

The Pragmatic Turn: Economic Interdependence and Argentina's Strategic Reorientation toward China

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Received: 28.10.2025
Available online: 29.06.2026

Abstract

This analysis examines President Javier Milei's diplomatic transformation from ideological confrontation to pragmatic partnership with China, revealing how contemporary middle powers navigate the tension between domestic political imperatives and structural economic realities. Through a multi-theoretical lens integrating complex interdependence, economic statecraft, middle power theory, and institutional path dependence, this study demonstrates how Argentina's strategic recalibration reflects sophisticated diplomatic entrepreneurship rather than mere policy capitulation. Drawing on qualitative case study analysis, comparative regional evidence, and historical institutionalism, the paper argues that economic pragmatism increasingly supersedes ideological alignment in South-South cooperation. These findings contribute to existing debates on dependency relationships while revealing the institutional resilience that enables sustained cooperation across political transitions in an increasingly multipolar world.

Keywords: Argentina-China relations, middle power diplomacy, complex interdependence, South-South cooperation, BRICS, currency swap agreements, strategic hedging

JEL: F50, F51, F53,

Introduction: The choreography of contemporary diplomacy

In the intricate ballet of contemporary international relations, few performances have been as instructive as Argentina's recent diplomatic transformation with China. President Javier Milei's evolution from ideological warrior to pragmatic statesman represents far more than tactical policy adjustment — it embodies the fundamental recalibration required

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when political conviction encounters the inexorable logic of economic interdependence. This transformation reveals how modern states must navigate the competing demands of domestic legitimacy, structural economic constraints, and strategic positioning within an increasingly complex global order.

The narrative begins with campaign rhetoric that promised ideological clarity in an uncertain world. Milei, the self-proclaimed anarcho-capitalist who ascended to power through pledges to “dollarize” Argentina’s economy and realign with Western democratic values, initially positioned China as the antithesis of everything Argentina should represent. His early pronouncements painted Beijing as an autocratic adversary fundamentally incompatible with democratic governance and free-market principles, offering voters the seductive appeal of moral certainty amidst economic turbulence².

Yet within months of assuming office, this same president found himself acknowledging China as “a very interesting trading partner” and planning official visits to Beijing. What had transformed were not Milei’s philosophical convictions, but rather his sophisticated understanding of how economic realities constrain diplomatic choices in contemporary international relations. This evolution exemplifies what Robert Keohane and Joseph Nye (2012) termed “complex interdependence” — a theoretical framework positing that states are interconnected through multiple channels including economic, social, and environmental linkages, reducing the utility of military force while empowering non-state actors and creating mutual sensitivities that incentivize cooperation over conflict.

The Argentina-China relationship thus becomes a compelling microcosm of broader global trends: the emergence of pragmatic partnerships that transcend ideological boundaries, the growing centrality of economic statecraft in international relations, and the capacity for middle powers to leverage multiple great power relationships to enhance rather than compromise their strategic autonomy. Milei’s transformation represents not political inconsistency, but diplomatic adaptation driven by structural forces — a recognition that sustainable prosperity requires strategic flexibility in an increasingly complex and multipolar world.

This paper addresses the following research question: How did structural economic interdependence shape Argentina’s foreign policy recalibration toward China under President Milei, and what does this case reveal about middle-power diplomatic adaptation in an era of intensifying great-power competition? Methodologically, the study employs analytic eclecticism (Sil and Katzenstein, 2010), combining qualitative case study analysis with historical institutionalism and comparative regional analysis. Primary evidence is drawn from bilateral agreements, diplomatic documentation, and trade statistics; secondary evidence is drawn from established scholarship in international relations, international political economy, and Latin American studies. It is important to acknowledge, moreover, that geopolitical pressures — particularly the intensifying Sino-American rivalry — constitute

² This is referred to as “dollarization” — the adoption of the U.S. dollar as a country’s official national currency, either partially (de facto dollarization) or fully (de jure dollarization), depending on whether a domestic currency circulates in parallel with the foreign currency (Merriam-Webster, n.d.).

an overarching structural variable that interacts with economic interdependence. While this paper foregrounds economic mechanisms, geopolitical dynamics frame the strategic environment within which Argentina's pragmatic turn unfolded and may — under conditions of acute great-power confrontation — override the economic incentives analysed here.

