

Publication status: This preprint has been published elsewhere.

DOI of the published preprint: <https://doi.org/10.1590/0103-6351/7346>

Belt and Road Initiative and the geoeconomic implications for Brazil

Bernardo Salgado Rodrigues

<https://doi.org/10.1590/0103-6351/7346>

Submitted on: 2022-12-26

Posted on: 2022-12-30 (version 1)

(YYYY-MM-DD)

Article approved for publication in volume 32, issue 3, 2022 of the Revista Nova Economia. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

Belt and Road Initiative and the geoeconomic implications for Brazil

Belt and Road Initiative e as implicações geoeconômicas para o Brasil

Bernardo Salgado Rodrigues ⁽¹⁾

⁽¹⁾ Universidade Estadual da Paraíba (UEPB)

Abstract

In the 21st century, China has had cycles of internal and external transformations, and, from 2013 on, the Belt and Road Initiative has been playing a leading role. Concomitantly with this process, the Asian giant has approached regions such as Latin America, occupying geopolitical and geoeconomic spaces. Considering this new international context, the objective of this paper is to investigate the challenges and opportunities available to Brazil from the perspective of the country's inclusion in this global project. This study mainly aims to confirm that institutionalized Chinese globalization would enhance trade relations, investments and supply chain financing, thus leveraging the infrastructure as well as Brazilian production and flow capacity. Using a combination of methods and aligned with the theoretical perspectives of the New Projectment Economy and of Hybrid Geoeconomics, the inclusion of Latin America in the Chinese global strategy would entail challenges for Brazil in the international scenario.

Keywords: Belt and Road Initiative, Sino-Brazilian relations, New Projectment Economy, Hybrid Geoeconomics, Chinese Institutionalized Globalization.

JEL Codes: O1, O2, F5.

Resumo

No século 21, a China passou por ciclos de transformações internas e externas e, a partir de 2013, o projeto Belt and Road Initiative vem desempenhando um papel de destaque. Concomitantemente a esse processo, o gigante asiático se aproxima de regiões como a América Latina, ocupando espaços geopolíticos e geoeconômicos. A partir desse novo contexto internacional, o objetivo deste artigo é investigar os desafios e oportunidades para o Brasil a partir de uma perspectiva de inclusão complementar da região neste projeto global. Como hipótese central, pretende-se ratificar que a globalização chinesa institucionalizada aumentaria as relações comerciais, os investimentos e o financiamento, alavancando tanto a infraestrutura quanto a capacidade de produção e escoamento do Brasil. Com a utilização de métodos mistos e sob as perspectivas teóricas da Nova Economia do Projeto e da Geoeconomia Híbrida, a inclusão da América Latina na estratégia global chinesa traria desafios para o Brasil no cenário internacional.

Palavras-chave: Belt and Road Initiative; Relações sino-brasileiras; Nova Economia do Projeto; Geoeconomia híbrida; Globalização institucionalizada chinesa.

Códigos JEL: O1, O2, F5.

1 Introduction

Article approved for publication in volume 32, issue 3, 2022 of the *Revista Nova Economia*. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

Since the beginning of the 21st century, China has had cycles of internal and external transformations, and, from 2013 on, the Belt and Road Initiative (BRI) project has been playing a leading role in its land and sea dimensions, involving territories in Africa, Asia, Europe and the Middle East. In a speech given at the opening of the Belt and Road Forum for International Cooperation, on May 14, 2017, Chinese President Xi Jinping stated that the Belt and Road Initiative did not intend to reinvent the wheel, but rather to connect the development strategies of the countries involved and achieve complementarity between their respective strengths. (Xi, 2019, p. 626)

Concomitantly with this process, the Asian giant approached regions such as Latin America, occupying geopolitical and geoeconomic spaces, which resulted in the growth of trade links, increased investment/financing and the implementation of bilateral and multilateral agreements, such as the China-CELAC Forum (拉共体论坛). Considering this new international context, the objective of this paper is to investigate the challenges and opportunities for Brazil from a perspective of its complementary inclusion in this global project. As a central hypothesis, the aim is to confirm that institutionalized Chinese globalization, as opposed to neoliberal financialized globalization, would increase trade relations, investments and financing supply, leveraging the infrastructure as well as Brazil's production and flow capacity. Adopting mixed methods and the theoretical perspectives of the New Projectment Economy (NPE), in Political Economy field, and of the Hybrid Geoeconomics (GH), in the International Relations sphere, the inclusion of Latin America in the Chinese global strategy is considered as an independent variable. However, from the dependent variable view, it is inferred that different geopolitical and geoeconomic challenges face Brazil in the international scenario, placing it as a gravitational center of power in the 21st century.

Article approved for publication in volume 32, issue 3, 2022 of the *Revista Nova Economia*. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

It is important to emphasize the relevance of this study as a contribution to current debate regarding the literature on the subject. In Brazil, BRI is rarely addressed in the media, or outside of political debates and only occasionally mentioned in the academic sphere. There is a need for a greater understanding of this initiative and its consequences for the country, mainly regarding the commitment of research centers, think tanks and academic institutions, bringing more light on opportunities and challenges.

This article is divided into three sections, in addition to this introduction and the final considerations: initially, a dialectical-conceptual discussion will be held, which aims to converge the Chinese internal and external planes. Subsequently, BRI's global project will be presented, demonstrating its main characteristics, values and objectives, as well as its expansion to Latin America from 2017. In the third and last section, we will discuss the main implications of this project for Brazil, using a quantitative basis and a qualitative analysis, while at the same time giving an overview of the opportunities and challenges for this country. The general objective is to analyze this complex Chinese geostrategy, with the main purpose of providing input relative to this window of opportunity which is opening to Brazilian development in the coming decades.

2 Conceptual dialectics between internal and external China

Understanding China is perhaps one of the most complex contemporary tasks, whether from the perspective of Political Economy or International Relations. It is an ancient civilization with ancestral traditions still present in contemporary everyday life, whose history contradicts the Western concept of the conventional nation-state. As Kissinger (2011) states, no other country can claim such continuity of civilization, or such an intimate connection with the ancient past and the classic principles of strategy and the art of governing.

Article approved for publication in volume 32, issue 3, 2022 of the *Revista Nova Economia*. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

From an interpretative key of Marxist historical materialism, it can be seen that the dialectical method has been a constant in Chinese thought and practice since the 1949 Revolution. Understood as a process for the passage from sensitive knowledge to rational knowledge, the dialectics is omnipresent in reality as a way of articulating the parts of a whole, defining the articulations of a social formation, in particular, and of history, in general, especially from the interpenetration of opposites. In other words, Chinese dialectics corresponds to a conception of reality as a dynamic whole, in permanent development of a unity of opposites, whose analytical objectivity reveals the multiple and diversified relationships of things among themselves, a unit of analysis and synthesis in a totalization from the coexistence of causality with more complex forms of interdependence.

Even though the Asian country inhabits an international capitalist system, it gradually presents non-capitalist characteristics. It is a socialist model of long-term historical construction, regarding temporal contradictions and unity between opposites; a paradox between the old and the new, an embryonic collectivist State in its trajectory in the international system, but one that stands out strongly in the reflections on the hegemonic transition. (Rodrigues; Martins, 2020, p. 177)

In this way, an attempt will be made to interpret the conceptual dialectic between the material conditions of existence in the internal and external spheres in China vis-à-vis the universality and particularity of the contradiction. With this, the objective is to understand how the Chinese theory of knowledge has been presenting a critical and revolutionary character, mainly through a set of laws or principles that govern a sector or the totality of reality through the movement of history. In other words, the permanent, dialectical and contradictory class awareness in China – understood as the collective consciousness regarding the passage of the class itself towards the class for itself, related

Article approved for publication in volume 32, issue 3, 2022 of the *Revista Nova Economia*. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

to the inherent contradictions of capitalist society – exalts a unique political organization, which deals with the particular everyday problems in direct connection with its historical-social totality, aiming mainly at its economic, social and political emancipation in the world system.

