its relationship with Beijing without compromising its economic ties with Washington.

The BRI presents itself in Latin America as a new paradigm of investments and development, promoting long-term structuring projects that aim to modernize infrastructure and expand regional connectivity. However, the nature of these projects raises questions about their central objectives: do they seek to foster local industrialization or, rather, to optimize the flow of agricultural and mineral commodities to supply Chinese demand? Investments financed by the Chinese government include the construction and modernization of ports, railways, highways, airports, and electrical grids, strategic sectors that expand the Chinese presence in the Latin American economy, but whose impact on regional productive development is still a matter of debate (Declaration of Santiago, 2018: 2).

Chinese financing has emerged as a viable alternative to traditional Western sources, directly challenging US financial hegemony in the region. Loans from institutions like the China Development Bank (CDB) and the Export-Import Bank of China (Chexim) are distinct because they do not impose political or macroeconomic conditionalities—a key difference from Washington-dominated multilateral lenders. This financing model has been strategic, attracting nations often restricted by the austerity policies of Western institutions. Thus, China's role not only meets Latin America's development needs but also alters the geoeconomic balance, offering a genuine alternative to the long-standing dominance of the US and institutions like the IMF and World Bank.

The Bioceanic Railway, one of the main BRI projects in Latin America, illustrates the structural impact of the Chinese initiative on the reconfiguration of regional logistics chains. Planned to connect Atlantic ports in Brazil to Pacific ports in Peru, this railway aims to significantly reduce the costs and time of transporting South American commodities to the Chinese market. However, far from representing a structural transformation in South America's insertion into the global economy, the project tends to reaffirm the logic of asymmetric trade, consolidating the region as a primary supplier of agricultural and mineral goods. Despite expanding connectivity and physical integration between South American countries and establishing an alternative route that reduces dependence on US-controlled export infrastructure, the railway essentially strengthens the flow of raw material exports, without necessarily boosting value-added or local industrialization processes, maintaining the region's dependence on external demand and global market pricing dynamics.

In addition to the transport sector, China has invested heavily in Latin America's energy sector, financing the construction of hydroelectric plants, wind farms, and solar parks. Ecuador, for example, received significant investments for the construction of the Coca Codo Sinclair hydroelectric plant, one of the country's largest energy projects, financed by Chexim and executed by Chinese companies.

The intensification of the Chinese presence in Latin America through the BRI has generated strong reactions from the United States, which historically considers the region as part of its sphere of influence. The White House has mobilized to contain China's advance through diplomatic initiatives and alternative financing programs, seeking to offer Latin American countries options distinct from those offered by China. One of these strategies was the creation of the América Cresce program, which aims to stimulate private investments in infrastructure, but which, to date, has not managed to compete in scale with Chinese financing. In parallel, Washington has pressured governments in the region to restrict the operation of Chinese companies in strategic sectors, especially in the development of 5G telecommunications networks, where Huawei has consolidated itself as one of the main technology suppliers.

As highlighted by Santos Filho (2020), "the North American government has sought to reverse this situation through the creation of bilateral and multilateral investment programs in the region, with a view to recovering its economic influence in its historical zone of influence". Furthermore, Needham and Fergus (2019) point out that "American government officials have been pressuring Latin American countries to follow Washington's decision to exclude Huawei from 5G networks."

The United States' resistance to the New Silk Road is also manifested in the reactivation of regional alliances and the strengthening of its influence in multilateral institutions. Active participation in the Inter-American Development Bank (IDB) and the Organization of American States (OAS) has been one of the vectors for containing Chinese influence in Latin America, ensuring that the region's financial and diplomatic architecture remains aligned with Washington's strategic interests. Furthermore, the United States has used economic sanctions to restrict the expansion of Chinese projects in countries like Venezuela and Nicaragua, where Beijing has become one of the main economic partners. The Venezuelan crisis has also been central to United States policy in Latin America. The substantive rapprochement of Brazil, under the management of Jair Bolsonaro, with the North American government of Donald Trump, contributed to this objective. The country has tried to respond to Russian and Chinese advances in the region, leading the response against the regime of Nicolás Maduro in Venezuela.

In the case of Nicaragua, sanctions imposed by the United States represent an instrument of political coercion that aims to isolate the government of Daniel Ortega on the international stage, restricting its access to external financing and penalizing strategic sectors of the Nicaraguan economy. However, this pressure strategy has prompted Managua to deepen its cooperation with other global actors, notably China. The inauguration of a direct maritime route between the two countries symbolizes the strengthening of Sino-Nicaraguan commercial and geopolitical relations, demonstrating how – paradoxically – the North American stance can accelerate the process of diversifying economic partners by sanctioned governments. In this sense, Beijing emerges as a viable alternative to the traditional international financial system, offering investments and infrastructure without the typical political-economic conditionalities of Western institutions. Thus, Washington's sanctions policy, instead of weakening Ortega, fosters a geoeconomic realignment of Nicaragua, reinforcing China's presence in Latin America and challenging the United States' hegemony in the region.

