

IR 425 Fall 2024
The New Triangle:
China, the U.S. & Latin America

Prof. Carol Wise
Tuesday 5:00-7:50 pm SOS B40
School of International Relations, USC
Office Hours Wednesdays 3:30-5:30 pm and by appointment
Email: cwise@usc.edu

COURSE OBJECTIVES:

The rapid rise of China in the international political economy raises any number of intriguing policy research questions. With a strong emphasis on the role of political decision-making and economic policy as a crucial part of this process, this seminar will explore historical, conceptual, and contemporary issues and trends as they relate to the new U.S.-Latin America-China triangle that has emerged in the Western Hemisphere over the past two decades. First, we will explore China's ascendance in the global economy from the standpoint of prominent Chinese scholars. Second, we will analyze China's relations with the U.S. and with Latin America prior to its initiation of market reforms in the late 1970s. Third, we will compare and contrast the reform record of China and Latin America, as well as the ways in which reform outcomes have affected U.S. relations with China and Latin America. Fourth, we will study the intensifying tensions between China and the US in the 21st century, including the US trade war against China launched in 2018 and still in effect, as well the rising competition over chips and AI as both countries race toward new technological frontiers.

The remainder of the course will focus on three sub-regional scenarios regarding China-Latin America relations in the new millennium. The first sub-region is Mexico and Central America, which constitutes a case of competitive disadvantage from the standpoint of these countries. The second sub-region is the southern cone of South America and the cases of Argentina and Brazil. Despite strong complementarities and thriving comparative advantage between China and these two countries, both have squandered their riches from Chinese trade and fallen victim to a resource curse. The third sub-region is the Andes, where we will study the decisions of Chile and Peru to enter into separate bi-lateral free trade agreements with China. Hindsight shows that both countries have benefitted by institutionalizing their respective relations with China and interacting with China in the realm of diplomacy and global trade norms. In each of these three sub-regions, we will track the flows of trade and investment, study the challenges that have arisen with Chinese infrastructure investments in all three, including the introduction of Chinas Belt and Road Initiative in Latin America, and explore possible policy options moving forward. The overriding goal of this course is to sharpen students' analytical and writing skills, with a focus on policy analysis and problem solving.

COURSE REQUIREMENTS:

- A 10-12 page position paper that concisely analyzes and discusses a major policy issue or decision and which offers alternative policy options and/scenarios. The paper will be worth 25% of your grade. Your paper is due November 15 at 11:59 pm. Please submit through "turn-it-in" on Brightspace.
- Take-home mid-term exam due October 21 at 11:59 pm, worth 25% of your grade. Please submit through "turn-it-in" on Brightspace.

- Take-home final exam, worth 25% of your grade, due December 10 at 11:59 pm. Please submit through “turn-it-in” on Brightspace.
- Group presentation 15% of your grade.
- Two film reviews, worth 10% of your grade (5 points each). *A number of films have been assigned. You only have to submit two reviews for the semester.*
- Completion of all assigned readings prior to each class meeting. Except for the required texts, all readings on the syllabus are posted on Brightspace.

REQUIRED TEXTS:

Carol Wise, *Dragonomics: How Latin America is Maximizing (or Missing Out) On China’s International Development Strategy* (New Haven, CT: Yale University Press, 2020). (available at https://www.amazon.com/Dragonomics-Maximizing-International-Development-Strategy/dp/0300224095/ref=sr_1_3?keywords=dragonomics&qid=1641921537&sr=8-3).

GRADING SCALE:

Course final grades will be determined using the following scale A 94-100 A- 90-93 B+ 87-89 B 83-86 A- 80-82 C+ 77-79 C 73-76 C- 70-72 D+ 67-69 D 63-66 D- 60-62 F 59 and below

Well-being & COVID-19 Policy:

The USC Student Health Centers (Engemann Student Health Center on the main campus and the Eric Cohen Student Health Center on the health campus) offer resources for students who are feeling sick or have concerns regarding their health. For more information, please visit <https://studenthealth.usc.edu/>.