Regarding China's internal political economy, an original conception is carried out based on the theoretical formulation of the New Projectment Economy (NPE). For Jabbour (2019), NPE is a new economic planning model and a higher development stage of a new economic-social formation, whose historical process related to institutional innovations, state capacities and qualitative leaps within the economy state sector raised the state's ability to control the country's economy vitality to higher levels. (Jabbour; Paula, 2020) Understood as a superior stage of Chinese market socialism, the project aims to maximize the production process rationalization by conditioning utility as development of the common good. That is, it consists as a qualitative leap in relation to the economy guided by the capitalist market, representing the antithesis of neoliberalism and financialization, by also directing the economy towards the productive sector of endogenous innovations towards the technological frontier. (Rodrigues; Martins, 2020, p. 176)

In other words, the New Projectment Economy would be a historic response to the imbalances arising from four decades of economic reforms. It is a continuity line with the guidelines intrinsic to the policies – which emerged since Hu Jintao's mandate – to reduce social and regional inequalities and seek to shape a social welfare state with Chinese characteristics. The economic state sector empowerment and the increased state's capacity to plan at higher levels led to a trend reversal towards increasing inequality. (Jabbour et al, 2020, p. 43)

Article approved for publication in volume 32, issue 3, 2022 of the *Revista Nova Economia*. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

Since 1978, China has been leading an accumulation dynamic where the overcoming of restrictions and the incorporation of new technological inputs into the real economy have given rise to conditions to raise the level of rationality in the production process and, consequently, transform the Chinese economy into a large supplier of major public goods. Institutional innovations have been leading to a private sector's quantitative growth, while the State has been increasing its role in a qualitative way via political control of the country, becoming an active participant in capital accumulation. In other words, the Chinese state is the political force that has control of strategic factors and productive sectors in key industries, enabling adaptive flexibility and accelerated efficiency in advanced political-social engineering.

Additionally, Jabbour (2019) characterizes five fundamental points that help to consolidate this new economic-social formation: 1) a new political power, based on the milestones of the 1949 Revolution, capable of managing the institutional changes necessary to face the contradictions inherent to the development process; 2) a deep and widespread long-term public financial system; 3) the transformation of foreign trade into a planned and State managed public good; 4) the formation and strengthening of 97 large state-owned business conglomerates (GCEE), responsible for generating linkage effects to the entire set of the Chinese national economy; and 5) the emergence, in 2003, of SASAC, the institution responsible for managing state assets and interests in the GCEE.

In its international relations, China seeks to share development experiences with other countries, but it has no intention of interfering in other nations' internal affairs or exporting its own social model or development pattern. In other words, according to President Xi Jinping (2019, p. 633), by boosting the Belt and Road Initiative, China is not going to resort to outdated geopolitical maneuvers, but it hopes to achieve a new model of win-win cooperation.

Article approved for publication in volume 32, issue 3, 2022 of the *Revista Nova Economia*. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

In this way, in the field of international political economy, it is considered essential to carry out a brief systematization about the concept of geopolitics in order to achieve a more refined explanation. In our view, geopolitics is seen as a dynamic method of understanding the influence of geographic factors on the development of States, with the aim of guiding their policies, both internal and external. (Rodrigues, 2020) Additionally and even more importantly, it's crucial to comprehend the importance of viewing geopolitics by examining traditions and cultures from a Chinese perspective, in which Confucian philosophies are vital to understanding contemporary Chinese geopolitics (An; Sharp; Shaw, 2021). In other words, the debate raised later seeks to emphasize the contradictory dialectic for analyzing the geopolitics of this rising global power.

Even so, despite the benefits of reciprocal privileges in the political field, cooperation in the economic sphere and articulation in international affairs, China has been showing characteristics of a paradoxical cooperation in the international arena, whose political-economic achievements can be simultaneously harmful; a relationship that has two distinct facets, defined by a “mixed blessing”, called Hybrid Geoeconomics (Rodrigues, 2021), or, as pointed out by An, Sharp and Shaw (2021), a “Hybrid Confucian Geopolitics”.

“Hybrid geoeconomics consists in the use of economic instruments based on a multiform and asymmetric duality that, when used in certain countries or regions, have both advantages and disadvantages. It is a process of economic performance with geopolitical purposes, carried out by the combination of elements that bring both development and dependence, progress and retardation, bonuses and burdens, characterizing, expressing or manifesting themselves by ambiguous elements in different political economic modalities.” (Rodrigues, 2021, pp. 5-6)

As a contradictory dialectic at the international level, Hybrid Geoeconomics' theoretical proposition has a logic and a sense that, in its execution, does not necessarily have as its objective a multiple gains policy; that is, due to its hybrid character, it is not

Article approved for publication in volume 32, issue 3, 2022 of the *Revista Nova Economia*. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

configured in an economic mutualism relationship in the sense of reaching the goals of both parties in equivalent proportions, since its internal logic does not consist of a zero-sum game or a positive-sum game: it presents itself as a specific contradiction between positive and negative results, which do not cancel each other out and do not involve pure economic harmonization. (Rodrigues, 2021, p. 6) Therefore, their actions abroad are permeated with hybridity insofar as they benefit the affected countries in multiple ways, but bring with them numerous challenges to be faced.

Notably, it is seen that there is no presence of ideological imposition and/or economic conditionalities on China's part, but only and exclusively prerogatives backed by the Chinese economic-political development itself. Thus, its hybrid character is ratified, given that there is a certain margin of maneuver and/or windows of opportunity for countries to accept or not Chinese conditions: political and economic choices have been made by local countries autonomously and not from Chinese pressures (Pecequillo, 2013, p.111), that is, it depends on the political-economic paths of countries geoeconomically affected by the presence of Beijing.

It is confirmed that this scenario does not postulate the existence of a mechanical, reductionist and univocal relationship: this Chinese action in international relations is not hermetic in the temporal and relational sense, but rather a changing hypothetical structure, which can help in a better understanding of the interstate relations and power configurations that conform in time and space. Additionally, it should be taken into account that the present theorizing is largely opposed to, and critical of, the designation of Chinese neo-imperialism in the 21st century, a hypothesis widely disseminated by Western orthodox academics.

Finally, it is important to emphasize that, since 2013, China has been questioning neoliberal globalization foundations and, on the other hand, presenting itself as a response

Article approved for publication in volume 32, issue 3, 2022 of the *Revista Nova Economia*. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

to this process, mainly by proposing a global capitalism project with a parallel institutional superstructure through multilateral initiatives. Thus, from this new regime of international cooperation, a Chinese institutionalized globalization concept emerges (Vadell; Secches; Burger, 2019), a globalization with Chinese characteristics on a global scale based on interconnectivity, investments in infrastructure and within a state-controlled financial institutional superstructure.

After the 2008 crisis, it became clear that financial interconnectivity and supraterritoriality dominance could not have an isolated and proper dynamic in the global capitalist accumulation process. It requires a return to territoriality, state sovereignty and productive interconnectivity of maritime and land transport and trade. In other words, heavy investments in port, rail and road infrastructure. The Chinese Communist Party, with surplus resources, is betting on a more assertive foreign policy economically and politically since the coming to power of Xi Jinping with greater investments within China and abroad. (Vadell; Secches; Burger, 2019, p. 50)

Globalization with Chinese characteristics has been developing its state-controlled financial, monetary and banking system, with a high emphasis on physical investments in infrastructure (a feature absent from neoliberal globalization, with a speculative finance capital predominance). The economic crisis and China's leading role created the conditions for an integrated globalization process on a global scale with Chinese characteristics, or a Chinese Embedded Globalization (CEG), which emerges with its contradictions by not abandoning liberal principles, but yet not accepting financial markets liberalization. (Vadell; Staiano, 2020, p. 442) In other words, it is presented that the Belt and Road Initiative is a response to neoliberal globalization, a new open and integrative globalization with institutional transformations of global economic governance linked to state-owned financial-banking, as will be seen in the next sections.

