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CHINA'S FOREIGN DIRECT INVESTMENT IN LATIN AMERICA AND THE CARIBBEAN: Conditions and Challenges | Edited by Enrique Dussel Peters

Boulder, CO: Lynne Rienner Publishers, 2019. 334 pp. (Tables.) US\$39.95, paper. ISBN 978-607-8066-45-2.

Enrique Dussel Peters' book leverages the most methodologically valid transaction-based dataset on Chinese foreign direct investment (FDI) in Latin America, in combination with many of the most respected and longstanding authors in the field. It is a solid, well-written work that makes an important contribution to the literature.

Like most works on China's relationship with Latin America, Dussel Peters' volume is a compilation, organized into mostly country-specific chapters. That structure naturally impedes integrated and comparative analysis, although as editor, Dussel Peters has clearly made an effort to impose common structure across individual author contributions.

The work covers an impressive range of countries, both within and outside the region, including both small and large countries, commodity focused and more diversified, and anti-US populists and more US-aligned regimes. Only the absence of more Andean Ridge countries is surprising, given their generally strong economic relationships with the PRC.

The book maintains a neutral ideological tone. While it neither promotes nor demonizes Chinese FDI, it notably avoids a discussion of the role of the behaviours of Chinese companies as a factor in the difficulties with PRC projects.

If this book has a weakness, with its impressive collection of authors and Dussel Peters' database of FDI transactions, it is in the unrealized potential for comparative analysis. Dussel Peters, in his chapter, does an admirable job in identifying general patterns in the numbers. Yet how patterns of Chinese engagement identified in country-specific chapters correlate with the economic structure of partner countries, institutions, historic antecedents, or regime type is not systematically addressed.

The book is also, to some degree, hurt by its timing. It was published in 2019, with FDI data largely ending in 2017. Major recent events affecting Chinese investments including Covid-19, and the election of the Biden administration in the US, are thus not included.

With respect to individual chapters, Xiaoyu Song's essay on the role of Chinese regulation is important and addresses a topic often neglected in other works. Unfortunately, the key phases of regulation discussed are not leveraged by authors of later chapters as they present the timing and other patterns of Chinese investment in specific countries.

While the book section on areas of the world beyond Latin America is of interest, it lacks an integrating essay about what the analysis suggests is common across regions, what is different, and why. The very good chapter on Africa by Linda Calabrese, for example, highlights China's focus on the transport and energy sectors, resource-backed loans, environmental and social difficulties, and lack of local job generation, as phenomena that also occur in Latin America, yet that comparison is never explicitly made. Likewise the sensitivity over Chinese land acquisition noted in Australia presages similar problems mentioned in the Argentine and Uruguayan chapters.

The Latin America overview chapter by Dussel Peters, as noted previously, highlights important patterns in the data, including the predominance of Chinese public sector companies, plus a concentration on mergers and acquisitions over greenfield efforts.

The Argentina chapter by Stanley provides a nuanced discussion of most important Chinese projects in the country, tying them to Chinese interests in food and energy security. Yet it does not discuss the 2015 political shift from Christina Fernandez to far more conservative Mauricio Macri, to help explain changes in the trajectory of Chinese FDI.

The Brazil chapter by Celio Hiratuka calls attention to important issues seen elsewhere. These include the concentration on commodities in Brazil's exports to China, versus its import of a diverse basket of higher value-added goods. The chapter also usefully calls attention to the diversification of Chinese investment into the electricity sector, and the different distribution of investment from Chinese public versus private-sector companies.

The chapter on Colombia by Benjamin Creutzfeldt highlights the relative sophistication of China in some sectors, such as telecommunications, versus its more mediocre performance in others. Creutzfeldt also notes the large quantity of announced projects that have not occurred, including work on the Magdalena River, a dry canal, and expansion of port infrastructure. Later Chinese successes that may have added nuance, such as the highway from Medellin to the Gulf of Urabá, and the Bogota Metro, occurred after the book went to press.

The Venezuela chapter is remarkable for characterizing the logic of Chinese investment without mentioning the nationalizations and ill-conceived economic policies driving other firms out of the country. Nonetheless, it usefully highlights that almost all Chinese engagement to the populist regime was in the form of commodity-backed loans, not investments, even those involving the construction of factories.

The chapters on Panama, Costa Rica, and the Dominican Republic offer insights into the trajectory of Chinese investment in countries that switched relations from Taiwan to the PRC. As elsewhere, comparisons would have been valuable. Moreover, the book went to press before the arrival of new governments whose policy changes altered the trajectory of Chinese investment in both Panama and the Dominican Republic.

The book's two chapters on Caribbean countries show Chinese interest in the region's sugar and mining, paralleling Chinese interest in commodities seen elsewhere. The chapters are unfortunately light on China's important activities in logistics. The chapter on Jamaica by Jevon Minto, for example, makes only passing mention of the massive Chinese JDIP and MDIP infrastructure programs, and China Harbour's investment in the North-South Highway in exchange for a 99-year lease on valuable adjacent land.

The Mexico chapter by Dussel Peters illustrates how Chinese investment has adapted to the conditions of each country. Dussel Peters highlights how Chinese FDI in Mexico has concentrated on transport, warehousing, and manufacturing, rather than extractive industries, reflecting Mexico's manufacturing and economic integration with the US and Canada. Unfortunately, Gangfeng's acquisition of the Bacanora lithium fields, China's State Power Investment Corporation's acquisition of Zuma Energia, and China Communications Construction Company's participation in the Tren Maya project, all of which depart from the pattern, occurred after the book's publication.

Overall, the quality and many strengths of this volume outweigh its shortcomings. It reinforces Dussel Peters' well-deserved reputation as one of the finest and most methodologically disciplined scholars in the field, and is well worth the read.

Evan Ellis

U.S. Army War College Strategic Studies Institute, Carlisle

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Pacific Affairs

Vancouver Campus

376-1855 West Mall

Vancouver, BC Canada V6T 1Z2

Tel 604 822 6508

Fax 604 822 9452

Email enquiry@pacificaffairs.ubc.ca [_\(mailto:enquiry@pacificaffairs.ubc.ca\)](mailto:enquiry@pacificaffairs.ubc.ca)

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