China's Environmental Cooperation and Responses of LAC countries in Times of polycrises: Chile, Brazil and Mexico

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Abstract: This paper analyzes the political processes through which Latin America and Caribbean countries (LAC) with abundant energy resources have responded to China's environmental cooperation initiatives, particularly in the areas of renewable energy and climate change. The outbreak of the COVID-19 pandemic and the Russia-Ukraine war have reshaped global climate politics, drawing increased attention to the role of major powers and the climate commitments of LAC countries. Although developing countries are not legally bound to reduce emissions under the Paris Agreement, they face growing international pressure to contribute to global decarbonization efforts. However, internal political and economic conflicts have hindered progress in many cases. Despite these constraints, several LAC countries have successfully initiated energy transitions, with varying levels of technical and financial support from China. Yet, responses to China's involvement differ considerably across the region. While some states have welcomed cooperation, others have opted for energy self-sufficiency and limited engagement. This paper argues that such diversity cannot be fully explained by the conventional "China threat" or "Chinese dependency" narrative.

To understand these variations, this study examines the international and domestic political dynamics of decarbonization before and after the recent polycrises. It identifies three key factors shaping the extent of China's policy engagement: geopolitical proximity to the United States, the state–business relationship, and shifts in political ideology at the national level. Using a comparative case study of Chile and Brazil, and Mexico, the paper classifies patterns of response into three categories—promotion, neutrality, and restriction. While all three countries have enacted climate policies with emission reduction targets, Chile and Brazil have deepened cooperation with China, whereas Mexico has constrained it. The findings offer a revised interpretation of China–LAC relations that goes beyond traditional notions of economic complementarity. Instead, they highlight the Active Non-Alignment (ANA) of LAC states in strategically managing environmental cooperation with external powers.

Keywords: China-LAC relations, environmental cooperation, Active Non-Alignment, comparative analysis

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1. Introduction: China's Environmental Cooperation and LAC's Divergent Responses in the Era of Polycrises

Climate crisis and global geopolitical shifts such as outbreak of COVID-19, Russia-Ukraine war intensified focus on major emitters and Global South responses. These polycrises have reshaped global environmental politics, drawing increased attention to the role of major powers and the climate commitments of Latin American and Caribbean (LAC) countries. Although developing countries are not legally bound to reduce emissions under the Paris Agreement, they face growing international pressure to contribute to global decarbonization efforts. However, internal political and economic conflicts have hindered progress in many cases. Despite these constraints, several LAC countries have successfully initiated energy transitions, with varying levels of technical and financial support from China. Yet, responses to China's involvement differ considerably across the region. While some states have welcomed cooperation, others have opted for energy self-sufficiency and limited engagement.

This paper aims to identify why LAC countries with similar energy resource endowments respond differently to China's environmental cooperation. While existing studies have primarily focused on China's energy cooperation and its dominance in relations with the Global North (EU and the U.S, and Japan) and the Global South (Asia, Africa, and LAC), other dimensions of China's environmental cooperation—particularly in its emerging ties with the Pacific Rim of East Asia and LAC—remain underexplored. This paper takes a geopolitical perspective to examine the diverse responses of LAC countries to China's environmental cooperation stem from a combination of geopolitical alignment, state-business relations, and ideological shifts.

This case study focuses on Chile, Brazil, and Mexico—three key countries in LAC, a region considered a promising market for energy transition. At first glance, LAC appears geographically distant from the Eurasian region, seemingly making it an unlikely target for supplier countries' strategies. However, the absence of confrontational dynamics among neighboring countries—often intensified by geographic proximity—represents a diplomatic advantage for Latin America (Xu, 2017). Hence, remoteness serves as a meaningful criterion for case selection, as it helps to highlight the relative strengths and limitations of supplier countries' environmental engagement.

To preempt the conclusions of this paper, Chile, Brazil, and Mexico have all developed cooperative relationships with China and have built varying levels of trust, yet their responses to environmental cooperation with China diverge significantly. These differences are shaped by a combination of domestic political factors, energy policy orientations, and geopolitical alignments.

The differentiated national responses underscore the importance of domestic political configurations, regime ideologies, and geopolitical constraints in shaping the nature and depth of environmental cooperation with China in LAC. Chile actively promotes environmental cooperation with China, leveraging its stable climate policies and lithium resources. Brazil shows a neutral stance, marked by ideological shifts but recent pragmatic engagement in energy and infrastructure with China. Mexico adopts a restrictive approach, limited by its US ties and nationalist energy policies that hinder Chinese renewable investments.

The paper makes three key contributions. First, it captures the shifts in the international order before and after the COVID-19 pandemic and the war in Ukraine, aligning with current global political concerns. Second, rather than treating environmental cooperation in isolation, it situates the analysis within the broader context of geopolitical dynamics and governance restructuring. Third, the results demonstrate that the diversity of national responses cannot be fully explained by conventional narratives such as the "China threat theory (Broomfield 2003)" or "Chinese Dependency in 21st. (Stallings 2020)".

The next section of this paper proceeds as follows. Section 2 reviews existing literature on China's rise and its LAC countries strategy as Active Non-Alignment in South–South environmental cooperation and in LAC, highlighting key gaps that remain unaddressed. Section 3 introduces the analytical framework and applies it to assess how LAC countries have responded to China's environmental cooperation. Section 4 examines the specific experiences of Chile, Brazil, and Mexico—three major economies in LAC and promising markets that have engaged with China in diverse ways. Section 5 explores the underlying factors shaping each country's relative advantages and limitations in cooperating with China. Finally, the conclusion outlines the theoretical and empirical implications for climate governance in the Global South and for the formations of new ties in the Pacific Rim.