Article approved for publication in volume 32, issue 3, 2022 of the *Revista Nova Economia*. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

3 Belt and Road Initiative as global geopolitics

Currently, one of President Xi Jinping's foreign policy priorities has been the resurgence of China's ties with the rest of the Eurasian continent through the reconstruction of the “Silk Roads”, an allusion to the term coined in 1877 by the Prussian geographer Ferdinand von Richthofen to describe these trade routes that connected China to the western Mediterranean during the Han and Tang dynasties. (Stuenkel, 2016, pp. 168-169; Frankopan, 2018, p. 2) By seeking to re-establish the economic corridor that united East and West in the first millennium of the Christian era, China wishes to strengthen economic ties between Asia, Africa and Europe with billion-dollar investments, which would favor the connection and trade between countries, as well as confirm, directly or indirectly, the dispute for global power.

The Belt and Road Initiative (BRI) – also known as the New Silk Road (NSR) or One Belt One Road (OBOR) – was proposed by Chinese President Xi Jinping during an official visit to Central Asia in 2013. The plan was announced with a budget of nearly US\$ 1 trillion in infrastructure investments, mainly in the form of loans, for around 1,000 projects, over a period of more than thirty years, with the first phase to be completed in 2021 (centennial year of the creation of the Chinese Communist Party) and the project as a whole carried out by 2049 (centennial year of the Chinese Communist Revolution). BRI aims to enable economic propagation by creating an interconnected system of transport, energy and infrastructure in an area of approximately 70% of the global population, around 55% of the world's gross domestic product (GDP) and 75% of known energy reserves, requiring the collaboration of the governments located along the land and sea silk route.

Article approved for publication in volume 32, issue 3, 2022 of the *Revista Nova Economia*. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

In short, BRI implies a direct challenge to neoliberal globalization and a proposal for interconnectedness that emerges as a regional initiative and expands as China's open and global project, reconfiguring economic geography through unprecedented massive investments in infrastructure. (Vadell; Secches; Burger, 2019, p. 50) With regard to funding the initiative, the Asian country has been seeking to expand financial support from the Belt and Road Initiative by contributing to the Silk Road Fund, encouraging its financial institutions to conduct renminbi fund business abroad, as well as creating special loans from the China Development Bank (CDB) and the Export-Import Bank of China (China EximBank) to support cooperation in infrastructure, production capacity and financing. At the same time, other multilateral development institutions will also participate in the initiative, such as the Asian Infrastructure Investment Bank (AIIB), the New Development Bank (NBD), the BRICS Contingent Reserve Arrangement (CRA), among others.

According to data from the China Global Investment Tracker (2020), Chinese investments and contracts in Belt and Road Initiative countries totaled US\$ 762.57 billion between 2005 – 2020. Since finance experts from the State Council of China estimate that the cost of BRI will be between US\$ 1 and US\$ 8 trillion if fully implemented according to government planning (Vadell; Secches; Burger, 2019, p. 61), the growth perspective is remarkable, given that the investments planned for the next two decades will be even more relevant. Until January 2021, the number of members who joined the Belt and Road Initiative by signing a Memorandum of Understanding (MoU) with China was 140 countries, spread across all continents: 40 in sub-Saharan Africa, 34 in Europe and Central Asia (including 18 European Union countries), 24 in East Asia and the Pacific, 17 in the Middle East and North Africa, 19 in Latin America and the Caribbean, and 6 in Southeast Asia.

Article approved for publication in volume 32, issue 3, 2022 of the *Revista Nova Economia*. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

Consequently, China will seek to organize and lead a growing portion of global supply chains, reserving the most complex production segments for itself and creating strong interdependence and collaboration bonds with other countries. As Mações (2018, p. 30) states, “the Belt and Road is the name for a global order infused with Chinese political principles and placing China at its heart.” The use of infrastructure corridors contributes to the creation of an increasingly sinocentric Eurasia, whose vector of world development would result in growing Chinese power relations, creating a new global economy centered on the Middle Kingdom.

By implementing the BRI, promoting transnational interconnectivity and strengthening cooperation in trade, investment, productive capacity and equipment manufacturing, the essential objective is to encourage new demands by increasing effective supply and achieving rebalancing of the world economy. Especially in the current world economy's state of apathy, if China's exports to countries along the Belt and Road enlarge a productive capacity and building capacity accumulated in a pro-cyclical way, to be used in the promotion of industrialization, modernization and improvement of local infrastructure, this will then favor the stabilization of the world economy. (Xi, 2019, pp. 619-620)

In the first two decades of the 21st century, China's foreign policy was characterized by a process of international projection based on the paradigm of peaceful and harmonious development, supported by South-South cooperation. As part of this process, the country approached regions such as Latin America, occupying geopolitical and geoeconomic spaces that resulted in trade link growths, increased investment/financing and the implementation of bilateral and multilateral agreements.

In the early years after BRI's announcement, Chinese officials and think tank professionals regularly denied the Latin American incorporation. Among the factors that

Article approved for publication in volume 32, issue 3, 2022 of the *Revista Nova Economia*. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

would contribute to their exclusion would be: the natural physical distance between the regions, with the Chinese demands currently met by the region in terms of resources and markets being supplied within the scope of BRI; the foreign policy of some important Latin American countries has changed since 2015 (such as Brazil (2016), Argentina (2015), Peru (2016), Chile (2018), among others), with the rise of conservative governments with a closer alignment with the United States, as well as the US reaction itself to the Chinese presence in the hemisphere; and the Chinese geopolitical concern with its immediate strategic environment.

More recently, Chinese authorities and companies, as well as their Latin American counterparts, have been more open to diplomatic and commercial negotiation under the BRI banner. (Ferchen, 2021, p. 97) According to Xi Jinping, priorities must be highlighted, including key regions, key countries and key projects, to concentrate forces on their development. This will benefit not only the Chinese people, but also the people of the countries involved in the initiative. (Xi, 2019, p. 620) Whether through multilateral and bilateral, formal and informal pronouncements, or through official documents of the Chinese government, such as China's policy paper on Latin America and the Caribbean (2016), BRI corresponds to a fundamental measure for the realization of a multidimensional Chinese opening and, although the initial focus was to establish the Asian interconnectivity, it has expanded its scope and has been dedicating itself to the international system connection.

Latin America's inclusion, therefore, has been more assertively ratified as of 2017, when a growing number of countries in the region signed agreements related to BRI and announced deals, signaling the extension, in fact, to the region. In May of the same year, Chinese President Xi Jinping told the Argentine ex-president Mauricio Macri at the Belt and Road Forum in Beijing that the Latin American region was a "natural extension" of

Article approved for publication in volume 32, issue 3, 2022 of the *Revista Nova Economia*. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

the Maritime Silk Road and a “indispensable participant”, thus making the possibility of its/Argentina’s? inclusion more evident. At the multilateral level, a turning point occurred at the China-CELAC Ministerial Forum in Santiago de Chile in January 2018. At that event, participants signed a Memorandum of Understanding (MoU) on BRI, to which the region was invited by Ambassador Li Jinzhang to formally participate as a new platform for mutually beneficial cooperation between China and Latin America. (Ferchen, 2021)

In this context, Panama was the first country to sign this agreement with China, in November 2017, after switching diplomatic recognition from Taiwan to Beijing earlier that year. Later, another 18 countries in Latin America and the Caribbean (Antigua and Barbuda, Barbados, Bolivia, Chile, Costa Rica, Cuba, Dominica, Ecuador, El Salvador, Grenada, Guyana, Jamaica, Peru, Dominican Republic, Suriname, Trinidad and Tobago, Uruguay and Venezuela) signed memorandums of understanding and/or cooperation documents regarding the BRI with China. Consequently, regardless of whether any of the post-2017 negotiations are officially designated (or not) as BRI projects by the host government or by China, the symbolic connection between the cooperation agreements and the announcement of projects such as ports, highways and industrial parks is evident.