For medical care or counseling and mental health call: 213-740-9355 or visit:
<https://studenthealth.usc.edu/medical-care/> (medical health) and/or
<https://studenthealth.usc.edu/counseling/> (counseling/mental health).

Students must comply with all aspects of USC’s COVID-19 policy. Failure to do so may result in removal from the class and referral to Student Judicial Affairs and Community Standards. This means that students must follow the university’s indoor mask mandate, regardless of vaccine status.

Academic Accommodations:

The Office of Student Accessibility Services (OSAS) is responsible for the determination of appropriate accommodations for students who encounter disability-related barriers. Once a student has completed the OSAS process (registration, initial appointment, and submitted documentation) and accommodations are determined, a Letter of Accommodation (LOA) will be generated. The LOA must be given to the course instructor by the student. This should be done as early in the semester. See www.osas.usc.edu.

Diversity & Inclusion:

Every student in this course, regardless of background, age, sex, gender, sexuality, race, ethnicity, socioeconomic status, political affiliation, physical or mental ability or any identity category, is a valued

and equal member of the class. My intent as an instructor is to provide an inclusive learning environment where individual differences are respected, appreciated, and recognized as a source of strength.

Academic Conduct:

Plagiarism – presenting someone else’s ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in SCampus in Part B, Section 11, “Behavior Violating University Standards” policy.usc.edu/scampus-part-b. Other forms of academic dishonesty are equally unacceptable. See additional information in SCampus and university policies on scientific misconduct, policy.usc.edu/scientific-misconduct.

Support Systems:

Student Health Counseling Services - (213) 740-7711 – 24/7 on call engemannshc.usc.edu/counseling
Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

Office of Equity and Diversity (OED) | Title IX:

Information about how to get help or help a survivor of harassment or discrimination, rights of protected classes, reporting options, and additional resources for students, faculty, staff, visitors, and applicants. The university prohibits discrimination or harassment based on the following protected characteristics: race, color, national origin, ancestry, religion, sex, gender, gender identity, gender expression, sexual orientation, age, physical disability, medical condition, mental disability, marital status, pregnancy, veteran status, genetic information, and any other characteristic which may be specified in applicable laws and governmental regulations (213) 740-5086 equity.usc.edu, titleix.usc.edu.

USC Support and Advocacy:

Assists students and families in resolving complex personal, financial, and academic issues adversely affecting their success as a student. Diversity at USC - (213) 740-2101 diversity.usc.edu Information on events, programs and training, the Provost’s Diversity and Inclusion Council, Diversity Liaisons for each academic school, chronology, participation, and various resources for students.

USC Emergency:

(213) 740-4321– 24/7 on call dps.usc.edu, emergency.usc.edu Emergency assistance and avenue to report a crime. Latest updates regarding safety, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible.

USC Department of Public Safety:

(213) 740-6000 – 24/7 on call dps.usc.edu Non-emergency assistance or information.

CLASS SCHEDULE AND ASSIGNED READINGS

Week 1: Introduction and Overview

August 27: Course Plan

Homework this week

Please watch this film and submit a 2-page summary of the main points by September 3:

Film---“China: Power and Prosperity,” <https://www.youtube.com/watch?v=JovtmKFXi3c>

Week 2: The Rise of China in the World Economy

September 3: A View from Chinese Scholars

- C. Fang, "Population Dividend and Economic Growth in China, 1978-2018," *China Economic Journal*, 11 (2018): 243-258.
- Y. Huang, "Why Did China Take Off?" *Journal of Economic Perspectives*, 26 (2012): 147-170.
- L. Shouying & X. Xuefeng, "China's Rural Institutions and Governance since the Beginning of the Rural Reform," *China Economic Journal*, 11 (2018): 259-283.
- Y. Yao, "An Anatomy of the Chinese Selectocracy," *China Economic Journal*, 11 (2018): 228-242.
- M. Yu, "China's International Trade Development and Opening-up Policy Design Over the past Four Decades," *China Economic Journal*, 11 (2018): 301-318.