2. Between Hegemony and Partnership? A Review of China–LAC Environmental Cooperation Studies

China's Rise and South-South Environmental Cooperation

Existing studies on governance and world order provide a foundation for examining the motivations and patterns of response of receiving countries during the global crisis. Notably, international cooperation has been defined in the field of international political economy as the mutual coordination of policies among states. It has been described either as the unilateral imposition of policies by a

hegemonic power or as democratic multilateral negotiations in which an influential non-hegemonic power in the international system assists another (Keohane, 1984; Keohane and Victor, 2016). However, international cooperation based on democratic multilateralism has not been sufficient to address global challenges, and the prevailing view is that bilateral environmental cooperation and multilateralist international cooperation are developed in a multipolar order with diverse actors.

Building on this theoretical foundation, the case of LAC countries offers a compelling context to explore how international cooperation unfolds in a multipolar world. Unlike traditional forms of democratic multilateralism led by Western powers, China's environmental cooperation in LAC tends to follow a model that blends bilateral engagement, infrastructure-led development, and pragmatic diplomacy.

Trade data reflects this growing economic engagement. China's trade with LAC countries expanded at a faster pace than with traditional partners such as the United States, Japan. This growth was facilitated by targeted economic diplomacy, including preferential trade agreements with MERCOSUR and bilateral trade missions. Trade with Brazil increased significantly. Notably, even the 2008–09 global financial crisis did not substantially disrupt this trend, as trade volumes recovered swiftly in subsequent years Chinese Foreign Direction Investment (FDI) in LAC has expanded significantly, with a particular focus on the energy and infrastructure sectors (Salazar-Xirinachs, ed. 2025).

Over the past two decades, China has become a major player in LAC, rivaling the U.S. and EU, and is on track to become the region's top trading partner by 2035. Its rise reflects a strategic approach and sustained investment. Although LAC represents a small share of China's financed units, 19 bilateral agreements have been signed—four focused on renewable energy, including two joint action plans. The region's solar capacity has quadrupled in recent years, and wind capacity has doubled, with Chinese investments concentrated in Brazil, Chile, and Mexico (Ferras dos Santos et al. 2024). Already LAC's largest trading partner, China is drawn by strategic resources like lithium and copper, while strengthening political ties through the CELAC forum and expanding BRI. Strategic projects, such as Peru's Chancay port, underscore its growing influence. Ironically, U.S. efforts under the Trump administration to counter China may have bolstered China's position in the region (Jütten 2025; Heine et al 2025).

This approach reflects what Keohane (1984) referred to as cooperation without hegemony yet also challenges liberal expectations of multilateral norm diffusion. China does not impose environmental conditionalities in the manner of OECD donors, nor does it rely on open multilateral platforms as the

EU does. Instead, its cooperation style prioritizes state-to-state partnerships, infrastructure financing, and technology transfers through initiatives like BRI and the China–CELAC Forum (Dussel Peter et al. eds. 2024).

China is increasingly combining its geopolitical interests with climate goals through multilateral coalitions and bilateral agreements, aiming to shape Latin America's climate agenda (Milani 2024; Bull 2024). While its approach emphasizes "development" within a "thin" notion of sustainability, it often diverges from Latin American priorities and faces resistance due to regional fragmentation and competing interests from the EU and the USA. This dynamic is giving rise to a form of "transmuted" multilateralism, where new and existing institutions coexist with redefined roles (Bull 2024). In this sense, China represents a form of non-hegemonic yet influential actor, advancing environmental cooperation through what could be described as "developmental bilateralism."

Debates on the "China expansionism" vs. "mutual benefit" in South-South cooperation?

However, the BRI has elicited growing concern primarily among Japan, the United States, and European countries. First, the acceptance of the BRI has led to cases where partner countries fall into the so-called "Debt Trap," facing both tangible and intangible constraints due to mounting debt burdens. Second, China's value system, which differs from liberal democratic norms, has not been sufficiently understood by the international community, while China has simultaneously increased its military capabilities and pursued expansionist policies overseas.

In response to such international apprehensions, the Chinese government began to recognize that its foreign strategy, including the BRI, was widely misunderstood. Consequently, the realization of the initiative required not only hard power (coercive force) but also state actions aimed at gaining trust from the international community. Under these circumstances, China's engagement with the Sustainable Development Goals (SDGs) and global agenda became indispensable as "a climate leader for the global south" (Qi and Dauvergne 2022).

Through multilateral consultations, China developed a growing awareness of its responsibilities as a major power and subsequently integrated the BRI with the SDGs to launch the Green Belt and Road Initiative (Green BRI)**.** This approach sought to strengthen cooperation with partner countries by promoting the alignment of the BRI with international sustainability objectives (Coenen et al. 2020).

Nonetheless, China's development assistance in the environmental sector has faced criticism as a form of **"**coercive environmentalism**,"** wherein the Chinese state enforces ecological objectives through

top-down, authoritarian mechanisms that often disregard public participation, equity, and social justice (Li and Shapiro 2020).

Identified Research Gaps and Challenge

These previous studies leave several important issues unresolved. LAC countries exhibit diverse responses shaped by their distinct domestic political configurations, energy policies, and geopolitical constraints. For example, Chile's alignment with China reflects a strategic openness to green development; Brazil's stance has fluctuated due to ideological changes and institutional instability; and Mexico's engagement remains cautious, influenced by nationalist energy policies and its geopolitical proximity to the United States.