Additionally, it is notable/significant that most of those who signed are smaller countries in Central America and the Caribbean, or even South American members converging with Chinese policies, such as Venezuela, Ecuador and Bolivia. The biggest countries such as Brazil, Mexico, Colombia and Argentina have not signed up yet. As stated by Abdenur and Levaggi (2018), only a group of Latin American countries recognized the strategic importance of the BRI and made the effort to participate. In most of the region, the BRI is absent from political or even academic debate. Thus, it is essential to build knowledge about this initiative and its implications, opportunities and

Article approved for publication in volume 32, issue 3, 2022 of the *Revista Nova Economia*. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

challenges for the region, especially through the engagement of research centers, think tanks and academic institutions, as well as greater coverage by the Latin American media.

The BRI's construction is part of an expression of China's foreign policy, which is related to its development agenda, sustaining its economic expansion and regional and global political influence; in other words, the interconnection between the New Projectment Economy and the Hybrid Geoeconomics in a Chinese Embedded Globalization. Specifically for Latin America, it is related to the incorporating of the region into its power geometry based on a geopolitical strategy, which encourages Chinese financing and investments. Thus, it is considered essential to carry out a deeper analysis of the geoeconomic implications of the Belt and Road Initiative for Brazil, whether from the perspective of continuity of non-adherence, or from the scenario of its formal entry.

4 Sino-Brazilian economic relations in the 21st century

Sino-Brazilian economic relations have been intensifying since 2001, ratified by State visits throughout the 2000s and 2010, which led to the signing of trade, investment and cooperation agreements in different areas. (Vadell; Ramos; Neves, 2016, p.81; Leite; Ramos, 2016, pp.172-173) Consequently, China has been promoting South-South cooperation and preparing the ground for inter-regional exchanges, migrating from near absence to the top position in economic relations with Brazil in little more than a decade. (Vadell; Neves, 2018)

The strategic partnership between China and Brazil intensified throughout the 21st century, especially from 2013 onwards with the rise of Xi Jinping to the Chinese presidency. Since then, the two countries have had exchanges at high levels and in various fields. In March and September 2013, President Xi Jinping and former President Dilma

Article approved for publication in volume 32, issue 3, 2022 of the *Revista Nova Economia*. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

Rousseff held bilateral meetings during the Fifth Meeting of BRICS Leaders and the G20 Summit in St. Petersburg. In November of that same year, Brazilian Vice President Michel Temer made an official visit to China, meeting with President Xi Jinping and co-chairing, with Vice Premier Wang Yang, the third meeting of the Chinese-Brazilian High-Level Concertation and Cooperation Commission (COSBAN), the main platform for dialogue with China. Since then, Sino-Brazilian relations have maintained coordination in international organizations and multilateral mechanisms, including the United Nations (UN), World Trade Organization (WTO), G20, and BRICS.

Over the past decade, in the context of overcoming the 2008/09 crisis, Brazil and China have built an institutional framework that the country does not have with any other partner with higher degrees of cultural proximity or mutual trust, except for partners in Mercosur, especially referring to the Brazil-China Joint Action Plan adopted in 2010, the Ten-Year Cooperation Plan signed in 2012, the Joint Action Plan 2015-2021, among other documents. Having as its key proposition the revitalization and strengthening of COSBAN, Brazil carried out a broad exercise in identifying specific interests in its relationship with China. (Rosito, 2020a, p. 4)

According to official data from the Brazilian Ministry of Economy (2020), it is possible to visualize the flow of Brazilian exports and imports with China from 2001 to 2020. The most considerable increase in Brazilian exports was seen in the 2000s, with an increase of 1,270.65% compared to a 50.71% increase in the 2010 decade. Over the entire period (2001-2020), Brazilian exports rose by 2,860.09%, reaching a maximum value of US\$ 70,120,641.932.00 in 2020, and totaling US\$630,725,271,305.00 during the last twenty years. With regard to Brazilian imports from China during the same period, during the 2000s there was an increase of 1,478.65% and, in the 2010s, of 4.66%, with a total increase of 2,020.96% between 2001 and 2020. The maximum value of Brazilian imports

Article approved for publication in volume 32, issue 3, 2022 of the *Revista Nova Economia*. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

was achieved in 2014, at US\$ 38,251,885,955.00, while the aggregate value during the last twenty years totaled US\$ 437,673,383,176.00.

As seen, trade relations between China and Brazil grew exponentially throughout the 2000s and 2010, whose balance of exports and imports went from US\$ 4,036,579,436.00 in 2001 to US\$ 105,492,066,303.00 in 2020, an increase of 2,513.4% in just twenty years. Currently, China is Brazil's main trading partner, both in exports and imports – having surpassed the United States in 2009 and 2012, respectively. Brazil, on the other hand, occupied the eighth position in the 2010s in the ranking of China's main trading partners with a growing trend, given that the economic complementarity and business potential between both are evident, especially when considering Brazil's possible adhesion to the Belt and Road Initiative.

According to the 2020 Brazilian Foreign Trade Yearbook, the weak external demand resulting from the economic recession in Brazil's main trading partners affected the performance of its foreign trade, in which exports and imports of goods dropped by 5.4% and 14.6% in value, respectively, compared to 2019. However, the volume exported by the country grew 1% in this period, mainly due to the rapid economic recovery in China, enabling a trade surplus of more than 50 billion dollars in 2020. (Brasil, 2020)

However, Brazilian exports to China have been showing a concentration of raw materials and agricultural commodities, which intensifies economic reprimarization and the establishment of decreasing returns to scale in its productive structure. In the perspective of the duality of the Hybrid Geoeconomics, although primary exports have contributed to improve the Brazilian fiscal situation – allowing to enhance social investments, avoiding indebtedness and/or paying pre-existing debts and enabling the creation of foreign exchange reserves –, they also increased the dependence on the commodity prices evolution, besides a fiscal vulnerability associated with the commercial

Article approved for publication in volume 32, issue 3, 2022 of the *Revista Nova Economia*. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

weakness typical of primary goods exporters and higher value-added goods importers. As an example, in 2020, Brazil concentrated its exports on soy (31%), iron ore (27%) and crude oil (17%) to China, while it imported from China telecommunications equipment (13%), valves and thermionic tubes (6.2%) and platforms, vessels and other floating structures (5.4%).

When the primary products prices began to decline, in 2012, Brazil started to suffer a considerable setback in its national economy. In this scenario, the Brazilian productive structure tends to become less complex and productively sophisticated with the relative loss of the industry's weight. This finding is corroborated by data from the World Bank, which point to a smaller contribution from the manufacturing sector both to GDP and to a smaller volume of industrial goods in its exports. (World Development Indicators, 2020)

Obviously, this deindustrialization process is complex, related to multiple factors and not limited to Brazil (KIM; LEE, 2014); however, it deserves emphasis because it constitutes a premature deindustrialization of a nation that lost the transformation structural moment in the secondary sector even before reaching income and productive sophistication levels of the advanced powers (Rodrik, 2016; Castillo; Martins Neto, 2016). Pecequillo (2013) didactically summarizes some of these burdens, stating that the phenomena of deindustrialization stand out (which has as its other side the reprimarization of the economy and its focus on the production of commodities), the services sector's relativization, the saturation of markets and commercial and productive imbalances. Thus, one can observe a scenario of increased internal unemployment, competitiveness loss in industrialized sectors, trade deficits and low investment in science and technology. In the case of reprimarization, it is also important to mention the change in the product agenda generated by the direction of production to the Chinese market,

Article approved for publication in volume 32, issue 3, 2022 of the *Revista Nova Economia*. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

resulting in higher domestic prices for certain goods: for example, countries like Brazil have increased soy production, targeting the Chinese market, in replacement of goods in their basic food basket, such as beans and even rice and wheat.

