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**Active Non-Alignment and
Great Power Competition in Our Time**

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1. Introduction

The Argentine government's announcement in October 2024 that President Javier Milei would make an official visit to China surprised many observers (Lorca, 2024). During his 2023 presidential campaign, Milei had been highly critical of China, labeling it a “communist dictatorship” of which he would stay away if elected. After taking office at the Casa Rosada in December 2023, this stance remained unchanged. One of his government's first foreign policy decisions was to decline the invitation to join the BRICS group, in which China is a leading member. This was followed by the announcement that Argentina would not purchase the Sino-Pakistani JF-17 fighter jets, despite advanced negotiations on the matter, opting instead for U.S.-made F-16 aircraft to be acquired from Denmark. In what has been described as a “Western-oriented, conservative-libertarian” approach (González Levaggi, 2024), the Argentine government declared its foreign policy alignment with the United States and Israel. President Milei made several visits to these countries throughout 2024 and announced the relocation of Argentina's embassy from Tel Aviv to Jerusalem.

In this context, the announcement that Milei would visit China in January 2025 to attend the China-CELAC Summit in Beijing marked a significant shift in Argen-

tina's foreign policy, further emphasized by his positive remarks about China in a television interview.

2. What Happened?

Indications suggest that this shift is closely tied to the existence of a \$5 billion SWAP line extended by China to Argentina's Central Bank. This agreement was set to expire in June 2024, and China had reportedly conditioned its renewal on shifts in Argentina's policy toward the PRC. Confronted with serious challenges to service its foreign debt, Argentina acted swiftly.

As in few instances in recent Latin American international relations, this shift in Argentina's foreign policy reflects the current structure and dynamics of the international order, marked by competition between great powers. They lead to certain imperatives that governments, whatever their ideological proclivities, cannot ignore. It is from recognizing this reality that the concept of Active Non-Alignment (ANA) emerged (Fortin, Heine, and Ominami, 2020). ANA embodies the best approach for Latin American countries to navigate the current international situation, characterized by a high level of uncertainty and conflict. This presents both risks and opportunities.

The purpose of this article is to outline why ANA can be a useful guide to action, a valuable compass for Latin American countries to navigate the turbulent waters of today's world. The first section describes its origins and core principles; the second examines specific cases of ANA in practice; and the third explores the broader implications of a world shaped by great power competition, concluding with some brief reflections.

3. The Origins of ANA

ANA posits that Latin American countries should prioritize their national interests and avoid aligning with any major powers. While it draws inspiration from the Non-Aligned Movement (NAM), it adapts to the realities of the 21st century, where a New South has replaced the former Third World. ANA holds that the ongoing competition between the United States and China places Latin American nations in a difficult position, but also offers unprecedented opportunities (Fortin, Heine, and Ominami, 2020).

ANA emerged in response to a triple blow that struck the region in 2019-2020: the Covid-19 pandemic, which made Latin America the hardest-hit region, accounting for 28 per cent of official deaths despite representing only 8 per cent of the world's population; the resulting economic downturn, the worst in 120 years according to ECLAC, with a GDP contraction of -6.6 per cent in 2020—a year when global GDP fell by only 3.3 per cent; and intense pressure from both Washington and Beijing to adopt policies favoring one side or the other. These factors caused a deep division within the region, leading to a significant international *capitis diminutio*. In fact, for the first time in its sixty-year history, Latin America lost the presidency of the Inter-American Development Bank (IDB) (Gallagher & Heine, 2020).

During the presidency of Donald J. Trump, pressure on Latin American governments to cancel or suspend projects with China was considerable. The case of the Valparaíso to Shanghai fiber-optic cable project, proposed by Chile to China in 2016 and canceled by president Sebastián Piñera's government in 2019 after a visit by U.S. Secretary of State Mike Pompeo to Chile in April 2019—during which Pompeo read the riot act to Piñera—is perhaps the best-known. Yet, there are many others. In 2019, Panama's newly elected government, yielding to this pressure, suspended the construction of the fourth bridge over the Canal, a major, \$ 1.4 billion project that had been awarded to a Chinese company in an open bid. In 2021, the Federal Deposit Insurance Corporation (FDIC), a U.S. government agency, lent Ecuador \$3.5 billion on the condition that Ecuador exclude Chinese technology from its telecommunications network (Gallagher & Heine, 2021). Meanwhile, widespread pressure to exclude the Chinese company Huawei from bidding on 5G technology contracts in telecommunications networks was exercised across the Americas (Segal, 2019).