These varied responses suggest that international cooperation is increasingly driven not by a universal logic of multilateralism, but by context-specific interactions between the strategies of external suppliers and the domestic political-economic structures of recipient countries. This reveals the limitations of existing international relations theories in fully accounting for the nuanced domestic variations that shape how Global South countries respond to external environmental cooperation.

3. Reframing Comparison through the Active Non-Alignment Approach

Redefining ANA as a Strategic Framework for South–South Cooperation

Beyond the binary diabetes of "China expansionism" versus "mutual benefit" in South-South cooperation, current discussions of the ANA often interpret it as a geopolitical hedging strategy employed by LAC countries amid U.S.–China rivalry (Heine et al. 2025). However, this paper proposes a border and more dynamic understanding of ANA —one that emphasizes the strategic agency of LAC states in selectively engaging with external powers based on domestic policy priorities and institutional capacities, rather than simply balancing between global hegemons. This redefinition positions ANA not merely as a balancing act between great powers, but as an expression of policy preferences within substantive areas of governance, such as climate diplomacy and energy transitions.

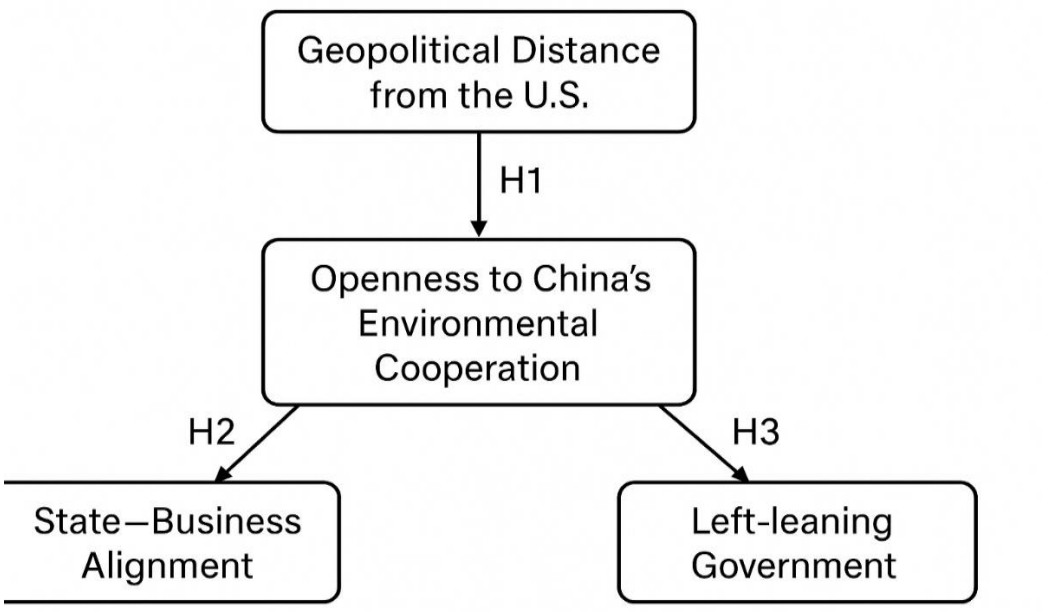
This farmwork also demonstrates how ANA complements or challenges conventional international relations theories. First, realism emphasizes the distribution of power and assumes that LAC behavior is largely shaped by alliance formation, particularly in relation to the United States. This perspective tends to overemphasize U.S.–LAC proximity. In contrast, ANA highlights the discretionary agency of Global South countries, focusing on how they navigate geopolitical pressures without necessarily

aligning with a single power bloc. Second, liberalism stresses international institutions and multilateral cooperation. However, LAC's environmental cooperation with China has been relatively weak in terms of institutionalized frameworks. Instead, countries have prioritized bilateral and selective forms of engagement—an approach better captured by ANA than by traditional liberal assumptions. Third, while constructivism underscores the role of norms, values, and identities in shaping state behavior, it often fails to account for the diversity and pragmatism of South–South cooperation. ANA, by contrast, recognizes that national identities are not fixed but can be strategically reconstructed by states to expand room for maneuver and align with evolving development and environmental priorities.

From Non-Alignment to Active Environmental Diplomacy: Theoretical Insights into ANA.

Given this theoretical background, the core questions of this study align closely with key debates in comparative politics and international relations. Investigating China's environmental cooperation and the divergent responses of LAC countries is therefore both theoretically significant and empirically meaningful. Drawing on three dimensions that structure China–LAC environmental engagement, this paper reinterprets the analytical axes: geopolitical proximity, state–business relations, and ideological orientation through the lens of ANA (see Figure 1).

Figure 1: Active Non-Alignment in Environmental Cooperation with China Hypotheses



Source: Author's elaboration

- **H1**: Countries with weaker geopolitical alignment with the U.S. and stronger institutional openness to South–South cooperation are more receptive to Chinese environmental initiatives.
- **H2**: Strong alignment between state and business actors facilitates smoother cooperation with external partners like China.
- **H3**: Governments that prioritize developmental state strategies and South–South pragmatism—regardless of ideological label—are more likely to engage with China on renewable energy and green finance.

Geopolitical Proximity: Moving Beyond Spheres of Influence

First, countries with looser geopolitical ties to the United States and institutional openness to South–South cooperation are generally more receptive to Chinese environmental engagement. States that adopt non-aligned or neutral strategies enjoy greater flexibility to engage with China without provoking strategic backlash. In LAC, for instance, countries such as Chile, Argentina, and Ecuador, where U.S. military or security entanglements are minimal, face fewer constraints in pursuing climate-related cooperation with Beijing. Chile, despite having supported the U.S.-led Free Trade Area of the Americas (FTAA), has actively pursued environmental collaboration with China. Conversely, Mexico, whose deep economic integration with the U.S. under NAFTA and later the USMCA has shaped its foreign policy, has adopted a more cautious approach under President López Obrador (AMLO), emphasizing energy sovereignty and state control.

