The "Chinese Dream" and America's Role

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> "Although there is a vast ocean between China and Latin America, we are connected heart and soul. We are bound together not only by profound traditional friendship and close interests, but also by our common pursuit of beautiful dreams."[1]
>
> Xi Jinping

COVID-19's brutal and unrelenting stages only started waning at the end of 2022. It had swept the planet, striking unvaccinated wealthy and destitute nations alike with dispassionate ferocity. Economic growth screeched to a halt most dramatically in Latin America and the Caribbean, already the most afflicted region globally in terms of income inequality. The region's 1.74 million dead account for over 26 percent of global pandemic deaths.[2] Open military conflicts—particularly those in the Middle East and Africa—faded to the back pages of newspapers worldwide as hospital beds filled and millions of diseased bodies overwhelmed and shocked a modern society unaccustomed to such sudden mortality.

Amidst this cacophony and despite a global economic downturn, President Xi Jinping continued to lead the PRC's emergence from modest international standing a short twenty years ago to a position of unprecedented global power today. Hereafter in this paper the PRC is a specific reference to the Chinese Communist Party (CCP)-controlled area of mainland China to distinguish it from the broader ethnic characterization of "Chinese" or "China" which includes the disputed autonomous areas of Taiwan, Hong Kong, and Macau. Since the beginning of his term in 2013, Xi has managed to completely reinvent the landscape of domestic PRC politics, waging a war on communist party corruption (which some characterized more harshly as a war against political rivals) and broadly consolidating nearly all major decision-making authority under his pen alone.[3] In effect, he removed all barriers holding back the significant stores of economic potential energy lying untapped inside the PRC's borders for decades. The stage had been set favorably in Latin America and the Caribbean—with their vast natural resources—for Xi's soft power projection as part of his multi-decade effort to establish a new world order in the PRC's favor—one Xi described in numerous speeches as "win-win, peaceful cooperation." The PRC's hunger for the oil, minerals, and agricultural commodities of Latin America was matched only by Latin America's hunger for modern infrastructure, particularly in energy production and delivery, port development, and wireless technology networks, providing a lucrative (if risky) market into which well-subsidized PRC businesses expanded, backed by the emergence of a far more powerful military.

Xi's singular focus—his "Chinese Dream"[4]—is to see a unified China reach its revolutionary height by 2049 (the centenary of the People's Republic's modern founding) with the complement of a world-class military.[5] Understanding just how profound this move has been—and having an appreciation for Xi's personal history and unique style of rule—are critical to postulating where the PRC will look to exploit future opportunities. Though the tyranny of distance imposed by the Pacific Ocean might seem a natural governor on the PRC's soft power influences in the Western Hemisphere, the United States' closest neighbors are already being courted by the PRC via multiple bilateral partnerships with Argentina, Brazil, Chile, Costa Rica, Ecuador, Mexico, Peru, Uruguay and Venezuela.[6] This aggressive courtship of American neighbors is happening in parallel with other PRC influence campaigns at the United Nations and other international fora, in which it continues to enjoy a groundswell of support in the form of diplomatic recognition. Much of this recognition can be traced to the PRC's determined increase in financial support to the United Nations (UN), where it is second only to the United States in assessed contributions to the UN's regular and peacekeeping budgets.[7]

With Xi's hand on the CCP's controls and the party's authority established across nearly every governmental instrument, Xi and the CCP enjoy immense foreign policy agility—further advanced by limited transparency and a selective disregard for international standards of rules-based behavior. Policymakers charged within the various US government departments to chart effective counter-PRC strategy courses should carefully consider the most appropriate countermove. Specifically, an adjustment to international security assistance authorities and regulation should be considered as a means of disrupting the ineffective status quo in strategically deterring the growing PRC threat to US interests well beyond the Indo-Pacific.