The paper is structured as follows. The first part introduces the theoretical framework integrating complex interdependence, economic statecraft, middle power theory, and institutional path dependence. The second part provides historical context for the Argentina–China relationship's institutional architecture. Then come the analysis of Milei's ideological-to-pragmatic transition as a case study. In the fourth section Argentina is situated within regional comparative patterns. The subsequent parts critically engage dependency theory considering new South–South cooperation models and then examine BRICS integration and multilateral implications. The last sections discuss policy implications and future trajectories and offer lessons for middle-power diplomacy more broadly, followed by the conclusion.

Theoretical framework: Integrating multiple analytical lenses

Understanding Argentina's diplomatic transformation requires deploying multiple theoretical frameworks simultaneously, recognizing that contemporary international relations resist explanation through singular analytical lenses. This study integrates four complementary approaches that together illuminate the complex dynamics underlying Milei's pragmatic turn, following what Sil and Katzenstein term “analytic eclecticism” in approaching complex social phenomena.

Complex interdependence theory

Complex interdependence theory provides essential insights into how economic relationships create structural constraints on political behaviour. As theorized by Keohane and Nye (2012), this framework posits that states are interconnected through multiple channels (economic, social, environmental), reducing the utility of military force and empowering non-state actors while creating mutual sensitivities that incentivize cooperation over conflict. The dense network of financial arrangements, trade relationships, and institutional commitments between Argentina and China has generated what Keohane and Nye (2012) identify as “sensitivity interdependence” — a condition where policy changes in one country significantly affect the other, creating mutual interests in maintaining cooperation despite political disagreements.

This theoretical framework helps explain why Milei's initial confrontational rhetoric proved unsustainable when confronted with Argentina's immediate economic necessities.

The “currency swap agreement”³ alone created vulnerability to Chinese policy decisions that made sustained confrontation potentially catastrophic for Argentina’s financial stability. The interdependent relationship demonstrates how economic connections can transcend political differences, forcing pragmatic engagement even when ideological preferences suggest otherwise.

Economic statecraft theory

Economic statecraft theory illuminates how states employ economic instruments — including trade policies, foreign aid, and sanctions — to achieve political and geopolitical objectives beyond traditional diplomatic channels. As Baldwin (1985) conceptualized it, economic statecraft encompasses both “positive sanctions” (economic incentives such as aid and market access offered to elicit cooperation) and “negative sanctions” (punishments to discourage undesired behaviour). China’s approach to Latin America exemplifies positive economic statecraft, offering incentives that contrast sharply with punitive measures typically employed by Western powers.

This strategy has proven remarkably effective in building long-term partnerships that survive political transitions and ideological differences, creating constituencies for continued cooperation within partner governments that transcend individual political administrations. China’s patient approach to economic statecraft reflects broader strategic calculations about long-term influence and partnership development, prioritizing sustained engagement and mutual benefit over immediate political concessions or structural reforms.

Middle power theory

Middle power theory (Carsten, 1984) reveals how states with moderate international influence like Argentina can leverage multilateralism and niche diplomacy to amplify their global impact while balancing relations with major powers to preserve strategic autonomy. Middle powers are typically characterized by their ability to pursue “strategic hedging” — a diplomatic tactic involving diversification of alliances to mitigate risks and maximize autonomy through balanced relationships with multiple great powers.

Argentina’s experience demonstrates how bilateral partnerships can serve as steppingstones toward broader multilateral engagement, particularly through potential integration into alternative institutional frameworks like BRICS — the intergovernmental organization comprising Brazil, Russia, India, China, and South Africa that challenges Western economic dominance through alternative financial institutions (like the New Development Bank) and fosters South–South cooperation outside traditional Bretton Woods frameworks. Rather than viewing engagement with any single partner as inevitably

³ *Currency Swap Agreement* (2014) is a central bank agreement between Argentina and China worth 35 billion yuan (approximately \$4.9 billion) that allows Argentina to exchange currencies with China to provide liquidity during financial crises. In 2015, Argentina drew on this swap line to bolster the country’s foreign exchange reserves, demonstrating its practical utility for crisis management.

constraining, sophisticated middle powers like Argentina pursue diversified relationships that enhance bargaining positions across all international partnerships.