In this context, China's environmental finance and technology, often framed as "no-strings-attached," become especially attractive for countries less economically or geopolitically tethered to the U.S. Therefore, from the ANA perspective, geopolitical proximity should not be reduced to a binary of U.S. versus China influence, but instead recognized as an expression of non-subordinate, strategic maneuvering by LAC states.

State–Business Relations: Institutional Maturity and Strategic Autonomy

Second, close coordination between state and business actors is a key enabler of environmental cooperation with external powers such as China. This synergy supports:

1. Policy coherence and implementation efficiency
2. Attraction of investment and infrastructure collaboration

3. Compatibility with China's preferred cooperation model, particularly through SOEs and long-term bilateral frameworks.

Brazil offers a prime example. The China–Brazil High-Level Coordination and Cooperation Committee (COSBAN), co-chaired by vice presidents, institutionalizes bilateral coordination, while the China–Brazil Business Council (CEBC) supports private-sector ties. These mechanisms facilitate multi-level cooperation and provide a stable institutional environment that aligns well with China's state-led engagement model. Chile also exemplifies institutional compatibility through streamlined regulatory systems and public–private coordination. However, civil society oversight and environmental activism, especially concerning lithium extraction, demonstrate that strong institutions can also constrain cooperation when democratic accountability mechanisms are robust.

Thus, from an ANA standpoint, state–business alignment is not merely about facilitating cooperation, but reflects the capacity of domestic institutions to exercise strategic agency in managing external environmental partnerships.

Ideological Orientation: From Developmentalism to Climate Justice

Third, left-leaning governments that prioritize state-led development, South–South solidarity, and climate justice are more likely to engage deeply with China on green finance and environmental technology. This stems from three key factors:

1. Affinity with state-led development models, making Chinese cooperation more ideologically and operationally compatible.
2. Embrace of Global South partnerships, viewing China as an alternative to Western-centric development models.
3. Commitment to climate justice, motivating engagement with Chinese resources to pursue equity-driven environmental policies.

Under Lula da Silva, Brazil has revived state-led renewable energy projects and actively sought partnerships with Chinese firms. Leaders such as Gustavo Petro (Colombia) and Gabriel Boric (Chile) similarly frame cooperation with China as a pathway to a more balanced and multipolar global order. These governments are also more open to using Chinese finance to support marginalized communities disproportionately affected by climate change. From the ANA perspective, rather than treating ideology as a fixed left–right dichotomy, it is more useful to assess how governing coalitions articulate the relationship between environmental protection and developmental strategy

In sum, by reinterpreting these three analytical axes through the lens of ANA, this study emphasizes the strategic agency of LAC states. Rather than passive recipients or balancing actors in great-power rivalries, they emerge as active participants shaping the terms and scope of environmental cooperation in line with domestic political economies and global aspirations.

Case Selection and Methodology: Comparative Case Studies and Process Tracing

To understand how environmental cooperation between China and LAC is shaped, particularly under China's growing leadership in climate and renewable energy, it is essential to examine the strategies of Latin American countries situated at the intersection of institutional preferences and geopolitical discretion, where the ANA approach provides a valuable analytical lens. This paper draws on the case studies of Chile, Brazil, and Mexico. These three countries are well-suited to represent LAC, given their economic scale, natural resource endowments, and regional influence. In addition, Averchenkova et al. (2025) identify Brazil and Mexico as the region's largest greenhouse gas (GHG) emitters, making them critical to the potential mitigation impacts of China–LAC collaboration. Chile, while not a major GHG emitter, is included as a recognized climate leader, having initiated several global climate initiatives as a High Ambitious Coalitions and The Independent Association of Latin America and the Caribbean (AILAC).

In contrast, Ugarteche, et al. (2023) analyzes renewable energy trends across seven Latin American countries, selected for their economic size, share of renewables in total energy generation, and level of Chinese investment. The sample includes three large economies (Brazil, Mexico, Argentina), two medium-sized (Colombia, Chile), and two small (Uruguay, Costa Rica) as illustrated Table 1. Interestingly, Mexico, and the smallest nations lead in renewables' share despite little or no Chinese investment, while the largest economies have varied outcomes regardless of investment size. Brazil, with significant Chinese investment, and Costa Rica, with none, both achieve nearly 50% renewables in their energy mix, suggesting that geography and proximity to the United States also shape Chinese engagement. The findings highlight that Chinese investments do not strictly correlate with economic scale or the share of renewables in total generation (Ugarteche, et al. 2023).

