

China in South Asia and South America: Connections, Intersections and Similarities

Nivedita Chahar¹

¹Doctoral Candidate Center for Canadian, US, and Latin American Studies
School of International Studies, Jawaharlal Nehru University, New Delhi, 110067

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ABSTRACT

China's expanding role in South Asia and South America has become a central theme in debates on the global political economy. This paper asks whether China applies a uniform strategy in both regions or adjusts its approach to local contexts. In South Asia, large infrastructure projects and port development signal an emphasis on connectivity and strategic access. In South America, major investments in rail, energy and agriculture reveal similar ambitions, particularly in Brazil and Argentina.

The analysis shows that shared features do not produce uniform outcomes. In South Asia, public debate often centres on sovereignty, debt management and maritime security. In South America, environmental standards, commodity dependence and the terms of development finance receive greater scrutiny. Multilateral engagement through BRICS, the Shanghai Cooperation Organisation and the China CELAC Forum supplies a common diplomatic framework, yet national responses differ according to domestic politics and regulatory capacity. By comparing the two regions, the paper demonstrates that China's outreach combines stable, recurring methods with adjustments to local conditions, which together shape regional trajectories and contribute to wider shifts in global order.

Keywords: *Foreign investments, *China; Political economy, *Latin America, *Regional power, *South South cooperation, *Network governance

INTRODUCTION

China's growing role in the Global South has become one of the most debated developments in international relations and political economy over the past two decades. While much attention has been paid to Africa, the expanding Chinese presence in South Asia and South America provides a valuable basis for comparative analysis. These regions are geographically distant and historically distinct; however, both reveal intersections in the way China combines economic, political and strategic instruments to consolidate its position. This paper examines whether China follows a broadly similar approach in the two regions or whether its strategies are shaped by local contexts and therefore display a tailored character.

In South Asia, flagship projects such as the China Pakistan Economic Corridor and the leasing of Sri Lanka's Hambantota Port have become symbols of China's infrastructure diplomacy (Small 2015; Abi Habib 2018). In South America, comparable trends can be seen in the financing of railway modernisation in Argentina and large scale investment in Brazilian agriculture and energy projects (Gallagher and Porzecanski 2010; Jenkins 2012). Beyond the economic sphere, China has also sought to deepen political and security ties in both regions. In South Asia this is reflected in defence cooperation with Pakistan, maritime access arrangements with Sri Lanka and training programmes in Nepal (Pant 2012; Baruah 2018). In South America, China has emphasised political dialogue through the China CELAC Forum, as well as strategic collaboration in areas such as space cooperation with Brazil and the construction of a space tracking facility in Argentina (PRC 2016; Ellis 2020).

These patterns suggest that China's engagement is neither limited to trade nor reducible to resource diplomacy. Instead, it reflects a broader strategic calculus that combines material investments with discursive claims of win win cooperation, mutual respect and shared destiny. Moreover, official speeches by Chinese representatives often highlight these themes. Xi Jinping's address to the Brazilian National Congress in 2014 emphasised South South

solidarity and multipolarity, echoing language used in speeches to South Asian audiences around the same period (Xi 2014). Such discursive consistency indicates that rhetoric plays an important role in legitimising China's actions abroad (Fairclough 1992; Wodak 2009).

This paper examines these dynamics through the lens of Critical Discourse Analysis. Drawing on Fairclough's three-dimensional model, the study analyses Chinese policy papers, speeches and state media to identify how narratives of development and cooperation are constructed (Fairclough 1992; Fairclough 2003). Critical Discourse Analysis enables the connection of textual features to broader socio political contexts, offering a way to understand how China presents itself as a development partner while pursuing geopolitical interests. The analysis also draws on dependency theory, which has long shaped debates in Latin America, and on scholarship concerning South South cooperation and network governance (Prebisch 1950; Cardoso and Faletto 1979; Stuenkel 2016; Acharya 2017; Keohane and Nye 1977; Slaughter 2004). By combining Critical Discourse Analysis with comparative political economy, this study contributes a cross-regional perspective on China's adaptive statecraft in the Global South.