Institutional theory and path dependence

Path dependence, as conceptualized by Pierson (2000), describes how previous institutional or economic choices become progressively entrenched over time, making alternatives increasingly impractical due to sunk costs and adaptive expectations. In international relations, dense treaty networks and bureaucratic constituencies exemplify this self-reinforcing dynamic as exemplified by the Argentina-China relationship through its extensive institutional architecture developed over two decades of deepening engagement. This foundation has proven remarkably durable, creating self-reinforcing patterns of cooperation that generate momentum for continued partnership regardless of shifting political rhetoric.

The establishment of the Argentina–China Comprehensive Strategic Partnership in 2014 marked a significant deepening of bilateral relations. As part of this process, the two countries signed thirty-three bilateral agreements covering trade, investment, technology transfer, infrastructure development, and financial cooperation. These agreements moved the relationship beyond high-level diplomatic commitments by embedding cooperation in concrete sectoral arrangements designed to address specific developmental needs. In doing so, they created dense networks of interaction across multiple policy domains and generated what scholars describe as “issue linkage,” whereby progress in one area of cooperation becomes connected to outcomes in others. This institutionalized interdependence increased the political and economic costs of disengagement for both parties, thereby enhancing the durability of the partnership.

Historical context: The architecture of institutional resilience

The foundation of Argentina-China cooperation extends far beyond any single political administration, resting instead on institutional architecture constructed over two decades of deepening engagement. This foundation has proven remarkably durable, creating self-reinforcing patterns of cooperation that generate momentum for continued partnership regardless of shifting political rhetoric.

The relationship's modern architecture emerged with the 2004 Memorandum of Understanding on Cooperation in Trade and Investment (China Daily, 2004), which transformed previously peripheral diplomatic contact into substantive strategic partnership. This agreement established formal mechanisms for expanded cooperation while signalling mutual recognition of each nation's strategic importance to the other's long-term objectives and specifically Argentina's official recognition of China's market economy status. The symbolic importance of this moment was matched by its practical significance in creating institutional frameworks that would prove resilient across subsequent political transitions.

The partnership's evolution accelerated during Cristina Fernández de Kirchner's presidency, culminating in 2014 with establishment of a comprehensive strategic partnership — the highest level of bilateral cooperation in diplomatic terminology. The remarkable productivity of this period, characterized by thirty-three bilateral agreements signed within a single year, created dense networks of interaction spanning multiple sectors and policy domains.

Currency swap agreements as economic statecraft

Perhaps no single instrument better illustrates the sophistication of China's economic statecraft in Latin America than the currency swap arrangement with Argentina — a central bank agreement exchanging currencies to provide liquidity during financial crises. This 35-billion-yuan financial instrument worth approximately \$4.9 billion transcends routine financial cooperation to represent strategic economic diplomacy that avoids the political conditionalities typically associated with International Monetary Fund assistance⁴ (Baliño, 2003).

For Argentina, chronically vulnerable to external financial shocks and periodic balance-of-payments crises, this arrangement provides something invaluable: access to foreign currency without the political conditionalities typically associated with Western financial institutions. During moments of acute economic distress, when international capital markets prove hostile and traditional partners demand structural reforms, China's willingness to provide unconditional liquidity becomes transformative for policy autonomy.

The strategic significance extends beyond immediate crisis management to encompass fundamental questions about policy sovereignty. By offering alternatives to International Monetary Fund assistance, China enables Argentina to maintain greater decision-making autonomy during negotiations with Western creditors. This dynamic exemplifies how middle powers can leverage relationships with multiple great powers to enhance rather than constrain their strategic choices — sophisticated diplomatic entrepreneurship that challenges conventional assumptions about dependency relationships.

The Milei transformation: When ideology confronts structure

President Milei's diplomatic evolution illustrates how structurally embedded economic constraints can redirect the foreign policy of even ideologically committed leaders. His transformation from confrontational rhetoric to cooperative partnership illuminates the powerful influence of economic interdependence on political choice while revealing the sophisticated calculations required of contemporary middle-power leadership.

⁴ Currency swap agreements are bilateral agreements that allow a central bank in one country to exchange currency, usually its domestic currency, for a certain amount of foreign currency from another central bank. The recipient central bank can then lend this foreign currency to its domestic banks, on its own terms and at its own risk.