Another relevant factor is that the Asian giant has been gradually increasing its foreign direct investment (FDI) in Brazil, mainly due to the intrinsic convergence between Chinese demand and Brazilian supply. FDI presents itself as an important catalyst in order to reach new markets, new technologies and strategic natural resources. In the Chinese case, they are made possible by the great availability of foreign exchange in the country, by the need to acquire essential assets, including natural resources, and by the policies to encourage State Enterprises (SOCs). (Santos; Milan, 2014) In addition, FDIs also play an important role in improving the management of Chinese companies, especially when understanding the practices of the main conglomerates (Gallagher, 2016, pp. 52-53) in certain sectors abroad. As an example, we can mention the pioneering technologies in deep water oil extraction carried out by Petrobras. According to the latest document made available by the China-Brazil Business Council (CEBC) on Chinese investments in Brazil, between 2007 and 2020, Chinese companies carried out 176 ventures in Brazil, with investments totaling US\$ 66.1 billion, concentrating 47% of Chinese investments in the South America. Of this total amount, 70% entered Brazil via mergers and acquisitions, mainly greenfield and joint ventures, with the majority share concentrated in strategic state companies for the Chinese government and subordinated to the State Council, accounting for 82% of the stock value and for 39% of the number of projects related to Chinese investments. Thus, the study concludes that Chinese investments in Brazil can enable a Brazilian national development project through partnerships in areas that could contribute to reducing the infrastructure bottlenecks that hinder Brazilian growth, since

Article approved for publication in volume 32, issue 3, 2022 of the *Revista Nova Economia*. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

China has undeniable experience in civil construction and industrial projects, which for decades have been among the main engines of its economy. (Cariello, 2020)

When analyzing China's IEDs in Brazil from the mid-2000s to 2020, available in the China Global Investment Tracker (2020), an exponential increase can be seen from 2010, leaving an aggregate value of US\$ 16.9 billion in the 2000s to US\$53.37 billion, an increase of 215.8%. The annual average in the 2000s was US\$2.8 billion, while in the 2010s it was US\$5.3 billion, with US\$4.4 billion per year over the entire period. Additionally, the years 2010 and 2016 stand out as the highest investment, with US\$13.4 billion and US\$14 billion, respectively. If we consider the increase in investment accumulated between the two decades (2000-2010), the increase is 89.5%, while if we compare the year with the lowest investment in the series (2005) with the highest investment (2016), the increment exceeds 2.001%.

Despite the economic benefits that FDI's bring to the Brazilian economy in the short term, they do not tend to develop industrial capabilities or activities with high added value and intensive in technology, ratifying economic and political barriers to medium and long term development. In this way, the direction of Chinese companies towards the commodity sector strengthens and deepens low value-added extractive activities, reinforcing the reprimarizing character. Furthermore, in terms of investments in infrastructure (ports, roads, railways), it is beneficial for Brazil to reduce costs and logistical bottlenecks, as well as improve its competitiveness. However, the structure of the projects is entirely aimed at favoring Chinese development, facilitating the achievement of export corridors rather than national integration corridors. Consequently, the Chinese IEDs' main interest in Brazil is focused on energy. Related to the total accumulated of US\$ 70.27 billion between 2005 and 2020, the concentration in the energy sector was 72.1%, of which the majority went to the oil segment in agreements made in

Article approved for publication in volume 32, issue 3, 2022 of the *Revista Nova Economia*. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

the period. Shares in other areas of Chinese companies' activity were: 7.8% in transport; 6.9% in mining; 4.7% in agriculture, and 3.4% in finance (China Global Investment Tracker, 2020).

Another key analysis variable is the active diplomacy between the two countries, mainly in bilateral and multilateral agreements. In the bilateral sphere, in addition to the establishment of the Chinese-Brazilian High-Level Concertation and Cooperation Commission (COSBAN), the China-Brazil Business Council (CEBC), and the Brazil-China Chamber of Commerce & Industry (CCIBC), the Ten-Year Cooperation Plan has the goal of deepening the execution of the Joint Action Plan. Prepared by the leaders of both countries in 2011, it aims to promote priority areas and key projects during the period 2012 to 2021. Thus, by raising the cooperation and complementarity level existing between the two countries, the focus would be concentrated in the following areas: science, technology, innovation and space cooperation; mines, energy, infrastructure and transport; investment and industrial and financial cooperation; economic and commercial cooperation; cultural, educational cooperation, and exchange between peoples. (Brasil, 2012)

Currently, both sides have started discussions to improve the COSBAN's structure and revise the Ten-Year Cooperation Plan (2012-2021), in order to prepare a new document to guide bilateral relations in the period between 2022 and 2031. In this sense, it would be essential for Brazil to identify specific demands in relations that could directly contribute to export's diversification and to increase its economic productivity, seeing the growing weight of Asia and China in the flows of trade, investment and technology worldwide, mainly with the scope of developing long-term partnerships with high strategic value. (Rosito, 2020a)

Article approved for publication in volume 32, issue 3, 2022 of the *Revista Nova Economia*. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

At the multilateral level, Beijing works in several organizations: since 2008, it has become a full member of the Inter-American Development Bank (IDB), retains permanent observer status at the Organization of American States (OAS) since 2004 (Shambaugh, 2013, pp.114- 115), as well as maintains a consultation system with the Andean Community (Bolivia, Colombia, Ecuador and Peru), as well as with Mercosur and Rio Group. (Sevares, 2015, p.59) However, the two main Chinese multilateral foreign policy actions for the region focus on the creation of the China-CELAC Forum and the BRICS.

In the first case, the China-CELAC Forum aims to promote the development of a comprehensive cooperative partnership based on equality, mutual benefit and common development between China and the States of Latin America. Such concert represents the region's insertion in a cooperation model in which the projects revolve around actions that reinforce the linkages of the region's economies with China, which ends up resulting in relevant political and strategic consequences. (Carmo; Pecequilo, 2016, pp.66-67) In the second case, there is a focus on South-South relations, with Brazil as a strategic partner in Latin America. At the XII BRICS Summit in 2020, the following agreements were established within the BRICS: commitment to multilateralism, endorsement of an Anti-Terrorist Strategy, and adoption of a BRICS Economic Partnership 2025, whose 2021-25 guideline consists of improving cooperation in trade, investment, finance, digital economy and sustainable development. (Brics, 2020)

5 Belt and Road Initiative and Brazil

It is in this expanding scenario of Sino-Brazilian economic and political interconnection where the Belt and Road Initiative is inserted, as well as all its geopolitical and geoeconomic implications. For China, having Brazil in BRI is a strategic

Article approved for publication in volume 32, issue 3, 2022 of the *Revista Nova Economia*. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

objective for expanding the project to Latin America, given Brazil's importance in the region and in several international forums. And for Brazil this is a highly relevant topic, mainly due to the strategic partnership developed over the last two decades and the Chinese commercial and financial importance for the Brazilian economy. (Santoro, 2019, p. 7)

Despite recognizing its influence in diplomatic terms as a contribution to long-term global cooperation, Brazil had not decided to join BRI until 2022. According to Santoro (2019, p. 6), the Brazilian government says it wants the Chinese financial resources, but these can be obtained through the Investment Partnership Program (PPI) of the federal administration, without the need for Brazil to adhere to the Belt and Road Initiative. Additionally, some justifications for its non-adherence consist of legal structures (legal and regulatory risk) that are not so clear; dissonant ideological and political issues (mainly from the Brazilian Executive); no positive externalities in a bilateral relationship that already has an important specific weight; institutional framework that allows multiple interpretations due to a project in permanent mutation; (Rosito, 2020b, pp. 67-68); lack of strategic information about the initiative for the Brazilian productive and political classes, leading to a fear of possible loss regarding trade and investment (Santoro, 2019, p. 7); and, “for such countries, it may not be obvious what the benefits of signing BRI MoUs or BRI-themed infrastructure deals are, especially compared to similar previous efforts.” (Ferchen, 2021, p. 105)

As this is an important initiative for an important partner, and which focuses on a priority area for Brazil – infrastructure connectivity – the Brazilian position could be revised in the future if a series of consensuses or projects of common interest are identified to be included in the BRI. In BRI's logic, almost anything is possible, and it will not be difficult to gather objectives within this framework in the event that Brazil

Article approved for publication in volume 32, issue 3, 2022 of the *Revista Nova Economia*. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

becomes interested in deepening the dialogue with China in key areas related to Brazilian development strategy, such as infrastructure, connectivity and unimpeded commerce. (Rosito, 2020b, pp. 67-68)

As a development agenda, South-South Cooperation and opposition to the Western neoliberal agenda, supported by endogenous economic expansion via projecting and increasing regional and global political influence through Hybrid Geoeconomics, it appears that BRI's multidimensional development policy can be used for expand economic relations between China and Brazil, especially in a post-pandemic era. Additionally, by strengthening its communication and policy coordination, the domestic consumption expansion and China's growth offer unique opportunities in terms of new markets for Brazilian products and services, while the Chinese companies' internationalization under the Belt and Road Initiative also appears as an opportunity for Brazil.