The study also engages with debates on network governance, which provides a complementary perspective. Some scholars adopt an optimistic outlook and suggest that China's participation in institutions such as BRICS, the Shanghai Cooperation Organisation and the China CELAC Forum expands opportunities for collective problem solving and more balanced global governance (Stuenkel 2016; Acharya 2017). Others present a more critical view and argue that these arrangements may reinforce asymmetries of power and constrain the policy autonomy of smaller states (Gallagher and Porzecanski 2010; Wise 2020). By applying a network governance approach, this paper highlights how policy outcomes are shaped by institutional interactions and overlapping regimes rather than solely by the choices of official representatives. This approach makes it possible to see China as a significant participant within wider institutional and discursive networks that shape regional and global outcomes.

South Asia and South America are useful cases for comparison because they combine structural similarities with contextual differences. Both regions have histories of colonial exploitation and reliance on external partners, both face developmental challenges and both occupy important geostrategic positions. At the same time, their relationships with China are conditioned by distinct local factors. In South Asia, China's rise is intertwined with regional rivalry and with sovereignty debates surrounding projects such as Hambantota Port (Abi Habib 2018; Mohan 2018). In South America, concerns centre more on environmental and social effects linked to commodity exports, particularly soybeans, copper and oil (Gudynas 2010; Jenkins 2012; Wise 2020). Comparing these regions therefore allows an assessment of whether China applies a standardised model of engagement or adapts its approach to specific contexts.

The sources used in this study include Chinese government papers such as the Policy Paper on Latin America and the Caribbean, speeches by senior leaders, agreements between China and regional governments, and coverage from state media outlets including Xinhua and China Daily (PRC 2016). These are supplemented by academic studies and policy reports from both regions, which provide critical perspectives on the political economy and strategic dimensions of China's presence (Small 2015; Jenkins 2012; Ellis 2020; Gallagher and Myers 2019).

After the introduction, the second section reviews the main strands of scholarship on China's engagement with the Global South, focusing on debates around dependency, South South cooperation and discourse. The following section examines China's presence in South Asia with focused country cases of Pakistan, Sri Lanka, Nepal and Bangladesh. The next section turns to South America, concentrating on Brazil and Argentina while also noting developments in Venezuela and Chile. A comparative section then draws the two regions together and identifies patterns and divergences in China's strategies. The paper concludes by reflecting on what these findings indicate about China's role in the international order and the prospects for South South cooperation.

By situating China's engagement in South Asia and South America within a comparative framework, this study contributes to debates on the transformation of the global political economy. It argues that while China employs recurring strategies such as economic statecraft, discursive framing and multilateral diplomacy, these are adapted to regional contexts in ways that shape both outcomes and perceptions. Nevertheless, understanding the balance

between similarity and difference is essential for grasping how China positions itself as both a partner of the Global South and an aspiring global leader (Stuenkel 2016; Acharya 2017; Fairclough 1992).

CHINA IN SOUTH ASIA

China's engagement with South Asia is grounded in infrastructure investment, trade and diplomatic initiatives. The China Pakistan Economic Corridor, valued at more than sixty billion United States dollars, is widely presented as a flagship Belt and Road project that connects China to the Arabian Sea via Pakistan and is expected to reduce transport times for energy and goods (Small 2015; Wolf 2019). Similarly, China's acquisition of a majority stake in Sri Lanka's Hambantota Port under a long lease has prompted debate about financial sustainability and sovereignty risks (Abi Habib 2018; Weerakoon and Jayasuriya 2019).