Rethinking Resource Allocation

American presidents have misunderstood and struggled—failed, mostly—to practically contain or compete with the PRC's aggressive counter-norm behavior since the turn of the century, signaling new approaches are needed. Unfortunately, significant pivots in national security focus are muscle movements not often exercised. Given the deep spending rut dug by US$2 trillion appropriated over the last two decades for "emergency use" in Overseas Contingency Operations (OCO) to wage the Global War on Terror,[8] Americans will likely have a difficult time buying into the notion that additional spending targeting the PRC is a wise use of taxpayer dollars. One comparison to consider is that Foreign Military Financing (FMF) spent in Latin America pales dramatically with that spent in the Middle East. Israel is "the largest cumulative recipient of US foreign assistance since World War II,"[9] and still enjoys the lion's share of this aid and will continue to do so through at least FY2028 with at least US$38 billion in combined FMF scheduled to be allocated.

By comparison, all foreign assistance spending for the entire western hemisphere averaged US$1.68 billion annually for fiscal years 2016-2019, roughly averaging only 15 percent of the annual global allocation. Furthermore, the Trump administration advocated for an 18 percent reduction (US$314 million) in foreign assistance spending in FY2021 for the region, consistent with Trump's desire to reduce funding to the minimum amount needed to stem irregular migration to the southern border.[10] However, this reduction was nearly reversed by a 15 percent increase in funding the year following (FY2022) by the Biden Administration, roughly two-thirds of which was anchored by Security Assistance and broad -based economic growth funding.[11] While the problem of Latin American countries' low absorptive capacity for foreign aid is nontrivial for this region—particularly when considering risks of diversion to corrupt governments or transnational criminal organizations—the vast discrepancy in assistance when viewed through a strategic lens of shoring up soft power defenses against the PRC is considerable and worth correcting.

Furthermore, the generally bifurcated nature of US foreign assistance (authorities split between the State and Defense Departments) is chronically the subject of congressional holds and earmarks for political reasons, restricting the ability of foreign policy experts to make on-the-fly adjustments to priority regions. The PRC is not plagued by such bureaucratic limitations. In fact, strong arguments have been made for a complete overhaul and transfer of US security assistance planning from a DoD-dominated process back to the Department in which the authorities arguably best reside—State. Bergmann and Schmitt of the Center for American Progress contend, "Failing to reform security assistance not only leaves the United States with a wasteful and inefficient status quo, it also perpetuates the marginalization of diplomacy and locks in the military's newly-found dominance in driving US foreign policy. The current security assistance system evolved to address the threats posed by the post-9/11 era and is now outdated and ill-suited for a new geopolitical environment characterized by competition."[12] More unencumbered, flexible foreign assistance coupled with thoughtful redistribution of a percentage of foreign assistance from the Middle East to more geopolitically strategic regions may yield more favorable long-term results against the PRC without risking a far more expensive, potentially inflammatory arms race led by the Defense Department.

The Road Ahead

Of course, foreign assistance redistribution will not reverse the tide of PRC influence alone. Foreign assistance dollars do not always enjoy a positive correlation with attainment of long-term foreign policy objectives—particularly in attempts to mirror-image US military capabilities on emerging states' militaries. Recent OCO and FMF spending over the last two decades in the Middle East against a far less sophisticated adversary should be evidence enough of that. The US cannot compete toe-to-toe with the PRC if the President relies on the foreign policy strategies employed against fundamentally different competitors in the Middle East. Stronger alliances in the Western Hemisphere based on NATO-like principles of common defense, along with substantial greenfield investment programs seeded by private and public equity alike must be nurtured and deliberately grown.

While ongoing work has done some good in stemming the growth of malign PRC influence, honest reflection reveals little has been done to stop the PRC from gaining strategic inroads globally at America's expense, and evidence is mounting the Western Hemisphere may soon see a power balance shift like that in the Indo-Pacific. This paper examines ways the PRC wields its instruments of power unchecked in the Western Hemisphere and provides recommendations on the appropriate mix of American policy tools to abate its effects. Mandating a disruptive change to strategy development strongly tied to resource allocation and partnership development must happen now—further delay will only serve to embolden Xi and discourage American partners and allies.