Anarcho-capitalist philosophy meets state-led development

The initial phase of Milei's presidency was characterized by campaign commitments and ideological positioning that seemed to preclude meaningful engagement with China. His anarcho-capitalism⁵ appeared fundamentally incompatible with partnership with what he characterized as an autocratic regime employing state-led development models.

This ideological tension created apparent contradictions between Milei's philosophical commitments and the practical necessities of governing a country deeply integrated into global supply chains and financial networks. Anarcho-capitalism emphasizes voluntary exchange and minimal government intervention, principles that appear incompatible with China's state-directed economic model and extensive government involvement in international trade and investment. However, the sustainability of purely ideological foreign policy constructs becomes questionable when confronted with immediate economic necessities that resist rhetorical solutions. Argentina's chronic fiscal challenges, external debt obligations, and desperate need for foreign currency reserves created structural pressures that no amount of ideological commitment could overcome. The currency swap agreement alone represented financial resources equivalent to roughly 10% of Argentina's foreign reserves — a relationship too valuable to sacrifice for ideological consistency when facing immediate economic crisis.

Pragmatic recalibration

Milei's evolution toward pragmatic engagement demonstrates sophisticated understanding of how contemporary international relations function beyond campaign rhetoric and ideological positioning. His increasingly frank acknowledgment of China as "a very interesting trading partner" who refrains from imposing excessive political conditions reflects mature appreciation of how economic relationships can enhance rather than compromise national sovereignty when managed with appropriate diplomatic skill.

The anticipated visit to China in January 2025 symbolizes the completion of this diplomatic transformation while representing something more significant than mere policy adjustment. Rather than embodying capitulation to economic pressure, the visit demonstrates recognition that sustainable prosperity emerges from strategic flexibility and willingness to transcend traditional ideological boundaries that may constrain policy options in an increasingly complex world.

Regional patterns and comparative analysis

Argentina's diplomatic evolution reflects broader transformations throughout Latin America, where governments increasingly prioritize economic pragmatism over ideological

⁵ Anarcho-capitalism is a political philosophy advocating the elimination of the state in favor of private markets and voluntary contracts. President Milei's adherence to this ideology created an apparent incompatibility with partnership with China's state-directed economic model, generating the ideological tension examined in this section.

alignment in their international relationships. This regional pattern suggests the emergence of what might be characterized as “strategic pragmatism” — a diplomatic approach that maximizes economic opportunities while preserving political sovereignty through carefully diversified partnerships. Table 1 reveals the comparative strategic positioning of five Latin American states.

Table 1. Comparative strategic positioning of Latin American states

Country	Partnership Level	Key Economic Indicators	Strategic Approach
Argentina	Comprehensive Strategic Partnership	Currency swap: \$4.9 billion equivalent; Trade deficit management through institutional mechanisms	High institutional integration with diversified economic instruments
Brazil	Strategic Partnership	Trade surplus: \$48.3 billion (2023); Extensive commodity exports	Extensive economic cooperation with minimal political conditionalities
Chile	Strategic Partnership	Major copper exporter to China; Free trade agreement since 2006	Resource-based cooperation with maintained Western ties
Peru	Strategic Partnership	Significant mining investments; Infrastructure development projects	Infrastructure-focused engagement with balanced approach
Mexico	Limited engagement	Competitive manufacturing sectors; Cautious trade expansion	Cautious approach balancing NAFTA commitments

Source: Created by the author building on Ray and Gallagher (2017), Ray (2018), Ray and Barbosa (2020), Ray et al. (2021)

Brazilian precedent

Brazil’s trajectory offers the most compelling parallel to Argentina’s experience, demonstrating how economic logic can prove decisive despite periodic ideological tensions and domestic political pressures to maintain distance from China (Jenkins, 2011). Brazil achieved a remarkable \$48.3 billion trade surplus with China in 2023, reflecting sustained growth in bilateral economic relationships documented by comprehensive tracking of China-Latin America trade flows (Ray and Gallagher, 2017; Ray, 2018; Ray and Barbosa, 2020; Ray et al., 2021; Albright et al., 2023).

This success demonstrates how pragmatic engagement can generate concrete benefits that justify continued cooperation across political transitions. Brazil’s ability to maintain beneficial relationships with both China and traditional Western partners illustrates sophisticated understanding of how middle powers can leverage multiple relationships simultaneously to enhance their strategic positioning.