China's discursive strategy in South Asia emphasises mutual benefit, regional integration and noninterference. Official speeches often refer to shared destiny and win-win cooperation, presenting China as a development partner and responsible power (Xi 2014; Stuenkel 2016). Moreover, participation in multilateral forums such as BRICS and the Shanghai Cooperation Organisation provides platforms for sustained dialogue and agenda setting that complement bilateral projects (Stuenkel 2016). Scholars note that these efforts align with a longer term strategy of consolidation of regional influence and enhanced connectivity (Pant 2012; Baruah 2018; Mohan 2018).

China's engagement in South Asia reflects a combination of economic investment, political initiatives and strategic cooperation that varies across different national contexts. While the region as a whole has become a central focus of the Belt and Road Initiative, the ways in which projects are received and adapted differ significantly, shaped by domestic politics and regional dynamics (Small 2015; Pant 2012; Baruah 2018).

Nepal's location between China and India has shaped its foreign policy choices and made it a focal point of regional interest. The 2015 border disruption is widely cited as a turning point that encouraged Nepal to diversify its partnerships and expand engagement with Beijing (Muni 2016; Baruah 2018). In this context, Chinese investment in infrastructure has increased under the Belt and Road Initiative, with the Trans Himalayan Multi-Dimensional Connectivity Network emerging as a flagship project linking Tibet with Kathmandu and strengthening cross border connectivity (Shrestha 2021; Kafle 2020). Politically, China has cultivated ties across Nepal's party system, engaging during periods of instability such as the 2020 crisis within the Nepal Communist Party, which many analysts interpret as reflecting Beijing's concern for political stability as a condition for economic cooperation (Bajpae 2019; Shrestha 2021). However, while official narratives present these activities as diplomatic support, others regard them as a deeper form of political involvement that complicates claims of non interference (Muni 2016; Kelegama 2020). In the security sphere, Nepal has participated in training, language programmes and peacekeeping preparation with Chinese support, although the overall influence remains more limited than in Pakistan and Sri Lanka (Baruah 2018; Wolf 2019; Pant 2012).

Pakistan has long been regarded as the cornerstone of China's South Asian strategy, with bilateral relations frequently described in official discourse as an "all weather friendship" (Small 2015; Pant 2012). The China Pakistan Economic Corridor, valued at more than sixty billion United States dollars, remains the flagship project of the Belt and Road Initiative in the region. It encompasses highways, pipelines, and energy facilities designed to connect Xinjiang with Gwadar Port and reduce reliance on maritime routes (Wolf 2019; Hussain 2017). Beyond the economy, defence cooperation has deepened as China supplies advanced aircraft, naval vessels and missile systems, while collaboration extends to joint production and training programmes (Pant 2012; Wolf 2019). Moreover, China's diplomatic support for Pakistan in multilateral forums has reinforced the political partnership (Muni 2016; Hussain 2017). Recent studies highlight the extension of corridor projects towards Afghanistan, officially framed as fostering regional stability and integration. However, analysts note that such moves raise questions about long term strategic implications, particularly regarding balance of power in South Asia (Siddiqi 2020; Kugelman 2021; Baruah 2018).

Sri Lanka illustrates another dimension of China's regional engagement, centred on maritime infrastructure and finance. The Hambantota Port, financed by Chinese loans and later leased to China Merchants Port Holdings for ninety nine years when debt repayment pressures intensified, has become central to debates on external

borrowing and sovereignty (Abi Habib 2018; Weerakoon and Jayasuriya 2019). While some scholars view this as a case of “debt trap diplomacy,” others argue that domestic fiscal and political conditions in Colombo were decisive, cautioning against attributing causality solely to Beijing (Hurley, Morris and Portelance 2018; Lee 2020). Chinese engagement has also intersected with Sri Lankan politics, particularly during the 2018 constitutional crisis, though scholarship diverges on whether this reflected direct political involvement or continuity of long standing diplomatic ties (Kelegama 2020; Wolf 2019; Samaranayake 2021). In parallel, cultural diplomacy has expanded through Confucius Institutes, academic exchanges and media cooperation. These initiatives are framed as strengthening mutual understanding, though some researchers argue they contribute to shaping favourable public narratives (Zhao 2019; Hess 2020).