United States and other External State Actors in Latin America

A Brief History: United States, Iran, Russia, and Taiwan

Understanding the roots of Xi's ambitious goals will be critical to develop an appropriate regional strategy for the Western Hemisphere (and globally). Importantly, the PRC likely does not seek to dominate or threaten national sovereignty of any Western Hemisphere country anytime soon—after all, the United States still enjoys a hegemonic strategic advantage in Latin America with far more longstanding bilateral defense partnerships and trade relationships—though viewed through a lens of global commerce, the trade advantage has been precipitously eroding over the last decade. And relatively speaking—at least for now—China's overall level of influence in this hemisphere is nascent in comparison with its strategic advantage enjoyed in Central and East Asia. To use Xi's words from 2017 in his description of the Chinese Dream, he yearns to make China a "global leader in terms of comprehensive national power and international influence."[13] While the trends are in the PRC's favor, the United States remains in the driver's seat.

Furthermore, Xi is acutely aware that overextending the PRC's foreign policy goals at the expense of attending to significant domestic issues could ultimately doom solving both problems.[14] Unprecedented public protests following the CCP's failure to mitigate the effects of the pandemic with its "zero COVID" policies late into 2022 threaten Xi's ability to assert total control over his populace. Ultimately, his goals of rapid expansion are only tenable by a government untethered by term limits, constitutional separation of powers, inter-party balance of power, or other similar democratic institutions. Another of Xi's advantages over his American contemporaries is his ability to develop strategies with goal posts fixed well beyond four or eight years in the future. That, coupled with an ability to buck institutional norms, international laws, and the diplomatic status quo without facing domestic political backlash puts Xi in a favorable position to out-maneuver state rivals.

Of course, the PRC is not the first or only external state actor to challenge the United States in Latin America. Russia has reinvigorated its post-Cold War campaign to unsettle and disrupt the liberal, American-led western alliances by using Latin America as a proxy for pitting state-led disinformation campaigns and oligarchs against fledgling, weak-footed democracies. In addition to a strong cyber-based disinformation program, Russia's campaign thus far has been marked by a three-pronged approach of arms sales, commercial agreements, and high-level political engagements.[15] Though these engagements are principally of financial motivation (and limited in comparison with the United States' and the PRC's parallel efforts), there have been more successful examples of military power projection in the hemisphere as cyclical tests of United States resolve—examples which the Chinese People's Liberation Army (PLA) have already begun to model. These historical examples include the Soviet Union's support of Cuba during the 1962 Cuban Missile Crisis, Soviet provisions of tanks and aircraft to support Peru's military coup in 1968, and Moscow's weapons support to Nicaragua's Sandinista government in the 1980s. These of course being the headline events which overshadow the numerous (and ongoing) arms deals principally with Venezuela.[16]

To a less productive but still troubling degree, Iran has proven to be a persistent thorn in the United States' side for decades in Latin America. Though certainly not as capable as Russia and now the PRC, Iran has a history of aligning with countries at odds with the United States. Most recently that alignment was most significant with Venezuela and Cuba, through which Iranian sponsorship of Hezbollah, money laundering, and drug trafficking is most pronounced.[17] In the early 1990s, Iran and Hezbollah carried out terrorist attacks against Jewish populations in Buenos Aires. Following a 1994 suicide attack that killed 85 people, an Argentinian prosecutor published a detailed report implicating historical Iranian influence throughout Latin America by way of clandestine intelligence stations.[18] Today's Iranian influence in Latin America is lower profile, and PRC strategy does not follow the same pattern of behavior. While Iran was more willing to grandstand against American diplomacy by way of rogue state tactics, PRC efforts at influence have relied on soft power techniques in attempts to win the affections of countries with whom it seeks to invest or develop future markets.

Taiwan Recognition: The PRC's Red Line

Taiwan has injected an interesting wrinkle in the jostling of external actors for strategic influence in Latin America and the Caribbean, particularly as Taiwan digs in its heels to maintain the diplomatic recognition it enjoys with the nine nations in the hemisphere (of 15 total worldwide) after losing its seat in the United Nations to China in 1971.[19] The CCP is often incensed by Taiwan's liberal democratic politics, leading to many confrontations far from the waters of the South China Sea, in which Taiwan is currently engaged in fierce territorial disputes with the PRC.