ANA arose in response to this diplomatic offensive. ANA does not entail neutrality, a term more commonly associated with International Law, which primarily refers to the position of third parties in relation to an armed conflict and its belligerents. Nor does it imply equidistance, which suggests maintaining equal distance from both sides on all matters. For ANA, it is possible to be closer to the United States on certain issues, such as democracy and human rights, while aligning more closely with China on others, such as international trade or intellectual property rights.

That said, ANA arises in a very different context from the non-alignment of the past, when what was then known as the Third World was marked by considerable weakness. This was evident at the North-South Summit in Cancún in 1981, when both Ronald Reagan and Margaret Thatcher rejected outright the proposals for a New International Economic Order (NIEO) (Goldstein, 1982). By contrast, today South-South trade accounts for more than half of global trade, and South-South investment flows, along with international cooperation, have increased significantly.

We have thus moved from the era of “*diplomatie des cahiers des doléances*,” or the diplomacy of victimization—in which the NIEO called for massive resource transfers from the North to the South to compensate for centuries of colonial exploitation—to today's “collective financial statecraft” (Roberts, Armijo, & Katada, 2017). This shift is reflected in the establishment of the Asian Infrastructure Investment Bank (AIIB), the New Development Bank (the so-called “BRICS Bank”), and the Belt and Road Initiative. Developing countries are no longer solely dependent on the World Bank, the International Monetary Fund, or the goodwill of G7 members. They now have other options.

ANA resonated in the region, so much so that an edited volume on the subject (Fortin, Heine, and Ominami, 2023) includes chapters by six former Latin American foreign ministers from some of the region's most influential countries (Argentina, Brazil, Chile, Mexico, and Peru). The book was seen by some as a kind of manifesto, a call for the region to embrace ANA. However, at least one reviewer of the Spanish

edition of the book, Brian Winter, writing in *Foreign Affairs*, concluded that ANA is “the most significant foreign policy development in the region since the end of the Cold War” (Winter, 2022). In his view, ANA coincided with what he had found in his research on focus groups for the Americas Society with Latin American officials and leaders: a refusal to fully align with either Washington or Beijing, and a willingness to evaluate each issue on its own merits and act accordingly. In this sense, ANA would be as much an empirical finding of existing trends, as a manifesto for future action.

4. ANA in Practice

An indication of how extensively ANA is already being implemented was the participation of the vast majority of Latin American governments in the China-CELAC Summit held in Mexico City in early December 2021, followed by their attendance at the Democracy Summit in Washington the following week—without seeing any contradiction in doing so. By the end of 2022, the influential journal *Foreign Policy* declared that 2022 had been “the year of Non-Alignment in Latin America” (Osborn, 2022).

More recently, Brazil in President Lula’s third term has been the best example of ANA’s application. It is no coincidence that Celso Amorim, who served as Lula’s foreign minister from 2003 to 2010 and is now his chief foreign policy advisor, authored the final chapter of our book on ANA, entitled “Brazil and the Global South,” in which he describes Brazilian foreign policy as “active and proud” (Amorim, 2021). Just a few weeks after taking office in January 2023, Lula attended the CELAC summit in Buenos Aires, where he was welcomed like the prodigal son, as one of the first actions of his predecessor, Jair Bolsonaro, had been to withdraw Brazil from the organization. In May 2023, Lula convened the first South American diplomatic summit in eight years in Brasília, and in August, he hosted a summit of Amazonian countries in Belém do Pará. Between February and April 2023, Brazil launched a major peace initiative for the war in Ukraine, which, though unsuccessful, demonstrated Brazil’s remarkable ability to position itself on a key geopolitical issue. In 2024, Brazil holds the presidency of the G20, where it has emphasized a development-focused agenda, and in 2025, it will chair both COP30 and the BRICS group.