Table 1. Renewable Sources and Total Renewable Energy Consumption (TJ) in LAC

	Hydro	**wind-solar**	**biofuel and waste**	**Total renewable TJ**	**Total TJ**	**%**

Brazil	1,432,357	265,552	3,915,319	5,613,228	12,255,107	45,8%
Mexico	85,378	212,852	365,034	663,264	7,691,525	8,6%
Chile	80,917	50,926	342,567	474,410	1,731,560	27,4%
Colombia	196,537	721	221,728	418,986	1,844,236	22,7%
Argentina	99,034	20,868	165,184	285,086	3,326,085	8,6%
Uruguay	29,190	18,633	91,985	139,808	220,688	63,4%
Costa Rica	28,176	61,120	22,649	111,945	221,854	50,5%

Resource: Ugarteche, et al. 2023

Importantly, Chile, Brazil and Mexico have each adopted clearly distinct positions toward cooperation with China—ranging from acceptance to neutrality to restriction—making a most-different systems design comparison analytically feasible[2]. This study employs a process tracing approach to analyze how the domestic political and institutional conditions of Chile, Brazil, and Mexico have shaped their responses to China's environmental cooperation between 2009 and 2025. Specifically, the method traces key turning points (e.g., presidential transitions, COVID-19 onset), institutional shifts (e.g., changes in climate and energy governance structures), and bilateral initiatives (e.g., joint declarations, investment deals, MOUs with Chinese firms). These events are tracked chronologically and analytically to identify the causal mechanisms linking international pressures and domestic policy choices.

In sum, the tracing method is used to uncover the causal chain between domestic institutional configurations and international environmental engagement, focusing on moments of policy

[2]This study uses a most-different systems design, selecting three countries with maximally contrasting geopolitical positions, state–business alignments, and ideologies. Peru and Argentina were excluded to preserve analytical clarity, as their traits overlap or fall between those of the selected cases.

change, institutional restructuring, and strategic choice. This allows us to move beyond static comparisons and illuminate the evolving logic of South–South environmental diplomacy.

In applying this method, the study identifies key turning points, strategic decisions, and institutional transformations to explain the drivers and constraints behind LAC countries' engagement with China on environmental issues. Rather than merely documenting policy change, the goal is to uncover the underlying political logic and strategic calculations that shape state behavior. This approach is particularly appropriate for the study of emerging powers, where informal alignments and political contingencies often matter more than formal agreements.

To support this analysis, the study draws on a wide range of sources. Primary data includes official government documents, joint declarations, bilateral agreements, and interviews conducted with university faculty, government advisors, and energy-sector entrepreneurs between 2023 and 2025. Secondary sources consist of academic literature, expert analyses, and media reports (e.g., *Dialogue Earth*, *Diálogo Chino*), as well as trade and investment data related to the climate and renewable energy sectors. These sources enable identification of policy shifts and the sequencing of decisions in each case, allowing for the inference of causal mechanisms behind cooperation patterns with China.

4. National Responses to China's Environmental Cooperation: Comparative Case Analysis of Chile, Brazil, and Mexico

This section analyzes how Chile, Brazil, and Mexico responded differently between 2009 and 2025, a period when China's environmental cooperation intensified amid global geopolitical tensions, especially across the pre- and post-2020 polycrises era.

4.1 Chile：Strategic Climate Cooperation（Promotion）

Chile represents a case of promotion. As a Latin American pioneer in relations with China, Chile has emphasized pragmatic economic cooperation. Its long-standing openness to foreign investment, combined with a stable and consistent commitment to climate policy across successive administrations, has made it one of China's most proactive partners in environmental cooperation. Chile has positioned itself as a showcase for lithium-based green technology collaboration, leveraging its regulatory balance and comparative advantage in critical minerals. This has enabled robust partnerships with Chinese firms in battery production and renewable energy technologies. Its stable climate policies and

openness to global capital have made Chile a trusted partner, aligning with China's early global expansion in lithium and solar ventures.

Pre-polycrises period

Chile maintained weak geopolitical alignment with the U.S. and enjoyed significant diplomatic autonomy[3]. Chile's foreign policy has been characterized by a pursuit of balance-of-power strategies, a strong interest in maintaining diplomatic independence, occasional neutrality, and a firm commitment to international law. Historically, Chile's diplomacy has displayed distinctive features and, at times, exerted significant influence on regional dynamics. The country has consistently been concerned about the impact that hegemonic powers—whether from Europe, the United States, or powerful continental rivals—might have on its national security (Pittman 1985). The country also demonstrated strong state–business alignment. Since the late 19th century, big business and its peak associations have been a major force in Chilean politics, with influence enduring through democracy, dictatorship, and renewed pluralism (Fisse and Thomas 2014).

Left-leaning ideology was low during this period, as Sebastián Piñera—a conservative (center-right) politician from the Chile Vamos coalition—led the country. His second administration was marked by significant domestic instability, including the large-scale 2019 social protests (Estallido Social) and the launch of the constitutional reform process. In relations with China, Piñera prioritized economic and trade cooperation, particularly in infrastructure and energy, though concerns arose over growing dependence on China in strategic national industries.

Post-2020 polycrises period

Following the pandemic and amid intensifying global tensions, Chile reaffirmed its climate and economic priorities and deepened cooperation with Chinese firms. President Boric's progressive agenda under the *Apruebo Dignidad coalition*—centered on environmental protection, social equity, and regional cooperation—aligned closely with emerging opportunities for deeper engagement with China, particularly in green technology, lithium investment, and climate governance. This included expanded engagement in lithium processing, electric vehicle supply chains, and large-scale renewable energy projects, further cementing Chile's role as a pivotal node in global green technology supply chains despite rising geopolitical complexities. Chinese investments have grown in strategic sectors such as energy, mining, infrastructure, and digital technologies, fueling domestic debates about

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[3] Bartlett, John "Copper, Pragmatism, and Going Green: A History of Chile-China Relations - The China-Global South Project" *Diálogo Chino*, March 13, 2024. (Assessed to June 21, 2025).

sovereignty and regulation. The strong ties between the Chilean Communist Party and the Chinese Communist Party, combined with Chile's institutional fragility and economic vulnerabilities, may further deepen asymmetries[4]. Public opinion, once largely positive toward China, has become increasingly critical, particularly following COVID-19 and heightened concerns over Chinese influence in key sectors[5].