Strategic hedging across the region

Chile and Peru have pursued similar paths, leveraging their natural resource endowments to build substantial partnerships with China while maintaining strong relationships with traditional Western partners (Ellis, 2014). Chile’s copper exports and Peru’s mining investments exemplify how Latin American countries can pursue sector-

specific cooperation that generates mutual benefits without requiring broader political alignment or compromising relationships with other major powers.

Even Mexico, despite its geographic proximity to the United States and deep integration with North American markets, has begun exploring expanded cooperation with China in selected sectors. This cautious approach reflects sophisticated understanding that economic diversification can enhance rather than compromise strategic autonomy, provided it is managed with appropriate diplomatic skill and careful attention to existing alliance commitments (Arnson and Davidow, 2011).

Challenging dependency theory: New models of South-South cooperation

Argentina's engagement with China fundamentally challenges conventional assumptions embedded in dependency theory⁶ — a framework asserting that resource-rich developing states remain impoverished due to exploitative economic structures imposed by industrialized nations. The traditional dependency theory paradigm, as articulated by Cardoso and Faletto (1979), suggested that developing countries faced inevitable exploitation through asymmetric relationships with developed economies.

Beyond traditional North-South dynamics

The Argentina-China partnership demonstrates alternative models of international cooperation that transcend traditional North-South dynamics analysed by dependency theorists. Rather than creating asymmetric dependence that constrains policy autonomy, Argentina's engagement with China has enhanced its bargaining position with traditional Western partners by demonstrating alternative sources of economic cooperation and financial support (Gallagher and Porzecanski, 2010).

This dynamic represents a sophisticated form of diplomatic entrepreneurship that leverages economic interdependence as a source of strength rather than vulnerability. The availability of Chinese financial instruments like currency swaps provides Argentina with alternatives to traditional Western financial institutions and their associated conditionalities, enhancing rather than compromising policy sovereignty during negotiations with international creditors (Bernal-Meza, 2016).

This analysis does not, however, suggest that Argentina's engagement with China is free of risk or criticism. Sceptical voices in the literature point to persistent concerns about debt dependence, environmental costs associated with extractive investment models, and potential governance implications of Chinese infrastructure financing (Albright et al., 2023). The commodity-intensive character of Argentine exports to China may reinforce primarization tendencies that dependency theorists long warned against. Furthermore,

⁶ Dependency theory (Cardoso and Faletto, 1979) develops a framework asserting that resource-rich developing states remain impoverished due to exploitative economic structures perpetuated by industrialized nations. The theory posits that peripheral economies are structurally subordinated to core economies through unequal exchange, constraining autonomous development.

growing Sino-American strategic rivalry introduces geopolitical pressures that could force a harder choice between partners than pragmatic hedging can indefinitely defer. A comprehensive assessment of Argentina's engagement with China must hold both the demonstrable short-term benefits and these longer-term structural risks in view.

Institutional resilience and adaptive cooperation

The extensive institutional architecture developed between Argentina and China demonstrates remarkable resilience across political transitions, challenging assumptions about the fragility of South-South partnerships. The thirty-three bilateral agreements signed during the comprehensive strategic partnership establishment created bureaucratic constituencies and technical expertise that generate momentum for continued engagement regardless of shifting political rhetoric.

This institutional resilience reflects sophisticated understanding of how international cooperation evolves and endures through multiple channels of interaction that extend beyond high-level political relationships. Technical bureaucrats, private sector actors, and regional officials all developed vested interests in maintaining bilateral ties, creating constituencies for cooperation that transcend individual political administrations and ideological differences.

BRICS integration and multilateral opportunities

The potential for Argentina's eventual integration into BRICS — the intergovernmental organization of emerging economies seeking alternatives to Western-dominated global governance structures — illustrates how bilateral partnerships can serve as steppingstones toward broader multilateral engagement. BRICS represents an alternative institutional framework that may better serve Argentina's long-term developmental objectives while providing greater policy autonomy through diversified partnerships.

Alternative financial architecture

BRICS institutions like the New Development Bank offer alternatives to traditional Western financial institutions like the World Bank and International Monetary Fund, which often impose structural adjustment programs and governance conditionalities that constrain recipient countries' policy autonomy. The availability of alternative financing sources enhances middle powers' bargaining position across all international relationships by demonstrating viable alternatives to traditional dependency relationships.