In trade terms, even though Brazilian exports have occasionally benefited from cyclical issues – such as the commodity boom in the 2000s –, it is essential to visualize the opportunities that are being created through both structural changes in China (class growth Chinese average, Chinese urbanization process, inclusion in the market of millions of people) and the expansion of the Belt and Road Initiative to Latin America, with a high tendency to intensify trade relations between China and the region and, consequently, with Brazil.

The investment deficit in the current Brazilian situation offers important possibilities for both countries. Although Brazil is one of the main destinations for Chinese investments, when considering Beijing's needs in energy, minerals and agricultural products, BRI is an opportunity for the Brazilian economy to further intensify the Chinese FDI reception in the next years. Complementarily, with a focus on improving

Article approved for publication in volume 32, issue 3, 2022 of the *Revista Nova Economia*. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

both internal and external connectivity, BRI will be able to assist in the integration process, both nationally and regionally within the scope of South America, essentially by removing physical barriers and logistical bottlenecks. In other words, China can provide capital and expertise to Latin American countries, where lack of resources and poor infrastructure are chronic problems that hinder faster and more integrated growth. To advance this agenda, it will be useful to consider joint financing between Chinese development banks and regional multilateral development banks, such as Development Bank of Latin America (CAF) and Inter-American Development Bank (IDB), and national development banks, such as Brazilian Development Bank (BNDES). (Arbache; Maia, 2019, p. 34)

However, it is evident that the Chinese presence through the BRI can generate sensitive geoeconomic implications for Brazil, and that, despite the benefits arising from this growing participation, there is a negative impact on its productive structure. This point tends to aggravate the concentration of the export agenda in primary products, reinforcing regressive specialization – which perpetuates the fateful Dutch disease – and accentuating the de-industrializing trajectory. In other words, the possible inclusion of Brazil in the initiative must have, as prerogatives, the value addition to the commodities exported by Brazil, the adoption of technologies or technological transfers from Chinese production chains, the services expansion that qualify and make complex the national productive fabric through sophisticated and value-adding products and services. For this purpose, according to Rosito (2020b), it is essential to formulate structuring agendas – themes that can boost Brazil-China economic relations and that demand special zeal in a long-term strategy due to its catalytic and unifying role in various sectors – for streamlining the technology, finance and infrastructure agenda in the 2020s, and that can be transplanted to a future project of Brazilian insertion in BRI.

Article approved for publication in volume 32, issue 3, 2022 of the *Revista Nova Economia*. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

In the technological area, in addition to strengthening the high-level dialogue in the science, technology and innovation area with an interinstitutional and multidisciplinary nature, the fundamental impulse would consist of a joint action between governments and companies in the sector, mainly through the expansion of partnerships with big Chinese technology companies like Huawei, Alibaba, Tencent, Didi, DJI. In this way, a window of opportunity would be opened for Brazil to increasingly benefit from the Chinese transformations in the spheres of the digital economy (5G, cloud computing, Internet of Things, etc.), Artificial Intelligence, e-commerce, nanotechnology, biotechnology, genomics, smart cities, renewable energies, electric vehicles, robotics, among others. (Rosito, 2020b, p. 113)

In the financial area, it is essential to be able to obtain new funds for direct investment projects and new financial flows, as well as expand cooperation between the CDB and BNDES, intensify the Brazilian participation in the New Development Bank (NDB) and in the Asian Infrastructure Investment Bank (AIIB), and deepen green bond projects in Brazil, aiming at sustainable agriculture that can be financed through “green financing”. Additionally, one would seek to encourage mechanisms that allow exchange expansion in local currency; reinforce the structured dialogue between the BNDES and the CDB and the role of the multilateral development banks; encourage innovative projects that allow Chinese financial investors to become more familiar with the Brazilian market; boost the Brazil-China partnership in sectors linked to agriculture and energy transition through the launch of “green bonds” and the development of sustainability standards. (Rosito, 2020b, p. 137)

In the infrastructure area, Chinese investors have shown interest in expanding their operations in the Brazilian sector by participating in consortia for bidding on public concessions, in addition to private projects. However, each and every infrastructure

Article approved for publication in volume 32, issue 3, 2022 of the *Revista Nova Economia*. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

project requires a long-term vision in a favorable business environment. The tendency for such investors to be from the state sector advocates a need for political dialogue, a pragmatic relationship and permanent strategic coordination with China in high level. Thus, one seeks to enhance long-term commitments to attracting Chinese investments in infrastructure; to encourage the dialogue between Brazilian structurers, including private companies and banks, and Chinese structurers, especially large construction companies; to foster more development banks to participate actively in the projects and co-financing mechanisms discussion, including with other multilateral banks. (Rosito, 2020b, p. 136)

China's presence is not fatalism; it is an opportunity that should be seized, since it depends on strategic direction, insertion type and Brazilian political-economic response to the Belt and Road Initiative project as central points for the development of its economy. In terms of international geopolitics, both competition and cooperation provide windows of opportunity for Brazil. At the same time, more robust exchanges with China may increase bargaining power with another important player on the international stage: the United States.

In this way, by modifying the historical structure from boss to partner (Gallagher, 2016, pp. 176-177) through the perception that China could become an alternative to asymmetrical interdependence with the United States, both in strategic and economic terms (Pecequilo, 2013, p. 108), this fact tends to arouse apprehensions on the part of the US, considering the intensity acquired by Sino-Brazilian relations as dysfunctional to their interests. Thus, in a geostrategic vision of Brazilian national planning in the context of the Belt and Road Initiative, the country could take advantage of the Sino-American regional and global competition by capitalizing and strengthening pragmatic ties with both parties, establishing its socioeconomic development as a strategic goal.

6 Final considerations

Article approved for publication in volume 32, issue 3, 2022 of the *Revista Nova Economia*. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

This article sought to present the main characteristics of the Belt and Road Initiative's global project, as well as possible political and economic implications for Brazil vis-à-vis the history of its international relations with China in the 21st century. Thus, from the New Projectment Economy and Hybrid Geoeconomics perspectives, it was possible to determine that the Belt and Road Initiative is profoundly different from the neoliberal globalization project, both in terms of strong financial institutions state control that promote development, the high emphasis on physical investments in infrastructure, the international trade and global production networks stimulus, the principle of peaceful coexistence and non-intervention in the internal affairs of other countries; as with the new goals based on the community with a shared future for humanity (人類命運共同體), socialism with Chinese characteristics for a new era (中国特色社会主义) and the Chinese dream (中国梦).

This global power project is the essential tool of the new institutionalization and space for the Chinese accumulation process, a development agenda supported by Chinese institutionalized globalization and fundamental to understanding the geopolitical disputes of contemporary capitalism. Based on visibly domestic objectives (but which reverberate in international potential), BRI has been proposing substantial changes in the formation of global geopolitical blocs and, at the same time, with a strongly anti-imperialist position, a counter-hegemonic global South.