Bangladesh has also emerged as an important site of Chinese investment, particularly in infrastructure projects such as bridges, power plants and industrial zones. By the late 2010s, pledges of development assistance positioned China as one of Dhaka’s largest external partners (Hossain 2020). Economically, China is viewed as a source of capital and technology for sustaining growth, although Bangladeshi policymakers have sought to balance this relationship with links to other regional and international partners to avoid over dependence (Pant 2012; Hossain 2020). Defence cooperation includes procurement of naval assets and training activities, but remains more limited in scale than Pakistan. Overall, Bangladesh tends to present the relationship as primarily developmental and commercial, rather than deeply strategic (Wolf 2019; Pant 2012).

Taken together, these cases demonstrate recurring patterns of Chinese engagement in South Asia. Economic statecraft through infrastructure and trade, discursive framing of cooperation as mutual benefit and noninterference, and selective security collaboration are evident across the region. Nevertheless, responses vary substantially, shaped by domestic political economies and historical legacies, which underscores the role of local agency in conditioning outcomes (Pant 2012; Baruah 2018; Mohan 2018).

The study addresses an important gap in the literature by undertaking a cross regional comparison of China’s engagement in South Asia and South America, two regions that share legacies of colonial exploitation, dependency on external partners and geostrategic importance, yet experience distinct domestic constraints and responses. While much of the scholarship has examined Africa or has looked at individual regions in isolation, very little work has systematically compared how China adapts its strategies across different Global South contexts. To fill this gap, the paper employs Critical Discourse Analysis drawing on Fairclough’s model to analyse Chinese speeches, policy papers and state media, and situates this within a comparative political economy framework that highlights investment flows, trade structures and institutional linkages (Fairclough 1992; Cardoso and Faletto 1979; Acharya 2017). The analysis shows that China uses a relatively stable toolkit of instruments including infrastructure diplomacy, multilateral forums such as BRICS, SCO and CELAC, and discursive framings of win- win cooperation and shared destiny, but that these instruments are deployed in adaptive ways depending on regional context. In South Asia the dominant concerns are sovereignty, debt and security as illustrated by the Hambantota port lease and the China Pakistan Economic Corridor (Abi Habib 2018; Small 2015), while in South America contestation has centred on environmental impacts, labour rights and the governance of commodity exports such as soybeans and copper (Gudynas 2010; Wise 2020; Jenkins 2012).

Across both cases, outcomes are mediated by domestic political economies and societal actors, indicating that Chinese influence is embedded through networks of finance, infrastructure and institutions rather than exercised as straightforward dominance (Keohane and Nye 1977; Slaughter 2004; Ellis 2020). This finding matters because it advances theoretical debates on dependency, South South cooperation and network governance by showing that China’s role is best understood as nodal influence shaped by local agency, and it also has policy implications in highlighting the need for partner states to negotiate stronger safeguards on debt sustainability, environmental standards and transparency in order to benefit from engagement while protecting their autonomy (Stuenkel 2016; Gallagher and Myers 2019).

CHINA IN SOUTH AMERICA

South America has become a significant region for Chinese trade, finance and diplomacy. Over the past two decades, China has emerged as a leading trading partner and a major investor in infrastructure, energy and agriculture (Gallagher and Porzecanski 2010; Ferchen 2020; Ellis 2020). While certain features resemble

Chinese engagement in South Asia, patterns in South America display distinct characteristics shaped by local economic structures and policy preferences.