Homework this week

Please watch either or both of these films and submit a 2-page summary of the main points on one of them to me by September 10:

Film 1---"How 16th Century China's Demand for Silver Led to the Opium Wars"

<https://www.youtube.com/watch?v=d0fRDd07Mu0>

Film 2: "China's Century of Humiliation"

<https://www.youtube.com/watch?v=boPkMCJSYSs&t=4170s>

Week 3: China Enters the Western Hemisphere

September 10: A New Triangle?

- E. Ellis, "Cooperation and Mistrust between China and the U.S. in Latin America, in *The Political Economy of China-Latin America Relations in the New Millennium*, Margaret Myers and Carol Wise, eds. (New York: Routledge, 2017), chapter 2.
- R. Jenkins, "China's Belt & Road Initiative: What has Changed?" *Journal of Current Chinese Affairs*, 5 (2021): 13-39.
- C. Wise, *Dragonomics: How Latin America is Maximizing (or Missing Out) on China's International Development Strategy* (New Haven, CT: Yale University Press, 2020), Introduction, chapter 1.
- C. Wise, "Three Phases of China-Latin America Relations, 1949-2022," in *Oxford Encyclopedia of International Studies* (New York, NY: Oxford University Press, 2022).

Homework this week

Please watch the following film and submit a 2-page summary of its main points by September 10:
Film---“China: A Century of Revolution---the Mao Years”

https://www.youtube.com/watch?v=PJyoX_vrlns

THE HISTORICAL BACKDROP

Week 4: The People’s Republic of China and Western Outreach

September 17: China Approaches Latin America as a Region Ripe for “People’s Revolution”

Latin America

- E. Halperin, “Peking and the Latin American Communists,” *The China Quarterly*, vol. 29 (January-March 1967): 111-154.
- W. Ratliff, “Chinese Communist Cultural Diplomacy toward Latin America,” *Hispanic American Historical Review*, vol. 49, no. 1 (1969): 53-79.
- C. Wise, *Dragonomics*, chapter 2.

U.S.---Nixon Goes to China

- M. MacMillan, “Nixon, Kissinger, and the Opening to China,” in Fredrik Logevall and Andrew Preston, eds., *Nixon in the World: American Foreign Relations 1969-1977* (Oxford: Oxford University Press, 2008) pp. 107-125.
- H. Kissinger, *On China* (New York, NY: Penguin Books, 2011), pp. 236-274.

Film: “Assignment China: The Week That Changed the World.”

<https://china.usc.edu/assignment-china-week-changed-world> (we will watch this in class)

Week 5: US-Latin American Relations post-1945

September 24: Ongoing Misunderstandings, Periodic Disappointments

- A. Guida, “Donald Trump and Latin America,” *Interdisciplinary Political Studies*, vol. 4, no. 1 (2018): 185-227.
- M. Atwood Lawrence, “History from Below: The United States and Latin America in the Nixon Years,” in *Nixon in the World: American Foreign Relations 1969-1977*, Fredrik Logevall and Andrew Preston, eds.. (Oxford: Oxford University Press, 2008) pp. 269-288.
- M. Kryzanek, *U.S.-Latin American Relations* (Westport, CT: Praeger, 2008, fourth edition), pp. 1-124.
- M. Williams, “Hemispheric Relations in the Twenty-First Century.” In Mark Eric Williams, *Understanding U.S.-Latin American Relations* (New York, NY: Routledge, 2012), pp. 318-355.

PROMPT 1---What are the lost opportunities for better US-Latin American relations from the standpoint of the US?

Film Clips: Latin America—CIA Coups

<https://www.youtube.com/watch?v=ELDJENmIBTs&t=4611s>

A FORK IN THE REFORM ROAD

Week 6: The Impetus for Economic Reform in both Regions

October 1: Differing Reform Trajectories

China, a late start as an East Asian developmental state

- P. Evans, “Predatory, Developmental, and other Apparatuses: A Comparative Political Economy Perspective on the Third World State,” *Sociological Forum* 4 (1989): 561-587.
- S. Haggard, *Developmental States* (Cambridge, UK: Cambridge University Press, 2018), pp. 1-57.
- A. Kohli, *State-Directed Development* (New York: Cambridge University Press, 2004), pp. 1-26.
- C. Wise, *Dragonomics*, pp. 40-47.