Once it has been verified that the internal and external complement each other in a dialectical and contradictory relationship, the Belt and Road Initiative is inserted within the contemporary Chinese idiosyncratic historical materialism. Therefore, we sought to demonstrate that both the New Projectment Economy and the Hybrid Geoeconomics, inserted in a new Chinese institutionalized globalization, consist of fundamental analytical tools to understand the complex materialization of the New Silk Road in the

Article approved for publication in volume 32, issue 3, 2022 of the Revista Nova Economia. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

21st century, especially when analyzing its geographic expansion to Latin America and Brazil.

It is important to note that the non-imposition of political and economic conditionalities allows Brazil to leverage the positive externalities arising from the repercussion of the New Projectment Economy at the international level under the bias of the Hybrid Geoeconomics. In other words, based on a national project for Brazilian development, relations with China can be seen more as an opportunity than a threat and/or competition, aiming to stimulate trade flows, offering financing and investments, leveraging infrastructure projects, as well as enabling sustained economic growth by ensuring the reduction of inequalities and environmental sustainability.

In this sense, BRI is the only large-scale multilateral project in the 21st century, representing a belt of long-term Chinese project and hybridity and a space under construction for development and integration in a new world order. At the same time, it reveals itself as an opportunity for other nations to develop their infrastructure and create new political-economic opportunities. Whether bilaterally or multilaterally, it is essential to analyze the Chinese strategy and how Brazil is inserted in this process, allowing for complex and systematic studies on the subject, essential for understanding the possible positive effects that the BRI's window of opportunity would provide for Brazilian development in the 21st century.

References

ABDENUR, A. E.; LEVAGGI, A. G. Trans-Regional Cooperation in a Multipolar World: How is the Belt and Road Initiative Relevant to Latin America? *Working Paper*, LSE Global South Unit, 2018.

AN, N.; SHARP, J.; SHAW, I. Towards a Confucian geopolitics. *Dialogues in Human Geography*, Vol. 11, N° 2, pp. 218-235, 2021.

Article approved for publication in volume 32, issue 3, 2022 of the Revista Nova Economia. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

ARBACHE, J.; MAIA, J. N. B.. *O futuro da China e as oportunidades para o Brasil*. Rio de Janeiro: Conselho Empresarial Brasil-China (CEBC) - Setembro, 2019.

AYALA, L.; RAMÍREZ, J. El rol de China en el proyecto de un orden regional sudamericano. *Revista Andina de Estudios Políticos*, Vol. VI, N° 2, pp. 5-28, 2016.

BRASIL. COMEXVIS - COMEX STAT (MDIC). . *Estatísticas de comércio exterior do Brasil*. 2020. Available in: <http://comexstat.mdic.gov.br/pt/home>.

BRASIL. MINISTÉRIO DA ECONOMIA. *Anuário de Comércio Exterior Brasileiro 2020*. 2020. Available in: <https://www.gov.br/produtividade-e-comercio-exterior/pt-br/assuntos/comercio-exterior/publicacoes-secex/anuario/arquivos/anuario-comex-2020.pdf>.

BRASIL. MINISTÉRIO DA ECONOMIA. *Exportação e Importação Brasileira*. 2020. Available in: <https://www.gov.br/produtividade-e-comercio-exterior/pt-br/assuntos/comercio-exterior/estatisticas/balanca-comercial-brasileira-acumulado-do-ano>.

BRASIL. *Plano Decenal de Cooperação entre o Governo da República Federativa do Brasil e o Governo da República Popular da China*. 2012. Available in: <https://www.gov.br/aeb/pt-br/programa-especial-brasileiro/cooperacao-internacional/documentos-china/acordochina2012.pdf>.

BRICS. *Declaração de Moscou da XII Cúpula do BRICS*. 2020. Available in: https://www.gov.br/mre/pt-br/canais_atendimento/imprensa/notas-a-imprensa/2020/declaracao-de-moscou-da-xii-cupula-do-brics

CARIELLO, T. Investimentos chineses no Brasil: histórico, tendências e desafios globais (2007-2020). *Conselho Empresarial China-Brasil (CEBC)*. Rio de Janeiro: 2021.

CARMO, C. A.; PECEQUILO, C. S. O Brasil e o vácuo de liderança regional: o avanço sino-americano (2011/2016). *Austral: Revista Brasileira de Estratégia e Relações Internacionais*, Porto Alegre, v. 5, n. 9, p.54-75, jan./jun. 2016.

CASTILLO, M.; MARTINS NETO, A. Premature deindustrialization in Latin America. Digital Repository Economic Commission for Latin American and the Caribbean. *Serie Desarrollo Productivo* No. 205, 2016.

CHINA GLOBAL INVESTMENT TRACKER. *American Enterprise Institute*. 2020. Available in: <https://www.aei.org/china-global-investment-tracker/>.

CHINA. Ministry of Foreign Affairs of the People's Republic of China. . *China's Policy Paper on Latin America and the Caribbean*. Beijing: Official Publications, 2016.

CHINA. The State Council Information Office of the People's Republic of China. *China's BeiDou Navigation Satellite System*. 2016. Available in: <http://en.beidou.gov.cn/SYSTEMS/WhitePaper/201806/P020180608507822432019.pdf>.

CHINA. XINHUA NEWS AGENCY. *Proposal of the Central Committee of the Chinese Communist Party on Drawing Up the 14th Five-Year Plan for National Economic and Social Development and Long-Range Objectives for 2030*. 2020. Available in:

Article approved for publication in volume 32, issue 3, 2022 of the Revista Nova Economia. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

https://web.archive.org/web/20201104114039/http://www.xinhuanet.com/politics/zywj/2020-11/03/c_1126693293.htm.

ECONOMY, E. C.; LEVI, M. *By all means necessary: How China's resource quest is changing the world*. New York: Oxford University Press, 2014.

ESCOBAR, P. China Rolls out the Health Silk Road. *Asia Times*, 2020.

FERCHEN, M. The BRI in Latin America: new wine in old bottle?. In: SCHNEIDER, Florian (ed.). *Global Perspectives on China's Belt and Road Initiative: asserting agency through regional connectivity*. Amsterdam: Amsterdam University Press, 2021. p. 97-112.

FRANKOPAN, P. *The new silk roads: the present and the future of the world*. London: Bloomsbury Publishing, 2018.

GALLAGHER, K. *The China Triangle: Latin America's China boom and the fate of the Washington Consensus*. New York: Oxford University Press, 2016.

GLOBAL TIMES (China). *How the Belt and Road initiative is bringing countries together*. 2017. Available in: <https://www.globaltimes.cn/content/1046488.shtml>.

IIGF GREEN BRI CENTER. *Countries of the Belt and Road Initiative (BRI)*. 2021. Available in: <https://green-bri.org/countries-of-the-belt-and-road-initiative-bri/>.

JABBOUR, E. M. K.; DANTAS, A. T.; ESPÍNDOLA, C. J.; VELLOZO, J. A (Nova) Economia do Projeto: o conceito e suas novas determinações na china de hoje. *Geosul*, Florianópolis, v. 35, n. 77, p. 17-48, dez. 2020.

JABBOUR, E. *China, socialismo e desenvolvimento – sete décadas depois*. São Paulo: Anita Garibaldi; Fundação Maurício Grabois, 2019.

JABBOUR, E.; PAULA, L. F. Socialization of Investment and Institutional Changes in China: A Heterodoxy Approach. *Forum for Social Economics*, 2020.

XI, J. *A governança da China, volume 2*. Rio de Janeiro: Contraponto, Foreign Expressa, 2019.

KAVALSKI, E. (Ed.). *The Ashgate Research Companion to Chinese Foreign Policy*. Surrey: Ashgate Publishing, 2012.

KIM, C. S.; LEE, S. Different Paths of Deindustrialization: Latin American and Southeast Asian Countries from a Comparative Perspective. *Journal of International and Area Studies*, vol.21, n.2, pp.65-81, 2014.