Brazil has been China's largest trading partner in the region since 2009, with trade dominated by Brazilian exports of soybeans, iron ore and oil, and imports consisting primarily of manufactured goods and machinery (Jenkins 2012). This trade structure has been celebrated by agribusiness elites as a source of growth, yet critics argue that it reinforces commodity dependence and constrains industrial diversification, echoing concerns raised in dependency theory (Prebisch 1950; Gudynas 2010; Barbosa 2019). Beyond trade, Chinese enterprises have invested in electricity transmission and hydropower, signalling a shift towards asset ownership and long term participation in Brazil's infrastructure (Hogenboom 2014). Politically, cooperation has been consolidated through BRICS and sustained bilateral dialogues, and successive Brazilian administrations have viewed Chinese finance as a valuable source of investment despite ongoing debates over competitiveness and regulatory standards (Barbosa 2019; Ellis 2020). Strategically, collaboration in the China–Brazil Earth Resources Satellite programme has stood out as a pioneering example of South–South cooperation in science and technology, representing diversification beyond the commodity sector (Hearn and León Manríquez 2011).

Argentina has also developed an extensive partnership with China, particularly through trade in oilseeds and through infrastructure finance. Major initiatives have included railway modernisation projects, hydropower dams in Patagonia and cooperation agreements in nuclear energy (Gallagher and Myers 2019). At times of financial instability, China has provided currency swap arrangements that helped to strengthen Argentina's reserves, highlighting its role in macroeconomic stabilisation. Nonetheless, observers have raised concerns about the environmental and social costs of large-scale projects, including hydropower development, and about the limited extent of technology transfer (Slipak 2015; Ferchen 2020). Cooperation has also extended into the space sector with the establishment of a deep space tracking facility in Neuquén Province, which has been presented in official discourse as a scientific project but has provoked academic debate about its potential dual use and implications for sovereignty (Ellis 2020; Ferchen 2020).

Venezuela represents another important case, shaped by oil and finance. Since the early 2000s, it has received large volumes of Chinese credit, much of it structured as loans to be repaid through oil deliveries. This arrangement supported investment in energy and infrastructure, but the severe economic contraction of the late 2010s undermined repayment capacity and prompted a more cautious stance from Chinese lenders (Ellis 2009; Myers and Gallagher 2019). Analysts note that political alignment facilitated agreements during the Chávez and Maduro administrations; nevertheless, commercial risk and declining production levels ultimately determined the limits of cooperation (Romero 2019; Ferchen 2020). While the relationship was frequently described in discursive terms as an expression of solidarity and non-interference, in practice it revealed the constraints of dependence on a single commodity and the limits of Beijing's willingness to extend unconditional support.

Chile has taken a more pragmatic approach, having signed a free trade agreement with China in 2005 and expanded trade primarily in copper and related sectors. Chinese investment has diversified into mining, energy and logistics, benefiting from Chile's relatively stable regulatory institutions that provide predictability for foreign investors (Hogenboom 2014; Barlow 2018). Although civil society organisations have raised concerns about environmental standards in mining regions, contestation has been more muted than in Argentina or Brazil (Barlow 2018). Chile's approach reflects its tradition of open economy policies and illustrates how stronger institutional frameworks can shape the terms of engagement with external partners.

Across the region, China's discourse emphasises equality, mutual benefit and common development, as set out in the Policy Paper on Latin America and the Caribbean (PRC 2016). These themes are reiterated in official speeches at China- CELAC summits, which invoke shared historical experiences of colonialism and underline the promise of multipolarity. However, civil society actors and academic critics have consistently highlighted environmental concerns, labour standards and the risks of renewed commodity dependence, which complicate the official narrative of win–win cooperation (Gudynas 2010; Wise 2020; Ellis 2020).

Taken together, the South American experience demonstrates recurrent features of Chinese engagement, including commodity trade, infrastructure finance, political dialogue and selective cooperation in strategic sectors such as space and energy. Nonetheless, national trajectories vary considerably according to domestic

political economies, institutional capacity and societal responses, which indicates that outcomes are neither uniform nor predetermined (Ferchen 2020; Jenkins 2012; Ellis 2020).