4.2 Brazil: From Hesitancy to Embrace (Neutrality)

Brazil exemplifies a response of neutrality, marked by ideological and institutional fluctuations. Under the Workers' Party (PT) governments and the Bolsonaro administration, its bilateral agenda with China experienced ideological swings and institutional weakening. However, since President Lula's return to office in 2023, Brazil has re-engaged with China, particularly through energy and infrastructure projects. Chinese companies now play a growing role in Brazil's wind, solar, electric vehicle, and low-carbon agriculture sectors, reflecting a pragmatic turn in environmental cooperation despite earlier volatility. Both the Lula and Rousseff administrations combined ambitious climate policies with expanding economic ties to China, making Brazil an early and active participant in Chinese-backed green infrastructure and technology initiatives.

Pre-polycrises period

Brazil maintained weak geopolitical alignment with the U.S. and enjoyed significant diplomatic autonomy. It traditionally supported the liberal international order—embracing market economy, multilateralism, and liberal democracy—while consistently resisting U.S. hegemonic dominance. Its foreign policy prioritized the "quest for autonomy" (Vigevani and Cepaluni 2012) and the pursuit of a multipolar world where states, including Brazil, could safeguard their sovereignty free from great power domination, except during the special ties seen under the Trump and Bolsonaro administrations (Masukata2023). Brazil also demonstrated strong state–business alignment, particularly through close cooperation between government institutions and large domestic firms in sectors such as energy, mining, and agribusiness (Hopewell 2014), where national champions often advanced state interests in international partnerships, including with China.

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[4] Fernández, Pamela Aróstica, "Chile's once-pioneering relationship with China is turning into dependency" *Merics*, August 18, 2022. (Assessed to June 21, 2025).

[5] Alicia Gutiérre, "Acuerdo de libre comercio con China deja a Chile vulnerable" Entornodiario, August 23, 2024 (Assessed to July 2, 2025).

Left-leaning ideology fluctuated during this period. The Lula and Rousseff's PT administrations welcomed China's engagement as a chance to align with a fellow emerging power on sustainable development and multilateral climate agendas. However, despite diplomatic alignment, concrete cooperation remained limited. Under Bolsonaro, Brazil's approach became more contested: he initially voiced caution toward China but later prioritized stable economic ties, especially in infrastructure and energy, while scaling back climate commitments and fueling concerns over dependence on China.

Post-2020 polycrises period

Lula's return to power in 2023 signaled a decisive reorientation toward robust climate action and a revitalization of partnerships with Chinese firms in strategic sectors such as bioenergy, electric vehicles, and low-carbon agriculture. Marking the 50th anniversary of diplomatic relations, China and Brazil have positioned themselves as key drivers of South–South cooperation on climate change. Their partnership now spans climate finance, technology transfer, and capacity building, offering an alternative model of low-carbon development tailored to the priorities and constraints of the Global South. Amid widening global climate finance gaps—particularly in adaptation and resilience for emerging economies—China–Brazil cooperation holds potential to shape a more equitable international climate architecture, especially in the lead-up to COP29 and COP30[6].

On June 20, 2024, President Xi Jinping and President Luiz Inácio Lula da Silva held a bilateral summit in Brasília, culminating in the signing of a joint statement that elevated the bilateral relationship to a "community of shared destiny for building a just world and a sustainable planet,".[7] This rhetorical and diplomatic shift marks a departure from traditional strategic partnership frameworks, moving toward a more value-driven, globally engaged alliance rooted in shared developmental and environmental goals. The leaders also announced plans to align China's Belt and Road Initiative (BRI) with Brazil's national development strategies. Nonetheless, Brazil has yet to formally accede to the BRI, maintaining a pragmatic and autonomous position even as it expands practical cooperation with China in green infrastructure and climate-related domains.

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[6] Lee Horn-Phathanothai and Rodgerio Studart "Opinion-brazil-and-china-could-lead-the-way-on-south-south-climate-cooperation/" *Diologue Earth,* September 27, 2024. (Assessed to 22 June 22, 2025).

[7] "China, Brazil elevate ties to forge shared future" The State Council of the People's Republic of China, November 22, 202

4.3 Mexico – Strategic Ambiguity and Resistance (Restriction)

Mexico, by comparison, demonstrates a more restrictive approach. Its geopolitical entanglement with the United States—exemplified by its obligations under the US-Mexico-Canada Agreement (USMCA)—and the nationalist energy agenda pursued by President López Obrador (AMLO) have significantly constrained the scope for cooperation with China. AMLO's focus on fossil fuel self-sufficiency and the strengthening of state-owned energy enterprises has left limited space for Chinese investment in renewables, despite formal diplomatic ties and potential areas of synergy.

Pre-polycrises period

Since China's accession to the WTO in 2001, it has become a major source of imports for Mexico. The two countries established a "strategic partnership" at the bilateral level in 2003, which was upgraded to a "comprehensive strategic partnership" in 2013. They also cooperate in multilateral forums such as the G20, APEC, and CELAC, and have demonstrated coordination in South–South cooperation and within international financial institutions.

However, China's role as a foreign investor in Mexico remained relatively limited for much of the following period. A significant shift occurred in July 2018, when the United States imposed additional tariffs on Chinese goods under Section 301 of the Trade Act of 1974. In response, a growing number of Chinese firms began investing in manufacturing operations in Mexico as a strategy to circumvent these tariffs. Although Chinese companies have entered certain infrastructure projects—such as the Maya Train and port operations—China's direct investment in Mexico has remained modest, totaling only about $1 billion between 1999 and 2018.