Although the United States maintains an unofficial relationship with Taiwan to toe the line of open conflict with the PRC, its ties to Taipei are significant—strong evidence of which was seen following the withdrawal of US diplomats in 2018 from Panama, the Dominican Republic and El Salvador following those three countries' reversal of Taiwan's recognition.[20] In typical fashion, these reversals came in exchange for the PRC's commitments to large projects in their countries. To date, none of the Dominican Republic's US$3 billion in promised infrastructure projects have been realized.[21]

Much like South Korea to the north, Taiwan represents a beacon of western, democratic values situated tensely adjacent to a persistent threat. Particularly worrisome for Taiwan is the relatively small diplomatic recognition it enjoys worldwide when compared with the PRC which, according to state media, grew its list of formal recognition to 180 countries "including several countries that bowed to the PRC's pressure and switched their official recognition from Taiwan."[22] The United States faces a difficult challenge in supporting Taiwan, as it does not enjoy the company of the international community at large in doing so.

The US- PRC competitive relationship could be viewed as a natural extension of the United States' anti-totalitarian foreign policy ethos. Until perhaps 2013 this would have been a fair assessment. It is critical to acknowledge, however, that the economic competition with the PRC has increased in intensity approaching a crisis with the PRC. Cordesman writes, "The US has now taken the official position that its confrontation with China is a civil-military or 'whole of government' challenge–where the civil challenge may pose even more of a threat than the military one."[23] This crisis reached its highest tension when Speaker of the House Nancy Pelosi made an official visit to Taiwan in August of 2022, incensing Xi and his Party. Although in decades past the United States ably pushed policy goals forward in the Western Hemisphere with little external competition, the PRC is now postured as an influential world power promising many of those same partner nation benefits at enticingly-reduced cost.

PRC Economic Policies and Agenda

In many ways, the PRC's dominant economic standing of today is a product of the United States and others' willingness (perhaps eagerness) to engage with a 1970s China—a China that was wise to embrace some capitalist economic principles encouraged under the watch of Deng Xiaoping.[24] Of course, this energetic growth sponsored by Western democracies was done with the intention of transforming China into a modern power that would exhibit responsible, rules-based behavior as a key member of the United Nations. However, the political stakeholders in China were unmoved by the allure of liberalization. Contrary to what many had predicted, the CCP clung firmly to its Marxist-Leninist-Maoist roots—injecting full control into all corners of Chinese society—while pretending to play the part of a peacefully rising, responsible global power. The result has been the growth of a totalitarian power with a state-led economic model and the means to outpace other major economies. The *Belt and Road Initiative* and *Made in China 2025* programs, combined with the financial backing of several state-controlled banks, including the China Development Bank and the Export-Import Bank of China, have shown great endurance despite ups and downs since their inceptions.

The "Belt and Road" and "Made in China 2025" Initiatives

Xi's successful *One Belt, One Road* Initiative introduced in 2013 (now commonly referred to as the *Belt and Road Initiative* or BRI) represents the economic policy of the CCP, which seeks to strategically link deep reserves of Chinese construction and labor capabilities with large infrastructure projects and export markets abroad—primarily in Asia, but influence has grown precipitously in the Western Hemisphere, as well.[25] Just five years after its inception in 2013, Chinese firms had invested heavily in Latin American projects, and often at the host countries' expense. These projects often lacked credit and payment transparency, respect for human rights, and concern for environmental best practices.