COMPARATIVE ANALYSIS AND STRATEGIC IMPLICATIONS

The two regional cases reveal parallels in infrastructure diplomacy, discursive framing and selective strategic engagement, yet they also display notable divergences. At the core lies economic statecraft that uses trade, finance and large projects to secure long term connectivity and access to resources and markets (Gallagher and Porzecanski 2010; Jenkins 2012). Complementing this material dimension is a consistent narrative of mutual benefit and shared development that seeks to legitimise cooperation and to stabilise expectations (Xi 2014; PRC 2016; Fairclough 1992).

However, regional receptions differ. In South Asia, sovereignty and security concerns are prominent, as illustrated by debates around Hambantota and by the broader discussion of maritime access and defence cooperation (Abi Habib 2018; Pant 2012; Wolf 2019). In South America, civil society critiques focus more on environmental sustainability, labour conditions and the governance of natural resources (Gudynas 2010; Slipak 2015; Wise 2020).

China's outward engagement in South Asia and South America combines a broadly stable set of instruments. These include long term finance from policy banks, large scale infrastructure and energy projects, and a discursive strategy that stresses equality, mutual benefit and shared development. The official narrative is visible in the Policy Paper on Latin America and the Caribbean, which presents China as a partner in comprehensive cooperation and South South solidarity, and in leadership speeches at CELAC summits that frame the platform as a vehicle for joint development (PRC 2016; Xi 2014; Fairclough 1992; Wodak 2009).

In material terms, South America has been shaped most strongly by flows of Chinese finance and investment in commodities and energy. Between 2005 and 2021, Chinese policy banks extended more than one hundred billion dollars in loans to the region, with Venezuela receiving over sixty billion, the largest in Latin America. Brazil attracted nearly fifty eight billion dollars of Chinese direct investment between 2003 and 2018, concentrated in the electricity and oil sectors (Gallagher and Myers 2019; Barbosa 2019; Ellis 2020). Lending volumes fell after 2016 but resumed modestly, and in 2023 a new five billion dollar commitment was made to Brazil's development bank for infrastructure and green projects. Argentina has relied on a major currency swap agreement with China, which was renewed in 2018 with an activated tranche of eighteen point seven billion dollars, providing critical support for its central bank (Gallagher and Myers 2019; Ferchen 2020).

South Asia presents a different profile. Flagship projects such as the China Pakistan Economic Corridor and the Hambantota port in Sri Lanka show a heavier reliance on loan financed infrastructure tied to connectivity and power generation. CPEC was initially valued at sixty two billion dollars and later revised closer to forty six to fifty billion as priorities shifted, with power projects accounting for more than half of the portfolio (Small 2015; Wolf 2019). By 2019 Pakistan's bilateral debt to China stood at about six point seven billion dollars, making China its largest bilateral creditor (IMF 2019). In Sri Lanka, the Hambantota port cost approximately one point three billion dollars and was leased in 2017 to China Merchants Port Holdings for ninety nine years to ease debt pressures. Although Chinese loans represented only ten to fifteen percent of Sri Lanka's external debt at the time, the symbolism of the lease crystallised sovereignty debates (Abi Habib 2018; Weerakoon and Jayasuriya 2019).

These different material profiles map onto different arenas of contestation. In South Asia, the central issues are security and sovereignty. Port access, project siting, and debt sustainability have placed executive decision makers and security bureaucracies at the centre of domestic debates. A single case such as Hambantota has become emblematic of wider anxieties about alignment and strategic vulnerability (Pant 2012; Mohan 2018). In South America, contestation has concentrated on environmental licensing, land use, and community consultation. Chinese demand for soy and iron ore has contributed to deforestation dynamics in Brazil, while hydroelectric and mining projects in Argentina and Chile have raised concerns about biodiversity loss, water scarcity and indigenous rights (Gudynas 2010; Jenkins 2012; Wise 2020; Ellis 2020).