Prior to 2020, Mexico maintained a selective engagement with Chinese firms, particularly in sectors such as renewable energy and transportation infrastructure. This cautious approach reflected Mexico's deep economic interdependence with the United States, even as it remained receptive to Chinese investment and technology when aligned with national development goals. Under President AMLO, the administration has prioritized energy sovereignty and state-led economic policies, thereby limiting collaboration with foreign and private-sector actors. Although the *Movimiento Regeneración Nacional* (MORENA) presents itself as a left-leaning government, in practice it has largely followed the institutional legacy of the PRI, showing limited ideological affinity with China's model of leftist, state-

led development. In the energy sector, legal uncertainty in the business environment has been increasing, largely due to strong initiatives by President AMLO that favor state-owned enterprises such as *Petróleos Mexicanos* (PEMEX) and the Federal Electricity Commission (CFE) (Marisol and Valenzuela 2023).

Until the previous administration, which ended in November 2018, Mexico had actively participated in the Paris Agreement and positioned itself as a country committed to environmental policies. Especially following the 2014 energy reform, Mexico steadily developed its renewable energy industry—centered on wind and solar power—by leveraging its favorable climate and natural conditions. However, the AMLO administration's emphasis on energy sovereignty has caused a sharp slowdown in the country's decarbonization efforts (Guzmán 2022).

Post-2020 polycrises period

Following the pandemic and amid global economic turbulence, Mexico has cautiously deepened energy collaboration with Chinese firms. Both countries express rhetorical commitment to multilateralism, and Chinese financing and technology in solar, wind, and electric transportation have become increasingly attractive[8], despite tensions with traditional partners, reflecting Mexico's evolving role in a multipolar climate landscape. However, the Mexico–China relationship remains complex: while bilateral cooperation advances in rhetoric and selective sectors, Mexico's institutional legacies and domestic constraints continue to limit deeper engagement. Furthermore, like Brazil, Mexico has maintained a certain distance from China, as it has not joined the Asian Infrastructure Investment Bank (AIIB) or the Belt and Road Initiative.

Claudia Sheinbaum, an environmental engineer and former IPCC author elected President in 2024, has consistently advocated for sustainable development through public transportation, renewable energy, and most recently, a comprehensive National Environmental Reform[9]. At the same time, Chinese companies are actively expanding their investments and technological cooperation in Mexico's renewable energy sector. Through public–private forums and strategic acquisitions, they have steadily increased their presence in the country. Both the Mexican and Chinese governments

[8] Xi calls for all-round development of China-Mexico relations in new era

[9] Alberto Quiroz and Carlos Ramírez Fuentes, "Mexico's Risky New Energy Reform" *American Quarterly,* November 4, 2024（Accessed to 3 July, 2025）.

have signaled a willingness to deepen bilateral collaboration, particularly in key growth areas such as smart grids, energy storage systems, and electric vehicle infrastructure.

However, the Sheinbaum administration has inherited a state-led energy model characterized by limited space for private sector participation, continuing the policy trajectory of former President López Obrador. This approach has introduced a degree of uncertainty for private and foreign investors. Moreover, geopolitical tensions between the United States and China may further complicate the scope and pace of bilateral cooperation in the clean energy domain[10].

In conclusion, while the overall direction of China–Mexico renewable energy cooperation remains promising—anchored in shared strategic interests—the realization of more ambitious joint initiatives will hinge on the stability of Mexico's regulatory environment and a commitment to greater policy transparency and investment certainty.

5. Cross-case Comparison and Theoretical Reflection

The empirical discussion of China's Environmental Cooperation toward LAC countries in this paper shows the relative advantages and limitations response of Chile, Brazil, and Mexico. This table 2. summarizes the key domestic and geopolitical factors that shape each country's stance toward environmental cooperation with China.

Table 2: The Relative Advantages and Limitations of Chile, Brazil, and Mexico's Active Non-Alignment in Environmental Cooperation with China

Factor	Chile	Brazil	Mexico
Geopolitical proximity to the U. S	Low	Low	High
State-business alignment	Strong	Strong	Weak
Left-Leaning ideology	High	Fluctuating	Low

[10] Alberto Quiroz and Carlos Ramírez Fuentes, "Mexico's Risky New Energy Reform" *American Quarterly,* November 4, 2024（Accessed to 3 July, 2025）.

Policy orientation reflects regime dynamics and structural conditions beyond ideology	Continuity + Deepening	Change (Restoration)	Continuity (Limited)
Outcome of cooperation with China	**Promotion**	**Neutrality**	**Restriction**

Notes: This table highlights key domestic and geopolitical factors shaping each country's engagement pattern: promotion (Chile), neutrality (Brazil) and restriction (Mexico).

Resources: Authors' elaborations

First, geopolitical proximity to the U.S.—referring to the degree of economic, security, and political alignment—is a crucial factor shaping each country's scope for engagement with China. In this respect, Chile has low geopolitical proximity to the U.S., Mexico has high proximity, and Brazil falls somewhere in between.

Second, state–business alignment reflects the extent to which the state and business sectors coordinate their interests and strategies in international cooperation. In contrast to geopolitical proximity to the U.S., Chile exhibits strong state–business alignment, Mexico weak alignment, and Brazil occupies an intermediate position.