Argentina's deepening partnership with China positions it favourably for eventual BRICS integration, which would provide access to alternative financial instruments and multilateral cooperation frameworks. This integration would represent successful strategic hedging that enhances Argentina's international positioning while preserving its capacity for independent policy-making across multiple issue areas.

Strategic positioning in a multipolar world

BRICS integration would demonstrate Argentina's successful navigation of great power competition through sophisticated diplomatic entrepreneurship that leverages economic opportunities while preserving strategic autonomy. Rather than constraining Argentina's diplomatic options, participation in alternative multilateral frameworks creates opportunities for enhanced international influence through coalition building and collective action.

This strategic positioning reflects broader patterns of how middle powers can amplify their global impact through multilateral engagement while maintaining beneficial bilateral relationships with multiple great powers. The success of this approach depends on a careful balance between competing partnerships and maintenance of credible alternatives that enhance negotiating positions across all international relationships.

Future trajectories and policy implications

The resumption of suspended infrastructure projects, particularly the stalled dam developments in Patagonia⁷, represents an important test of how effectively Argentina and China can translate diplomatic rapprochement into concrete developmental cooperation. These projects transcend simple economic transactions, offering opportunities for technology transfer, infrastructure modernization, and strategic collaboration that could accelerate Argentina's long-term developmental trajectory while demonstrating the practical benefits of pragmatic partnership.

Infrastructure development and technology transfer

Chinese infrastructure investments in Latin America have typically included technology transfer components that enhance recipient countries' developmental capacity beyond the immediate project scope (Ellis, 2014). Table 2 represents the evolution of agreements between Argentina and China within a two-decade time span.

⁷ Patagonia is the southern region of Argentina where significant infrastructure development projects, particularly dam developments, have been planned as part of Argentina-China cooperation agreements. These projects represent opportunities for technology transfer and strategic collaboration beyond simple economic transactions.

Table 2. Argentina-China institutional architecture evolution (2004-2024)

Year	Milestone Agreement	Strategic Significance	Institutional Impact
2004	Memorandum of Understanding on Trade and Investment	Foundation of modern strategic partnership	Created formal cooperation mechanisms
2014	Comprehensive Strategic Partnership Declaration	Highest level of bilateral cooperation	33 bilateral agreements signed; Extensive sectoral integration
2014	Currency Swap Agreement (35 billion yuan)	Financial crisis management instrument	Alternative to Western financial institutions
2015-2019	Infrastructure Projects Portfolio	Patagonia dam developments; Technology transfer	Created technical constituencies for cooperation
2020-2023	COVID-19 Cooperation Framework	Health diplomacy and vaccine procurement	Demonstrated partnership resilience during crisis
2024-2025	Milei Administration Pragmatic Reset	Ideological rhetoric replaced by economic pragmatism	Institutional continuity despite political transition

Source: Created by the author building on Ray and Gallagher (2017), Ray (2018), Ray and Barbosa (2020), Ray et al. (2021), Albright et al. (2023)

The Patagonian dam projects offer opportunities for Argentina to acquire advanced hydroelectric technologies while developing domestic expertise that could support future infrastructure development initiatives.

The institutional mechanisms established over two decades of cooperation provide a foundation for expanded partnership that extends well beyond any single political administration. The extensive network of sectoral agreements creates bureaucratic constituencies and technical expertise that generate momentum for continued engagement regardless of shifting political rhetoric, ensuring policy continuity across electoral cycles.

Balancing strategic relationships

For Argentina, the challenge lies in maximizing the benefits of expanded partnership with China while maintaining strategic balance in its broader international relationships. The objective should be enhanced strategic autonomy through diversification rather than replacement of one form of dependence with another, requiring sophisticated diplomatic management across multiple relationships simultaneously.

China's patient approach to partnership development — maintaining engagement even during periods of political tension while offering concrete benefits without excessive conditionalities — has positioned it as a uniquely valuable partner for countries seeking to diversify their international relationships. This approach contrasts favourably with Western partners who often demand structural reforms or political changes as conditions for assistance, enabling greater policy autonomy for recipient countries.