The complexity of this scenario is aggravated by the fact that the New Silk Road investments in Latin America are not always accompanied by technology transfer or the development of local productive capacity. Many works financed by China are executed by Chinese companies, which import a large part of the inputs and employ foreign labor, limiting the positive impacts on the local economy. Furthermore, some nations have expressed concerns about the possibility of excessive indebtedness and financial dependence, as many of the projects financed by the CDB and Chexim require state guarantees, increasing the fiscal vulnerability of these countries in the long term. This scenario raises questions about the so-called 'debt trap', in which Chinese financing, although representing an alternative to Western institutions, can generate financial commitments that are difficult to honor, resulting in greater influence of Beijing over strategic sectors of Latin American economies. Thus, the debate around these investments is not limited only to the development of regional infrastructure, but also to the reconfiguration of power relations and the economic autonomy of the countries involved. The substantial increase in Chinese investments intensifies economic ties between Beijing and the region's economies, while raising concerns among Western actors historically predominant in the Latin American space. The growing (inter)dependence resulting from these capital flows and transformations in regional infrastructure suggests a scenario of rebalancing forces, whose unfolding remains open and will depend on the interaction between the strategic interests of the powers involved and the responses formulated by Latin American States in the face of this new conjuncture.

Conclusion

The analysis of the New Silk Road and its insertion in Latin America exposes the depth of the transformations underway in the international economic order, as well as the structural challenges facing Latin American economies in the context of the Chinese rise.

The expansion of the Belt and Road Initiative (BRI) is not limited to an isolated economic phenomenon, but reflects a meticulously conceived geopolitical strategy to reorder power flows and redraw global interdependencies, questioning the centrality of the dollar and the traditional structures of international financing. Latin America, as a space historically linked to the Western capital system and subjected to cycles of financial dependence, emerges as a territory of dispute, where Chinese capital presents itself as an alternative to the development model imposed by the Bretton Woods institutions.

It will be recognized, therefore, that Latin America's insertion into this new economic framework raises both promises of growth and latent risks. The Chinese rise enabled the expansion of financing for infrastructure and the diversification of economic partnerships, enabling a greater margin for maneuver for the countries of the region in their development strategies. However, such expansion does not proceed without challenges, as, at the same time as the BRI fosters investments in strategic sectors, it also perpetuates asymmetric structures of international insertion, in which Latin America remains predominantly a supplier of commodities and a consumer of manufactured goods. If, in previous moments, financial dependence was linked to Western institutions, now there is a risk of a reconfiguration of the same logic under new actors.

The effects of this dynamic become even more evident when analyzed from the perspective of systemic rivalry between China and the United States. The intensification of the Chinese presence in Latin America occurs in a context of structural competition between the two largest global powers, imposing strategic dilemmas on Latin American governments. The pressure exerted by the United States on its regional allies, added to the concessions offered by China, places Latin America in a complex negotiation position, in which the maximization of gains and the minimization of risks will depend on the capacity of its States to act strategically, avoiding entrapment in dichotomous logics of dependence.

In this context, a fundamental principle of negotiation techniques is recalled: the identification of the Best Alternative to a Negotiated Agreement (BATNA), a concept widely discussed in the literature on strategic negotiations and profoundly relevant to the current geopolitical scenario. Latin America, facing the Sino-American dispute, must build alternatives that transcend the passive acceptance of conditions imposed by any of the powers and that guarantee it greater bargaining power. Historical experience demonstrates that international relations are marked by cycles of dependence, making it imperative that Latin American countries break with the logic of mere acceptance of external capital flows without structural counterparts. As researchers who focus on the unfolding of this process, we consider that the absence of a cohesive Latin American strategy for the New Silk Road entails the risk of perpetuating traditional imbalances, making a more autonomous and sustainable development model unfeasible for the region.

The reflection on this process leads to the need for a critical positioning on the part of Latin American policymakers. Chinese investments must be absorbed strategically, prioritizing sectors that can generate technological and industrial gains, preventing the region from remaining relegated to the position of provider of raw materials. Insertion in the BRI, if not accompanied by an assertive development policy, will be limited to reinforcing the traditional international division of labor, in which Latin America figures as an exporter of primary products and an importer of high value-added goods. It will be necessary, therefore, to impose an agenda that prioritizes the construction of national and regional capacities, the diversification of production chains, and the defense of financing models that do not compromise the economic sovereignty of the countries involved. The Chinese rise does not constitute, in itself, a solution to Latin America's structural challenges, but neither can it be treated solely as a threat. Depending on the choices made by the governments of the region and their capacity for political and economic articulation, the New Silk Road may configure itself both as an instrument of development and as a new mechanism of dependence. The outcome of this process will depend on the ability of Latin American States to negotiate under conditions that maximize their benefits and minimize their costs, avoiding the mere replication of the asymmetries that have historically characterized their position in the international system.

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