Homework this week

Please watch the following film and submit a 2-page summary of it by April 1 through Blackboard turn-it-in:

“China: A Century of Revolution---the Deng Xiaoping Years”

https://www.youtube.com/watch?v=Fh9Qma_V4h4

Latin America---The 1982 Debt Crisis and Beyond

- P. Kingstone, *The Political Economy of Latin America* (New York, NY: Routledge, 2011), pp. 19-44.
- R. Thorp, *Progress, Poverty and Exclusion: An Economic History of Latin America in the 20th Century* (Washington, DC: Inter-American Development Bank, 1998), pp. 159-199.

PROMPT 2: Is China a Developmental State? How do China’s institutions of reform differ from those in Latin America?

Week 7: Washington Dogmatism versus Beijing Pragmatism

The prompt for the Take-Home Mid-Term will be sent to you.

October 8: Letting in the Market

Beijing Pragmatism

- J. Cooper Ramo, *The Beijing Consensus: Notes on the New Physics of Chinese Power* (London: The Foreign Policy Centre, 2004).
- S. Kennedy, “The Myth of the Beijing Consensus,” *Journal of Contemporary China*, vol. 19, no. 65 (2010): 461-477.
- J. Zeng & Y. Fang, “Between Poverty and Prosperity: China’s Dependent Development and the ‘middle-income trap’,” *Third World Quarterly*, vol. 35 (2014): 1014–1031.

Washington Dogmatism

- N. Jepson, “The Rise of China as a Necessary Condition for Post-Neoliberal Breaks,” *In China’s Wake: How the Commodity Boom Transformed Development Strategies in the Global South* (New York, NY: Columbia University Press, 2020), pp. 46-54.
- P. Kingstone, *The Political Economy of Latin America* (New York, NY: Routledge, 2011), pp. 45-90.

PROMPT 3: Is there a significant difference in how China and Latin America sought to “let in the market?”

Week 8: Fall Break No Class

October 15: Take-home MID-TERM EXAM due on Oct. 21 at 11:59 pm. Please submit through turn-it-in on Brightspace.

THE CHINA BOOM IN LATIN AMERICA IN THE 2000s

Week 9: Mexico and Central America’s China Conundrum

October 22: Competitive Disadvantage across North and Central America

Mexico---Facing China at a Large Deficit

- Chang and A. Andreoni, “Industrial Policy in the 21st Century,” *Development & Change*, 5 (2020):324-351.
- R. Hernandez, “Economic Liberalization and Trade Relations between Mexico and China,” *Journal of Current Chinese Affairs* vol. 41 (2012): 49-96.
- E. Dussel Peters, “Chinese Infrastructure Projects in Mexico,” in *Building Development for a New Era: China’s Infrastructure Projects in Latin America and the Caribbean*, Enrique Dussel Peters, Ariel C. Armony and Shoujun Cui, eds. (Mexico City: Red Académica de América Latina y el Caribe sobre China, 2018), chapter 3.
- E. Dussel Peters and Kevin P. Gallagher, “NAFTA’s Uninvited Guest: China and the Disintegration of North American Trade,” *CEPAL Review* vol. 110 (2013): 83-108.
- C. Wise, *Dragonomics*, chapter 6.

Central America---On the Outside Looking In?

- S. Cui, “The Chinese-Backed Nicaragua Canal,” in *Building Development for a New Era: China’s Infrastructure Projects in Latin America and the Caribbean*, chapter 7.
- J. Dayton-Johnson and Rolando Avendaño, “Central America, China, and the U.S.: What Prospects for Development?” in *The Political Economy of China-Latin America Relations in the New Millennium*, chapter 9.
- M. DeHart, “China-Costa Rica Infrastructure Projects,” in *Building Development for a New Era: China’s Infrastructure Projects in Latin America and the Caribbean*, chapter 1.
- M. DeHart, *Transpacific Developments: The Politics of Multiple Chinas in Central America* (Ithaca and London: Cornell University Press, 2021), pp. 116-153.