Lessons for middle power diplomacy

Argentina's experience offers valuable insights for other middle powers seeking to navigate great power competition while preserving strategic autonomy and maximizing developmental opportunities. The case demonstrates that sophisticated diplomatic entrepreneurship can transform apparent vulnerabilities into strategic assets, provided leaders possess sufficient flexibility to adapt their approaches as structural circumstances evolve.

Strategic hedging as diplomatic tool

The success of Argentina's strategic hedging demonstrates how middle powers can leverage relationships with multiple great powers to enhance rather than compromise their strategic autonomy. This approach requires careful management of competing partnerships while maintaining credible alternatives that strengthen negotiating positions across all international relationships.

The broader strategic lesson concerns the critical importance of institutional diversification in contemporary international relations. Countries that rely exclusively on traditional partnerships may find themselves vulnerable to external pressure during moments of crisis, while those that cultivate multiple relationships possess greater resilience and flexibility when navigating complex global challenges.

Economic pragmatism in international relations

Argentina's experience illuminates the evolution of South-South cooperation in the twenty-first century⁸, where partnerships increasingly reflect pragmatic calculations about mutual benefit and strategic positioning within evolving global economic structures rather than ideological solidarity against Western dominance (Slipak, 2014). This transformation suggests fundamental changes in how emerging economies approach international cooperation and strategic positioning.

The integration of positive economic statecraft through instruments like currency swaps (Council on Foreign Relations, 2024) demonstrates how economic relationships can enhance policy autonomy when structured to avoid traditional conditionalities. These arrangements enable recipient countries to maintain greater decision-making flexibility during negotiations with other international partners while demonstrating viable alternatives to traditional dependency relationships.

⁸ South-South cooperation refers to partnerships between developing nations that increasingly reflect pragmatic calculations about mutual benefit and strategic positioning within evolving global economic structures, rather than ideological solidarity against Western dominance.

Conclusion: Strategic adaptation in a multipolar world

The narrative of Argentina's diplomatic transformation with China transcends simple stories of economic necessity overriding ideological commitment. Instead, it represents sophisticated understanding of how contemporary international relations function, where sustainable prosperity increasingly depends on strategic flexibility, diplomatic entrepreneurship, and willingness to transcend traditional boundaries that may constrain policy options in an interconnected world.

President Milei's evolution from confrontational rhetoric to pragmatic partnership demonstrates the capacity for political leadership to adapt to complex realities while preserving core national interests and developmental objectives. His transformation illustrates that diplomatic maturity often requires abandoning simple ideological frameworks in favour of nuanced understanding of how multiple relationships can be managed simultaneously to enhance rather than compromise strategic autonomy.

The broader implications extend beyond bilateral relations to encompass fundamental questions about cooperation and competition in an increasingly multipolar world. As traditional geopolitical boundaries become more fluid and economic considerations assume greater prominence in diplomatic calculations, the Argentina-China partnership exemplifies possibilities for creative relationships that benefit all parties while contributing to global stability and prosperity.

The theoretical frameworks of complex interdependence (Keohane and Nye, 2012), economic statecraft (Baldwin, 1985), middle power theory (Cooper et al., 1993), and institutional analysis (March and Olsen, 1989) demonstrate their continued relevance for understanding contemporary international relations. The Argentina case reveals how these approaches can be integrated following Sil and Katzenstein's (2010) model of analytic eclecticism to provide comprehensive explanations of diplomatic transformation that transcend simple realist or idealist interpretations of international behaviour.

This analysis ultimately demonstrates that diplomatic adaptation integrates economic imperatives, strategic calculations, and institutional legacies into coherent patterns of cooperation. Argentina's foreign policy evolution under President Milei illustrates how structural constraints can redirect even ideologically committed leaders toward pragmatic engagement when confronted with complex realities that resist purely normative solutions.

The choreography of contemporary diplomacy requires both principled commitment and strategic flexibility — apparently contradictory requirements that Argentina's evolving relationship with China demonstrates can be reconciled through skilful leadership, institutional resilience, and strategic vision. As the international system continues evolving toward greater multipolarity (Wendt, 1999), the lessons embedded in Argentina's diplomatic transformation offer valuable insights for understanding how middle powers can navigate great power competition while enhancing their strategic autonomy and developmental prospects in an increasingly interconnected world.

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