KISSINGER, H. *Sobre a China*. Rio de Janeiro: Objetiva, 2011.

LEITE, A. C. C.; RAMOS, L. G. S. O. Investimentos chineses na América do Sul: um desenho das preferências de destino e setores. In: LIMA, M. C. (Org.). *Perspectivas Asiáticas*. Rio de Janeiro: Folio Digital, 2016. pp.165-192.

Article approved for publication in volume 32, issue 3, 2022 of the Revista Nova Economia. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

LIMA, M. C. A nova teoria das relações internacionais chinesa e a ascensão do país: o conceito de Tianxia. In: VADELL, J. (Org.). *A expansão econômica e geopolítica da China no século XXI*. Belo Horizonte: Editora Puc Minas, 2018. Cap. 1. pp. 13-42.

MAÇÃES, B. *Belt and Road: a Chinese world order*. New York: Oxford University Press, 2019.

PECEQUILO, C. S. A América do Sul como espaço geopolítico e geoeconômico: o Brasil, os Estados Unidos e a China. *Carta Internacional*, Belo Horizonte, v. 8, n. 2, p.100-115, jul./dez., 2013.

RAY, R.; GALLAGHER, K. China-Latin America Economic Bulletin. *GEGI Discussion Paper*, 2017.

RODRIGUES, B. S. Geoeconomia Híbrida da China na América do Sul: o uso de instrumentos econômicos duais para fins geopolíticos. *Carta Internacional*, [S.L.], v. 16, n. 1, p. 1-24, 2021.

RODRIGUES, B. S. *Geopolítica, desenvolvimento e integração na América do Sul?: os projetos de poder estadunidense e chinês na amazônia sul-americana (2001-2016)*. 2020. 392 f. Tese (Doutorado) - Curso de Economia Política Internacional, Universidade Federal do Rio de Janeiro, Rio de Janeiro, 2020.

RODRIGUES, B. S.; MARTINS, C. E. R. O sistema Tiānxià (天下) como estratégia do Zhōngguó (中国): reflexões sobre a transição hegemônica mundial no longo século xxi. *Geosul*, Florianópolis, p. 166-195, dez. 2020.

RODRIK, D. Premature deindustrialization, *Journal of Economic Growth*, vol 21(1), pp. 1-33, 2016.

ROSITO, T. O Plano Decenal Brasil-China 2022-2031: oportunidade de preparação e realinhamento. *Carta Brasil-China*. Conselho Empresarial Brasil-China . Rio de Janeiro, p. 4-9. abr. 2020a.

ROSITO, T. *Bases para uma estratégia de longo prazo do Brasil para a China*. Rio de Janeiro: Conselho Empresarial Brasil-China, 2020b.

SANTORO, M. Cinturões e Rotas: o programa de investimentos globais da china e as oportunidades para o brasil. *Carta Brasil-China*. Conselho Empresarial Brasil-China . Rio de Janeiro, p. 4-7. ago. 2019.

SANTOS, L. T.; MILAN, M. Determinantes dos Investimentos Diretos Externos Chineses: Aspectos Econômicos e Geopolíticos. *Contexto Internacional*, Rio de Janeiro, v. 36, n. 2, p.457-486, jul./dez. 2014.

SEVARES, J. *China: un socio imperial para Argentina y América Latina*. Ciudad Autonoma de Buenos Aires: Edhasa, 2015.

SHAMBAUGH, D. *China goes global: the partial power*. New York: Oxford University Press, 2013.

SISCI, F. *A brave new China: the big chance*. Firenze: Goware, 2014.

Article approved for publication in volume 32, issue 3, 2022 of the Revista Nova Economia. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

SLIPAK, A. América Latina y China: ¿cooperación Sur-Sur o ‘Consenso de Beijing’?. *Nueva Sociedad*, n.250, pp.102-113, 2014.

STUENKEL, O. *Post-western world: how emerging powers are remaking global order*. Cambridge: Polity Press, 2016.

SVAMPA, M.; SLIPAK, A. China en América Latina: Del Consenso de los Commodities al Consenso de Beijing. *Revista Ensamblés*, v.2, n.3, 34-63, 2015.

UNESCO. *UNESCO Youth Eyes on the Silk Roads Photo Contest*. 2021. Available in: <https://unescosilkroadphotocontest.org/en/about-silk-roads-map>.

VADELL, J.; NEVES, P. O Brasil e a China na atualidade: perspectivas sobre o aprofundamento da cooperação desigual a partir do comércio, dos investimentos e do crédito. In: VADELL, J. (Org.). *A expansão econômica e geopolítica da China no século XXI*. Belo Horizonte: Editora Puc Minas. Cap. 7. p. 205-234, 2018.

VADELL, J.; RAMOS, L.; NEVES, P. As implicações internacionais do modelo chinês de desenvolvimento do Sul Global: Consenso Asiático como network power. In: LIMA, M. C. (Org.). *Perspectivas Asiáticas*. Rio de Janeiro: Folio Digital, 2016. p. 67-90.

VADELL, J.; SECCHES, D.; BURGER, M.. De la globalización a la interconectividad: reconfiguración espacial en la iniciativa belt & road e implicaciones para el sur global. *Revista Transporte y Territorio*, [S.L.], n. 21, p. 44-68, 1 out. 2019.

VADELL, J.; STAIANO, M. F.. China en los intersticios de la crisis del multilateralismo y la globalización neoliberal: la franja y la ruta en europa y el caso italiano. *Araucaria*, [S.L.], n. 45, p. 433-455, 8 nov. 2020.

WORLD BANK. *World Development Indicators*. 2020. Available in: <http://datatopics.worldbank.org/world-development-indicators/>

ZHANG, B. *The Path of the CPC: Revolution, Construction and Reform*. Beijing, Foreign Languages Press, 2012.

About the author

Bernardo Salgado Rodrigues – bernardosalgado90@gmail.com

Pós-Graduação em Relações Internacionais, Universidade Estadual da Paraíba, João Pessoa, PB, Brasil.

ORCID: <https://orcid.org/0000-0002-6439-8359>

Conflict of interest statement

The authors declare that there are no conflicts of interest of personal, commercial, academic or financial nature between the authors and the publication of this article.

Article approved for publication in volume 32, issue 3, 2022 of the Revista Nova Economia. Article in editing final stage. This text is a preliminary version of the article accepted for publication, made available in the SciELO *Preprints* database in December 2022. DOI: <http://dx.doi.org/10.1590/0103-6351/7346>.

About the article

Submission received on October 29, 2021. Approved for publication on February 11, 2022.

This preprint was submitted under the following conditions:

- The authors declare that they are aware that they are solely responsible for the content of the preprint and that the deposit in SciELO Preprints does not mean any commitment on the part of SciELO, except its preservation and dissemination.
- The authors declare that the necessary Terms of Free and Informed Consent of participants or patients in the research were obtained and are described in the manuscript, when applicable.
- The authors declare that the preparation of the manuscript followed the ethical norms of scientific communication.
- The authors declare that the data, applications, and other content underlying the manuscript are referenced.
- The deposited manuscript is in PDF format.
- The authors declare that the research that originated the manuscript followed good ethical practices and that the necessary approvals from research ethics committees, when applicable, are described in the manuscript.
- The authors declare that once a manuscript is posted on the SciELO Preprints server, it can only be taken down on request to the SciELO Preprints server Editorial Secretariat, who will post a retraction notice in its place.
- The authors agree that the approved manuscript will be made available under a [Creative Commons CC-BY](#) license.
- The submitting author declares that the contributions of all authors and conflict of interest statement are included explicitly and in specific sections of the manuscript.
- The authors declare that the manuscript was not deposited and/or previously made available on another preprint server or published by a journal.
- If the manuscript is being reviewed or being prepared for publishing but not yet published by a journal, the authors declare that they have received authorization from the journal to make this deposit.
- The submitting author declares that all authors of the manuscript agree with the submission to SciELO Preprints.