PROMPT 4---What are the difficulties that Mexico and Costa Rica have encountered when trying to finalize plans for China-backed infrastructure projects?

Week 10: Comparative Advantage, with Caveats

October 29: China’s Voracious Appetite for Mineral Imports---Chile and Peru

- N. Jepson, “Homegrown Orthodoxy Type: Jamaica and Peru,” *In China’s Wake*, pp. 190-219.
- K. Ratigan, “Are Peruvians Enticed by the China Model?” *Studies in Comparative International Development*, 56 (2021): 87-111.
- C. Sanborn and Victoria Chonn Ching, “China-Peruvian Relations in the Mining Sector: Learning Step-by-step,” in *The Political Economy of China-Latin America Relations in the New Millennium*, chapter 6.
- J.E. Serrano Moreno et al, “Beyond Copper: Chile and China Relations,” *Asian Education and Development Studies*, 10 (2021): 359-373.
- C. Wise, *Dragonomics*, chapter 4.

PROMPT 5---How have Chile and Peru managed their respective relationships with China, which are less conflictual than the other country cases we have examined?

Week 11: China’s Agricultural Feeding Frenzy in Argentina and Brazil

November 5: Soybeans Displace Manufactured Exports

- C. Ban, “Brazil’s Liberal Neo-Developmentalism: New Paradigm or Edited Orthodoxy?” *Review of International Political Economy*, 20 (2013): 298-331.
- N. Jepson. “Neodevelopmentalist Type: Argentina and Brazil,” *In China’s Wake*, pp. 72-104.

- L. Stanley, “Argentina’s Infrastructure Gap and Financial Needs,” *Building Development for a New Era: China’s Infrastructure Projects in Latin America and the Caribbean*, chapter 4.
- C. Wise, *Dragonomics*, chapter 5.
- C. Wylde, “Post-Neoliberal Development Regimes in Latin America: Argentina under Cristina Fernandez de Kirchner,” *New Political Economy*, 21 (2016): 322-341.

PROMPT 6---In what ways is China co-dependent as a trade partner with Argentina and Brazil? Is there a victim in this scenario of mutual dependency?

NEW PATTERNS OF US-CHINA COMPETITION IN THE 21ST CENTURY

Week 12: US vs. China---Competition on the Technological Frontier

November 12: Technology, Chips, and AI

- A Demarais, “How the U.S.-Chinese Technology War Is Changing the World,” *Foreign Policy*, November 19, 2022. https://foreignpolicy.com/2022/11/19/demarais-backfire-sanctions-us-china-technology-war-semiconductors-export-controls-biden/?tpcc=fp_live
- N. Gelman et al., “China and the US: War on AI Technology,” Institute for Youth in Policy, San Francisco, 2023. [https://cdn.prod.website-files.com/6580bf6203485cf15c72a4f1/669ea59ff5776535b6520273_June%20AI%20War%20Brief%20\(1\).pdf](https://cdn.prod.website-files.com/6580bf6203485cf15c72a4f1/669ea59ff5776535b6520273_June%20AI%20War%20Brief%20(1).pdf)
- T. He and Y. Ji, Y, “China’s Techno-Economic Statecraft Amid US-China Strategic Rivalry: AI and the ‘New Whole-State System,’” *Orbis* (Philadelphia), 67 (2023), pp. 605–625. <https://doi.org/10.1016/j.orbis.2023.08.008>
- B. Jiang, “Tech war: China narrows AI gap with US despite chip restrictions,” *South China Morning Post*, August 1, 2024. <https://archive.is/QuwRI>
- P. Mozur et al, “China’s Rush to Dominate AI Comes with a Twist: It Depends on U.S. Technology,” *New York Times*, February 21, 2024. <http://libproxy.usc.edu/login?url=https://www.proquest.com/blogs-podcasts-websites/china-s-rush-dominate-i-comes-with-twist-depends/docview/2928864937/se-2>
- P. Nung Wong, *Techno-Geopolitics: US-China Tech War and the Practice of Digital Statecraft*. India: Routledge, Chapters 1, 3 & 4. <https://doi-org.libproxy2.usc.edu/10.4324/9781003047100>
- J. Qui, “The Return of Billiard Balls? US–China Tech War and China’s State-Directed Digital Capitalism,” *Javnost - The Public*, 30 (2023), pp. 197–217. <https://doi-org.libproxy2.usc.edu/10.1080/13183222.2023.2200695>
- M. Ryan and S. Burman, “The United States–China ‘tech war’: Decoupling and the Case of Huawei.” *Global Policy*, 15 (2024), pp. 355–367. Available from: <https://doi.org/10.1111/1758-5899.13352>