Third, left-leaning ideology captures the prevalence and stability of progressive political orientations that typically favor state-led development and South–South cooperation. All three countries experienced a shift from right-leaning to left-leaning governments in the post-polycrises era. While pragmatic relations with China were maintained under right-leaning administrations, these ties have generally deepened under left-leaning governments. In Chile, the ideological continuity provided by the presence of the Communist Party enabled a relatively smooth transition from the right (Piñera) to the left. In Brazil, although the Lula administration represents a center-left orientation, the transition from the far-right Bolsonaro government required significant time and effort to reorient policies and rebuild institutions. In Mexico, although the rise of the AMLO administration created a seemingly favorable ideological setting, the legacy of authoritarian institutional constraints from the PRI era limited the depth and scope of transformation.

As a result, cooperation with China has followed divergent patterns: promotion (active and strategic collaboration), neutrality (pragmatic and selective engagement), and restriction (limited or cautious cooperation). While all three countries have adopted climate policies with emission reduction targets,

Chile and Brazil have moved toward deeper collaboration with China, whereas Mexico has remained more constrained in its approach.

In sum, a comparative analysis of the three countries can raise new arguments. While all three countries have enacted climate policies with emission reduction targets, Chile and Brazil have deepened cooperation with China, whereas Mexico has constrained it. The findings offer a revised interpretation of China–LAC relations that goes beyond traditional notions of economic complementarity. Instead, they highlight the ANA as the best ways for LAC states in strategically managing environmental cooperation with external powers.

6. Findings and Implications for Global South Environmental Governance and Pacific Rim Relations

This paper demonstrates that LAC countries exercise agency in navigating environmental cooperation with China, showing that they are not passive recipients but actors shaping bilateral and multilateral environmental agendas. For example, in Chile, the transition from Piñera's center-right government to Boric's leftist coalition, combined with growing Chinese investment in lithium processing, marked a pivotal shift in bilateral environmental engagement. In Brazil, the weakening of climate institutions under Bolsonaro and their restoration under Lula provide a sequence of institutional dismantling and reconstruction tied to evolving cooperation patterns. In Mexico, the persistence of state-led energy policy under AMLO and Sheinbaum despite rhetorical shifts illustrates the role of path dependence in constraining foreign environmental partnerships.

From this analysis, three key implications emerge. First, this paper reinterprets China–LAC environmental relations not through the lens of dependency, but as instances of strategic engagement—influenced by a combination of domestic political contexts, energy policy orientations, and broader geopolitical alignments. The comparative analysis of Chile, Brazil, and Mexico demonstrates why a "one-size-fits-all" model of China's influence fails to capture regional complexity.

Second, the findings challenge prevailing explanatory frameworks, such as the "China threat narrative" or classical "dependency theory." These approaches alone are insufficient to explain the nuanced and diversified responses observed, offering a clear counterpoint to existing literature and contributing theoretical originality. In doing so, this study offers a new analytical framework that moves beyond the binary oppositions of international cooperation theory—such as cooperation versus

domination and dependency versus autonomy—by highlighting intermediate forms of inter-state cooperation and the strategic choices available to recipient countries. This study addresses the limitations of Keohane's theory of non-hegemonic cooperation by incorporating the lens of selective agency in South–South cooperation. It further advances the literature on dependency by clarifying the strategic choices available to recipient countries within asymmetric relationships.

Third, by shifting the analytical focus from the expansion of China's influence to the choices and agency of Latin American countries, this paper offers a more balanced and contemporary perspective—one that recognizes local autonomy and strategic selectivity in South–South cooperation. This comparative analysis moves beyond conventional frameworks centered on external drivers, highlighting the selective and strategic actions of LAC countries. In doing so, it contributes to the theorization of the new multilayered nature of South–South cooperation and the dynamics of triangular climate diplomacy involving the U.S., China, and LAC.

Finally, the findings of this paper provide insights that transcend the China–LAC relationship. Similar structural dynamics may be observed in China's environmental engagement with other Latin American countries such as Argentina and Peru—the latter playing a significant role in regional climate change mitigation (Basso 2024). Moreover, the analysis invites comparative reflection on the green diplomacy strategies of other East Asian countries, including South Korea and Japan[11]. These parallels underscore the need for broader comparative research on how middle powers in the Global South forge issue-based partnerships to influence the evolving architecture of global energy and climate governance. To promote sustainable and balanced cooperation, LAC countries should focus on ensuring the consistency of national strategies by establishing clear investment guidelines and enhancing the transparency of environmental and social impact assessments. China, in turn, should adopt a more participatory and inclusive approach to development assistance, strengthening local ownership and capacity-building. Meanwhile, the United States and the EU should move beyond a binary "China

[11] In contrast to China's infrastructure-focused and state-to-state agreement–driven approach, both Japan and South Korea have emphasized partnerships that respond to regulatory strengthening and prioritize private-sector collaboration. For example, Japan has supported smart grid development in Mexico and Brazil through JICA and JBIC since 2018, while South Korea has advanced public–private cooperation in Chile's hydrogen strategy, notably through KOGAS and Hyundai Heavy Industries in building the hydrogen value chain. These differing approaches highlight the varying models of engagement shaping energy transitions across LAC.

versus LAC" narrative and actively support triangular cooperation, fostering synergies that align with regional priorities and promote shared global climate and development goals. Rather than framing Latin American states as passive recipients of great power influence, this study reframes them as active non-aligned actors whose engagement with China is conditioned not by ideological alignment or economic dependency, but by a context-specific configuration of domestic institutions, geopolitical latitude, and climate policy orientation. This reconceptualization contributes to the emerging literature on South–South climate diplomacy by introducing ANA as a strategic modality of selective cooperation in an era of multipolar polycrisis.

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