Projects undertaken in Latin America by PRC firms have also been scrutinized for failing to meet contractual terms. Securing notches in the BRI belt often trumps requirements to observe labor practices, respect local environmental concerns, or to fully understand second and third order impacts of large development projects. Nevertheless, as of late 2020, 19 countries in the region were participating in BRI.[26] Failed projects have been particularly severe in oil-rich Venezuela under Hugo Chavez and Nicholas Maduro, where relations at one point were the most positive for the PRC in the Western Hemisphere, accounting for US$62 billion in PRC loans since 2008. However, much of the contracting work was authorized by corrupt Venezuelan officials—with whom the PRC was eager to do business—and has resulted in almost no return on investment to the Venezuelan people from abandoned infrastructure projects and failed manufacturing facilities.[27]

Made in China 2025, unlike BRI, is focused on domestic capabilities, primarily in the high-tech manufacturing space through heavy subsidization and intellectual property acquisition, both legitimate and illicit.[28] Unfortunately, the PRC is well known for its history of intellectual property theft, as Chinese companies increasingly seek to import technical expertise in order to rebrand and reexport lower-priced technical products with a Made in China stamp on the bottom. This practice is particularly damaging to world commerce and was the principal cause of the minor trade war between former President Trump and Xi Jinping. A 2018 report by the Office of the US Trade Representative revealed that "the acts, policies, and practices of the PRC government related to technology transfer, intellectual property, and innovation are unreasonable or discriminatory and burden or restrict US commerce, resulting in harm to the US economy of at least US$50 billion per year."[29] Reduction in intellectual property theft would do the PRC immense benefit in its pursuit to be received as a legitimate global power. Combatting the practice has elevated the importance of cybersecurity to previously unthinkable heights, with US Cyber Command now enjoying full unified combatant command status alongside the three other functional combatant commands as of 2018.

Foreign Direct Investment and Lending Strategies

The PRC has doled out huge amounts of overseas lending (to both developing and developed nations alike), particularly in the area of debt financing and investment in foreign infrastructure projects. As of 2018, the PRC government holds an unprecedented US$5 trillion in global debt, representing six percent of the world's GDP.[30] Recent studies found that PRC lending abroad is at a significant downturn, particularly in Latin America and the Caribbean, where since 2005 the PRC has loaned an impressive US$136 billion through its Export-Import Bank and the Chinese Development Bank, despite no lending for all of 2020 due to the COVID-19 pandemic and the subsequent global economic slowdown.[31] PRC lending is uniquely structured and ill-understood. The National Bureau of Economic Research notes, "Unlike other major economies, almost all of China's external lending and portfolio investment is official, meaning that it is undertaken by the Chinese government, state-owned companies, or the state-controlled central bank. China does not report on its official international lending and there is no comprehensive standardized data on Chinese overseas debt stocks and flows."[32] Even with this limited understanding of their state-sponsored spending, there is evidence of 2020 being characterized as a year of renegotiations for existing debt and likely will prepare PRC state banks for renewed lending and continued investment in a region that will desperately need cash to survive in 2022 and beyond.[33]

While the United States cannot afford to front the capital that the PRC has, the only marginally successful counterapproach to these economic policies thus far has been to publicly denounce past failed financing or ill-conceived infrastructure projects that have ended badly under PRC terms in order to paint US and partner offerings in better light. Stopping short of rolling out an American BRI equivalent, US policymakers must implement more creative means of removing entry barriers for US private industry in Latin America in order to provide US offerings more competitive clout against lower-priced PRC bids.

United States Opportunities

Partnerships, Targeted Funding and Leveraging the Private Sector

The challenge facing the United States is not how to deny the PRC economic growth opportunity (as doing so may risk open conflict), but rather to energize, advertise, and supplant non-PRC investment and partnership options for those partner nations in the Western Hemisphere of the greatest strategic importance to US foreign policy objectives. Doing so will require a more thoughtful approach to the use of Title 10 (DoD) and Title 22 (Department of State) foreign assistance dollars which seek to build the capacities of partner nations. Over the past decade the execution authority over the bulk of these dollars sat with DoD versus State, with some experts arguing this change has come at the expense of effectively meeting foreign policy objectives by narrowly (and inefficiently) focusing aid to foreign militaries with capacity deficits, rather than ensuring nation-building efforts can be credibly linked to desired National Security Strategy end states. The US$300 million within the State Department's annual budget authorization explicitly tied to competition with the PRC, the Countering Chinese Influence Fund (CCIF), are to be used for "combatting malign Chinese influence and promoting transparency and accountability in projects associated with the PRC's debt-trap diplomacy and BRI."[34] This is a good start, but ideally these sorts of funds would be rolled up into a program with a broader scope with more agility than the current fund.