- A. Singer, “Stakes Rising in the UA-China AI Race,” *Global Finance*, September 1, 2024. <https://gfmag.com/economics-policy-regulation/us-china-competition-generative-ai/>
- The Economist, “The Tech Wars are About to Enter a Fiery New Phase,” *The Economist*. April 25, 2024. <https://www.economist.com/international/2024/04/25/the-tech-wars-are-about-to-enter-a-fiery-new-phase>

PROMPT 7--What are the causes and consequences of the US-China Tech Rivalry?

Week 13: The US-China Trade War

November 19: Winners and Losers?

- C. Brown, “The US-China Trade War: Phase One Agreement,” Working Paper 21-2, Peterson Institute for International Economics, Washington, DC, 2021.
- T. Hale and W. Xueqiao, “US Businesses Strike China Deals in Shadow of Trump Victory,” *Financial Times*, November 7, 2024.
- J. Leahy et al., “Asia Braces for Steep China Tariffs in Second Trump Term,” *Financial Times*, November 6, 2024.
- J. Leahy and C. Leng, “Chinese Exports Soar as Beijing Prepares for Trade Tensions with Donald Trump,” *Financial Times*, November 6, 2024.
- Liu and T. Woo, “Understanding the U.S.-China Trade War,” *China Economic Journal*, 11 (2018), pp. 319-340.
- A. Lukin, “The US–China Trade War and China's Strategic Future,” *Survival*, 61 (2019), pp. 23-50.
- D. Sevastopulo and A. Williams, “Donald Trump Asks Arch Protectionist Robert Lighthizer to Run US Trade Policy,” *Financial Times*, November 8, 2024.
- D. Steinbock, “U.S.-China Trade War and Its Global Impacts,” *China Quarterly of International Strategic Studies*, 4 (2018).

PROMPT 8: The US-China trade war has now entered its seventh year. What started it and why has it lasted so long?

Week 14: Nov. 26 Thanksgiving Holiday-no class

Week 15: China’s Belt & Road Initiative

December 3: What has Belt and Road Meant for the US and Latin America?

The Prompt for the Final-Take Exam will be sent out.

- K. Acker, D. Brautigam and Y. Huang, “Debt Relief with Chinese Characteristics.” China-Africa Research Initiative (CARI), Johns Hopkins School of Advanced International Studies, Working Paper no. 39, June 2020.
- M. Du, “China’s ‘One Belt, One Road’ Initiative: Context, Focus, Institutions, and Implications,” *The Chinese Journal of Global Governance*, 2 (2016), access full text at: https://brill.com/view/journals/cjgg/2/1/article-p30_2.xml
- P. Ferdinand, “Westward Ho---The China Dream and ‘One Belt, One Road’,” *International Affairs*, 92 (2016), pp. 941-957.
- J. Hillman and D. Sacks, *China’s Belt and Road: Implications for the US*, Independent Task Force Report, Council on Foreign Relations, 2021. New York, NY, pp. 2-22.
- R. Jenkins, “China’s Belt & Road Initiative in Latin America,” *Journal of Current Chinese Affairs*, 41 (2021), pp. 1-27.
- M. Ye, “Fragmentation and Mobilization: Domestic Politics of Belt and Road in China,” *Journal of Contemporary China*, 28 (2019), pp. 696-711.

PROMPT 9---Why has the US reacted so negatively toward China’s Belt and Road Initiative? What are the possible costs and benefits for participating countries?

FINAL TAKE-HOME EXAM DUE: December 11 at 11:59 pm. Please submit through turn-it-in on Brightspace.