Some critics of ANA argue that this approach may be viable for the region’s larger countries, such as Argentina, Brazil, and Mexico, which are better positioned to pursue more ambitious foreign policies, but not for medium-sized or smaller nations. This, however, is not the case. ANA is not exclusively for middle powers, nor is it tailored solely to progressive governments, as some have suggested. Its principles are universal.

Chile, one of only six countries that has signed Free Trade Agreements (FTAs) with both the United States and China and has consistently maintained excellent relations with Washington and Beijing, is a good example. In recent years, this has been demonstrated on multiple occasions. From October 23 to 26, 2023, President Gabriel Boric made a state visit to China, where he was received by Presi-

dent Xi Jinping with the customary pomp and ceremony. During this visit, Boric also participated in the Third Belt and Road Initiative International Cooperation Forum, making Chile the only Latin American country to have been represented at the presidential level in all three such forums held since 2017, each time with leaders from different political coalitions. Just two weeks later, Boric traveled to Washington, D.C., where he was welcomed at the White House by President Biden for the launch of the Partnership for Economic Prosperity in the Américas, a new cooperation initiative for the region. Few heads of state from developing countries are received within the span of a few weeks at both the Great Hall of the People in Beijing and the White House in Washington, D.C. (Heine, 2023).

A year later, Chile's Minister of Defense, Maya Fernández Allende, undertook a similar diplomatic balancing act. At the end of September, she hosted General Laura Richardson, head of the United States Southern Command, in Chile to oversee the *Unitas* naval exercises, which involved Chile, the U.S., and other countries. Two weeks later, Minister Fernández made an official visit to China, where she met with her Chinese counterpart, the Chinese Minister of Defense, and exchanged views on various matters of mutual interest. Far from being an isolated event, this visit to Beijing was preceded by similar visits from other Chilean defense ministers in 2005, 2015 and 2011, the latter culminating in the signing of a bilateral cooperation agreement on security and defense.

In contrast to the past, developing countries today have the luxury of being able to choose among the best alternative offered by the major powers. During the Cold War, this was not possible because of the closed nature and relatively small size of the Soviet economy. In the post-Cold War era, during the 'unipolar moment', there was no alternative to the United States. Today, the situation is different. China's economy is already larger than that of the U.S. in terms of purchasing power parity, and projections indicate that the Chinese GDP will surpass that of the U.S. in terms of market prices by the end of the decade.

A recent study by the U.S. Government Accountability Office (GAO) found that between 2013 and 2021, Chinese state sources financed \$679 billion in infrastructure projects across the Global South, compared to only \$79 billion from the United States for similar projects (GAO, 2024). In other words, although the U.S. economy remains larger than China's and is more advanced scientifically and technologically, this does not prevent China, with its more prominent public sector, from allocating greater resources to international cooperation projects. In other words, there is genuine competition between these great powers, and this presents a significant opportunity for weaker states. The challenge lies in determining how best to seize this opportunity.

5. If the Doctrine is Active Non-Alignment, what is the Grand Strategy?

The grand strategy of ANA can be defined as "playing the field"—exploring alternatives and assessing the outcomes (Kassab, 2020). This was done by Ecuador in its dealings with the U.S. and China in 2022-2023, under the presidency of Guillermo Lasso, a prominent conservative businessman. Faced with Ecuador's

economic crisis, substantial foreign debt, and the need to secure greater access to international markets to generate foreign exchange, Lasso approached the U.S. to explore the possibility of a Free Trade Agreement (FTA), like those signed with the U.S. by neighboring countries such as Chile, Colombia, and Peru. However, he was rebuffed and told that the U.S. no longer signs FTAs. Thus, Lasso turned to Beijing, where he was warmly received. Negotiations for a China-Ecuador FTA commenced promptly, and the agreement came into force in May 2024. ANA demands sophisticated diplomatic management, and the sequencing of diplomatic initiatives is crucial. By initially approaching Washington with the proposal of an FTA and being turned down, Ecuador was then free to engage with Beijing. No one in Washington could then credibly object to Ecuador signing an FTA with China.