A comparative reading through critical discourse analysis and network governance highlights the causal chain. In both regions, Chinese narratives of mutual development and win win cooperation travel with finance and

projects, but domestic political economies decide where they land. In South Asia, they enter states where maritime access, border sensitivities and alliance politics dominate, and where loan based projects raise concerns about fiscal space and sovereignty. In South America, they enter resource dependent economies where agricultural and mining frontiers and hydroelectric expansion face dense environmental regulations and organised civil society. The result is patterned divergence: similar instruments and narratives, but different coalitions, venues, and outcomes (Cardoso and Faletto 1979; Keohane and Nye 1977; Slaughter 2004).

Comparative Table: South Asia vs. South America

Sector	South Asia	South America
Ports, Corridors, Rail	Major investments in connectivity projects such as CPEC highways and railways, Hambantota port; debates framed around sovereignty, debt sustainability and strategic vulnerability	Railway modernisation in Argentina and logistics links in Brazil; debates framed around transparency, cost overruns and regulatory oversight
Energy	Power generation projects (coal, hydro, renewables) under CPEC, Rampal coal project in Bangladesh; debates over debt burdens and long term energy security	Energy investments in oil, hydroelectric and electricity transmission; debates over ecological sustainability and social displacement (e.g. Patagonia dams)
Agriculture, Commodities	Limited role in agricultural trade; some engagement in fertilizers and agri-technology; public debate less prominent	Soybean exports from Brazil (over 70 percent to China by 2019) and copper/lithium from Chile; debates framed around dependency, deforestation and indigenous rights
Strategic, Space Cooperation	Security driven cooperation such as defence partnerships with Pakistan, naval access in Sri Lanka; debates focus on military balance and sovereignty	Symbolic and scientific projects such as the China–Brazil Earth Resources Satellite programme and space tracking station in Argentina; debates largely about transparency and sovereignty of scientific data
Outcomes	Greater connectivity but intensified sovereignty concerns, fiscal pressure and reliance on bilateral negotiations	Deepened commodity dependence and ecological stress but also diversification of finance; more visible role of regulatory and civil society veto players

Empirical contrasts make this clear. In Brazil, by 2019 China accounted for twenty eight percent of exports, led by soybeans, iron ore and oil. Argentina combined investment projects with the currency swap, which has become central to its macroeconomic stability. In Venezuela, loans for oil repayment arrangements created tight financial linkages that later required renegotiation after the collapse of global oil prices. In Pakistan, CPEC's focus on power and transport projects intersects with IMF programmes and debt rollover negotiations with China. In Sri Lanka, debt forensics reveal that Chinese exposure was significant but not dominant, yet the political fallout was much greater because of the sovereignty symbolism of Hambantota (Ellis 2020; Ferchen 2020; Wolf 2019). Two implications follow. First, claims of a single Chinese model overlook the mediating role of host political economies. The same toolkit can reinforce legitimacy in one context while generating backlash in another. Second, reforms must address the actual venues of contestation. In South Asia, transparency in loan agreements, stronger debt management offices and regional dialogue on security concerns are essential. In South America, enforceable environmental safeguards, deforestation free supply chain rules, and community benefit sharing in mining and hydroelectric projects are more relevant. These measures would turn the rhetoric of mutual benefit into outcomes that are more widely accepted. As China expands into areas such as digital infrastructure, renewable energy and climate finance, the decisive question will be which domestic coalitions capture these new

nodes and how they shape the future of South South cooperation (Stuenkel 2016; Wise 2020; Gallagher and Porzecanski 2010).