The Legacy of The Alliance for Progress and the Future of Partnerships

Disruption of PRC growth requires a disruptive approach to relationship building and strengthening of new alliances, particularly in the Western Hemisphere, which does not have a strong history of effectively absorbing large sums of American aid. Care must be taken to avoid the failures of Kennedy's Alliance for Progress, which sought to accomplish 12 objectives in ten years, including: erasing illiteracy, increasing per capita income 2.5 percent annually, and increasing life expectancy by five years.[35] While the Alliance should be commended for its desired end states, Michael Dunne commented on the inability of the Alliance to meet these and other goals noting, "It was not so much that the Alliance had 'lost its way', but rather, that its goals and pathways had never been clear, let alone plausible, in the complex and divided societies which constituted Latin America."[36] While noble-minded in principle, the expectations of rapid absorptive capacity for aid must be tempered by the lessons of the past. Alliance for Progress was billed as a US$100 billion, ten-year program of economic and social development in Latin America. However, as Dunne points out, likely the more subtle intent behind the campaign was to counter the growth of Cuba as a growing communist threat in the region.[37]

Advancing the experiment of South American development strategies for the next 50 years finds the United States in a similar predicament against a more advanced threat. The optimistic initiative launched in 2019 by a multiagency US government consortium known as *América Crece* (America Grows) sought to advance US private sector investment options throughout Latin America to help achieve foreign policy objectives and provide a reasonable alternative to PRC offerings. Seen principally as a direct counter to the PRC's persistent targeting of large infrastructure projects via BRI, this was a leading candidate (alongside the US International Development Finance Corporation or DFC) to counter the PRC by leveraging the strength of the private sector in the Western Hemisphere. This strategy differed from past efforts by attempting to compete with the PRC-sponsored targeting of large infrastructure projects that form the foundation of the CCP's decades-long strategy for growth. However, in typical fashion of the "out with the old, in with the new" reality of a rotational Oval Office, the Biden administration has not pursued the *América Crece* program, though there may be similar initiatives forthcoming such as the Build Back Better World (B3W).[38]

The DFC overhauled the US government's Overseas Private Investment Corporation (OPIC) in early 2020, but there is still work to be done to gain relevancy against BRI options. In addition to previous capabilities leveraged under OPIC, the DFC now enjoys an investment cap of US$60 billion, more than double the previous limit, while continuing to target low to lower middle-income economies.[39] Although that target seems appropriate, the US has had trouble getting needed greenfield infrastructure projects underway in "middle" and "high income" economies due to the serious income inequality problems in the region. Additionally, although US$60 billion is an impressive amount, it is quite meager in the face of the US$1 trillion that the PRC is forecast to invest in BRI projects over the coming decade.[40]

Despite the promise of these programs, private industry leaders are keenly aware of the hazards inherent in Latin American business dealings, even with the risk reduction afforded by *América Crece*, the DFC, and other programs. General instability in the security sector, lack of good governance, and widespread corruption are enough to drive most companies away before even considering bidding on large projects. Furthermore, while the United States still enjoys the lion's share of trade volume, China's trade with Latin American and Caribbean countries between 2006 and 2016 increased by over 200 percent, while US trade increased by a more modest 38 percent.[41] *América Crece* was wildly underfunded when compared against BRI, and is now functionally defunct following the Trump-Biden White House transition.

Both *América Crece* and the DFC have a private sector focus, which is critical to bridge the gap between companies in the United States with long histories of above-board, transparent behavior and the developing countries in Latin America whose risk levels would otherwise be too high to attract their business. If programs like these are provided more accessible funding without the constant threat of partisan congressional holds and restrictions, they may deliver much stronger economic options for Latin American partners.