The tactics of ANA, in turn, consists of ‘hedging’—protecting one’s position and avoiding the risk of fully aligning with either side. This approach is imperative in times of significant international uncertainty, such as today. It entails adjusting positions when necessary, behaving unpredictably, and, at times, acting in a seemingly contradictory manner. The case of Brazil, even during Bolsonaro’s presidency, provides a telling example. In 2021, the Biden administration exerted strong pressure on Brazil to ban the Chinese company Huawei from participating in the 5G technology tender for its telecommunications network. Brazil initially agreed, but soon realized that, at the height of the pandemic, this could jeopardize the delivery of Sinovac Covid-19 vaccines from China. Brazil thus backtracked, allowing Huawei to participate in the 5G tender, but excluding it from government networks, which constitute a very small portion of the overall system. A classic example of ‘hedging’.

6. A World Shaped by Great Power Competition

The interests and priorities of great powers differ markedly from those of developing countries. For the great powers, the primary focus is on geopolitics, and the principal threat is an attack from a rival power. For developing countries—the vast majority—the priority is economic growth and development. The greatest threats they face are not military attacks, but challenges from the international environment: economic recessions, hurricanes, earthquakes, pandemics, and mass human displacement (Kassab, 2020).

In turn, how does the dynamics of great power competition work? In this, reputation and the ability to win the ‘hearts and minds’ of the world’s nations are decisive. This triggers strong incentives to accommodate the demands of weaker powers, particularly those in the Global South, providing these countries with a certain degree of freedom. Economic and social projects generally do not cross the threshold of strategic interests, making it difficult for superpowers to respond with military force. The U.S. may disapprove of the Chinese company COSCO building the mega-port of Chancay in Peru, but how can it react? Bombing the port? Bombing Lima?

What we are witnessing, then, is a competition between a declining hegemonic power, such as the United States, and a rising one, like China—an enduring pattern

in the history of international relations. Graham Allison offers a sharp analysis of this dynamic in his book *Destined for War?: Can America and China Escape Thucydides Trap* (Allison, 2017). What typically occurs, and is happening now, is that the hegemonic power sees itself as losing ground, sensing that the rest of the world is taking advantage of it, and consequently begins to retreat into its own cocoon. It ceases to provide the global public goods expected from a hegemonic power and turns inwards. It rejects whatever comes from the outside world, be it people, goods, or services. It turns away from free trade, denounces multilateralism, closes its borders to immigrants, and imposes high tariffs on imports. This is what is happening in the United States today.

The rising power, on the other hand, behaves very differently. It is in its interest to demonstrate *urbi et orbi* that it is rising in the international hierarchy. Accordingly, it promotes free trade, undertakes major international projects, supports international organizations, and actively contributes to the provision of global public goods. This is the case of China today.

Great power competition also carries a demonstration effect. For a long time, the U.S. and the European Union criticized China's Belt and Road Initiative as a debt-diplomacy project aimed at indebting Global South countries by way of building useless 'white elephants'. However, they eventually recognized that this was not the case. They acknowledged the genuine need for improved and expanded infrastructure in developing countries, recognized China's significant achievements in this area, and grasped the need to undertake such projects as well. This prompted the G7, during its meeting in Hiroshima in August 2023, to launch the Partnership for Global Infrastructure and Investment (PGII), aimed at competing with the Belt and Road Initiative, which had by then been in place for ten years.

Conclusion

As argued in this and other works, ANA responds to the opportunities available to developing countries to negotiate more favorable conditions for projects and other development needs. Although the international situation remains tense and developing countries face significant challenges in navigating the turbulent waters of global politics, this does not mean that skillful management and deft diplomacy cannot yield advantages and maximize benefits. This is precisely what Active Non-Alignment is all about.

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