Comparative Table: Chinese Engagement in South Asia vs. South America (2003–2019)

Aspect	South Asia	South America
Scale of Chinese Finance	Large-scale loans and project finance (CPEC USD 46–62bn; Hambantota Port USD 1.3bn)	Mix of FDI and loans (Brazil USD 58bn FDI; Argentina USD 19bn loans; Venezuela USD 62bn loans)
Main Instrument	Infrastructure projects such as ports, power plants, and economic corridors	Commodity trade, energy and resource investments, and currency swaps
Debt Exposure	Pakistan ~USD 6.7bn (largest bilateral creditor); Sri Lanka 10–15% of external debt	Argentina ~14% of bilateral debt; Venezuela as largest borrower with USD 62bn
Primary Exports to China	Textiles, low to mid-value manufacturing, some raw materials	Soybeans, copper, oil, lithium
Main Contestation	Sovereignty, debt sustainability, and security concerns	Environmental and social impacts, including deforestation, mining conflicts, and indigenous protests
Representative Projects	CPEC in Pakistan; Hambantota Port in Sri Lanka; hydropower in Nepal; Rampal coal project in Bangladesh	Soy expansion in Brazil; Santa Cruz dams in Argentina; lithium mining in Chile; oil-for-loans in Venezuela

Source: Ellis, Gallagher, Jenkins, Wise, Wolf, Gudynas and Abi-Habib

The strategic calculus also diverges. In South Asia, China’s presence is closely tied to security depth, with Pakistan serving as a core ally, Sri Lanka providing maritime access points and Nepal situated at a sensitive frontier. Analysts often interpret these patterns through theories of sea lane security and regional balancing (Pant 2012; Kaplan 2010; Wolf 2019). In South America, security engagement is more limited and tends to be symbolic or sector specific, for example in space cooperation. Influence operates primarily through finance, trade and institutional dialogue rather than through military presence (Ellis 2020; Ferchen 2020).

Finally, local agency is central in both regions. Governments, firms and civil society shape outcomes by negotiating contract terms, setting regulatory standards and mobilising public opinion. Consequently, China’s influence is mediated by domestic political economies and does not translate into uniform effects across countries (Cardoso and Faletto 1979; Ray and Gallagher 2015; Hearn and León Manríquez 2011).

In conclusion, China’s engagement in South Asia and South America combines economic investment, political partnership and discursive construction. Using Critical Discourse Analysis alongside comparative political economy, this study has shown that recurring strategies such as infrastructure diplomacy, state backed finance and the rhetoric of mutual benefit coexist with context specific adjustments. In South Asia, debates have centred on sovereignty, debt and security, particularly in relation to ports, corridors and strategic alignments. In South America, the key concerns have been environmental and social, with contestation emerging most clearly around commodity based integration, hydroelectric projects and mining ventures. Despite these differences, in both regions China embeds itself through networks that connect infrastructure, finance and institutions, exercising a form of nodal influence rather than direct dominance (Keohane and Nye 1977; Slaughter 2004; Fairclough 1992).

The findings contribute to wider debates on dependency, South South cooperation and network governance by showing that outcomes are not determined by Chinese initiatives alone but are mediated by the interaction of external projects with domestic structures and regional institutions. This underlines the importance of local agency, as governments, businesses and civil society actors shape the terms of engagement, mobilise public opinion and determine the legitimacy of China’s role.

Looking forward, further research should explore how emerging areas such as digital infrastructure, renewable energy and climate finance may reshape the character of China's engagement. These new sectors could generate opportunities for cooperation while also posing fresh risks and asymmetries. It will be crucial to examine whether new institutional arrangements, including forums such as CELAC in Latin America and the Shanghai Cooperation Organisation in South Asia, provide safeguards that enhance transparency and sustainability or whether they replicate existing imbalances (Ferchen 2020; Ellis 2020; Wise 2020).

The comparative analysis presented here also carries policy significance. South Asia could learn from South America the value of strong environmental and social safeguards, community consultation and transparent licensing processes in managing foreign financed projects. South America, in turn, could learn from South Asia the importance of careful debt management, diversification of finance sources and strategic assessment of sovereignty risks in large scale infrastructure ventures. Both regions would benefit from sharing experiences on contract negotiation, strengthening institutional capacity, and creating regional platforms that allow for collective bargaining with external partners. By drawing lessons from one another, states in South Asia and South America can engage China more effectively, maximising developmental opportunities while protecting sovereignty, environmental integrity and social welfare.

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