Programs like *América Crece* and the DFC could be difference-makers in South and Central America. As Dr. Evan Ellis of the US Army War College testified before the US-China Economic and Security Review Commission, "Such programs provide an alternative to PRC offerings that not only disproportionately benefit the Chinese, but also ultimately reduce incentives for partners to maintain a framework of democratic accountability, respect for rights, and rule of law in the process of securing often ephemeral benefits."[42] While the impacts of *América Crece* and B3W are yet to be seen, and the history books suggest the Alliance for

Progress generally fell short of expectations, there are plenty of reasons to trust the power of strong partnerships with likeminded nations in Latin America. As Jeffrey Feltman notes regarding China's growing influence in the U.N., "Yes, China's influence inside the United Nations on peace and security matters is growing, and that is inevitable. We cannot stop that. But we can end the current absurdity by which the US absence facilitates China's ability to promote its own operating system in place of the universal values enshrined in the U.N. Charter, the Universal Declaration of Human Rights and multiple conventions."[43] A large component of Biden's messaging includes the importance of "showing up" and redoubling American efforts to renew international partnerships forsaken during Trump's tenure. This effort must continue, particularly in South America where opportunity exists to rebuild following the pandemic under US leadership and assistance.

Summary of Recommendations and Conclusion

The National Security Council must continually assess the PRC's strategic positioning relative to the United States. Xi Jinping is steadfast in his visions of a unified, powerful China, and has shown a capacity to adjust to account for worldwide economic conditions and domestic policy concerns. The significant decrease in Latin American investment and a full stop on lending activity over the last three to five years should not lull the United States into assuming the PRC is backing down from its aspirations. Most experts contend the PRC is reconstituting resources for a renewed push abroad as the opportunities of a post-pandemic world begin to appear.

The US must foster longer-term national strategies that survive democratic turnover and secure bipartisan buy-in on meaningful, measurable objectives toward which to collectively mobilize the country. The last two decades of foreign assistance spending habits compel foreign policy experts to reprioritize future great power competition requirements. The needs in Latin American and the Caribbean are profound—it will take the watchful eyes of State Department diplomats with ready support from the DoD to lead this interagency approach to successfully build the capacities of developing nations subjected to the temptations of BRI investment and other solicitations of the PRC.

The United States stands at a strategic inflection point with the PRC. With US forces withdrawn from Afghanistan and the world economy trembling as war wages in Eastern Europe, the time is right to double down on rethinking strategy while building new alliances in the Western Hemisphere. With the benefit of eight years of Xi's reign catalogued, US policymakers no longer have the excuse of having the blinders on to PRC malign activity. While its real GDP growth has slowed considerably to more reasonable levels from 14.2 percent in 2007 to 6.6

percent in 2018, China's economic development is catalogued by the World Bank as "the fastest sustained expansion by a major economy in history" and the International Monetary Fund still forecasts that by 2024, "China's economy will be 56 percent larger than the US economy on a purchasing power parity basis."[44] This represents a near-peer competitor quite different from the Cold War-era Soviet Union whose economy and political system eventually collapsed. Understanding the value of strong economic partnerships and reducing barriers to entry for US private sector development in Latin America must feature in any grand strategy for the region.

The Alliance for Progress failure and the cyclical nature of poverty, violence, and irregular migration serve as painful reminders that the United States does not enjoy a successful history of defeating the challenging conditions in Latin America that continue to stymie meaningful development. Persistently corrupt governments, untrusted civil security forces, ill-trained militaries, and the constant threats of food insecurity and natural disasters make the region ripe for subjugation and predatory external state behavior. US leadership should encourage and embrace wider investment partnerships in the Western Hemisphere involving allies around the globe—not just those in the hemisphere. Doing so is not only in the best interests of US national security but will simultaneously increase the capacity of developing Latin American countries while distributing the risk and expense of doing so. US projects that seek to challenge BRI with current levels of subsidization and other resources under DFC, USAID, or *América Crece* lack the resourcing levels required to enjoy relevance and lasting impacts. The US should consider decisive action now, or it may not take until 2049 before Xi's Chinese Dream is realized. ❑

Notes

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