SANTIAGO, Chile — Few people are as intensely worried about the slowing Chinese economy as Latin Americans.

China not only buys nearly 40 percent of Chile’s copper, but its once-insatiable demand helped push copper prices from $1 to $4 a pound.

Meanwhile, Beijing plowed billions into Peruvian mines and fisheries and spent billions more buying soybeans from Argentina and Brazil. And it propped up the Venezuelan government to the tune of $50 billion in loans, to be paid in shipments of oil.

China’s voracious hunger for Latin America’s raw materials fueled the region’s most prosperous decade since the 1970s. It filled government coffers and helped halve the region’s poverty rate.

That era is over. For policy makers gathered here last week for the International Monetary Fund’s conference on challenges to Latin America’s prosperity, there seemed to be no more clear and present danger than China’s slowdown.

“The commodity boom allowed governments and companies to avoid hard choices,” Andrés Velasco, Chile’s finance minister from 2006 to 2010, told me. “For goodness’ sake even Argentina grew by 5 to 6 percent per year for almost a decade.”

Copper is back under $3. As commodity prices continue to swoon, driven in large part by China’s weaker demand, the going will get much tougher.

That’s especially true in the major oil exporters, clobbered by a collapse of oil prices driven by a combination of faltering global demand and increased supplies.
from the United States and elsewhere.

Venezuela, notably, is in free fall. The I.M.F. expects the Venezuelan economy to contract both this year and next. And it has been forced to limit its promised oil shipments to China, in effect defaulting on its Chinese debt.

But the commodity decline isn’t sparing many. “Growth in Latin America should move back to pre-commodity boom rates,” said Alejandro Werner, who leads the Western hemisphere division at the I.M.F. Indeed, the fund expects the region to grow barely 1.3 percent in 2014, a third of its pace just three years ago.

The bust underlines how Latin American economies have failed to overcome the existential weakness that has plagued them throughout history: a dependence on raw materials that has shackled the region’s development to an incessant sequence of booms and busts.

From Brazil and Argentina in the southern tip of the region to Mexico in the north, officials across Latin America fretted for years that China undermined their decadeslong efforts to build the manufacturing industries that, they hoped, would provide a ticket into the developed world.

Not only did China’s cheap labor outcompete Latin American industry and draw the lion’s share of global manufacturing investment. Its appetite for Latin America’s minerals, oil and agricultural products raised the value of currencies around the region, making their manufactured goods even less competitive.

Manufacturing’s share in Latin America’s economic output has declined steadily for more than a decade, ever since China inserted itself aggressively into the global economy by entering the World Trade Organization.

At the same time, the share of raw materials in Latin America’s exports, which had fallen to a low of 27 percent in the late 1990s, from about 52 percent in the early 1980s, surged back to more than 50 percent on the eve of the global financial crisis.

China’s footprint on Latin America is contributing to what the Harvard development expert Dani Rodrik would call its “premature de-industrialization,” shutting off the standard path of economic development followed by pretty much everybody since the industrial revolution.

Mr. Velasco, 54, recalled when a 23-year-old student in Antofagasta asked him what the Chilean government would do with the nation’s copper riches. By the time the student was his age, Mr. Velasco responded, Chile would have no more copper.

“The question,” he said, “isn’t what should we do with copper but what will we
China’s diplomats emphasize that it is a developing country, not an advanced, “imperialist” power like the United States or the European colonial powers who ruled for centuries and served as the first foreign exploiters of Latin America’s mineral wealth. To many in Latin America, the difference hardly seems relevant.

Take San Juan de Marcona, a remote village on the edge of the Pacific Ocean in the Nazca region of Peru. Built in the 1950s to house workers at the vast open-top American-owned iron mine, the town no longer houses managers from the United States. In the 1970s, General Juan Velasco Alvarado, then Peru’s military dictator, booted them out.

Today, Marcona’s managers come from China’s Shougang, which bought it from the Peruvian government in the 1990s.

“A growing China was very important to bring Peru along in the last 10 years,” said Cynthia Sanborn, who leads the Research Center at the Universidad del Pacífico in Lima.

North of Marcona, Chinalco built a town to relocate 5,000 inhabitants of Morococha, where it will blast open a new copper mine. This year, China’s MMG, Guoxin International Investment and Citic Metal bought the Las Bambas copper mine from the Anglo-Swiss conglomerate Glencore.

Chinese companies are interested not only in raw materials but also in vast public works to transport the raw materials, including rail links across Brazil and a proposed $50 billion, 171-mile canal across Nicaragua.

In 2010, Chinese lending to Latin America roughly equaled that of the World Bank, the Inter-American Development Bank and the U.S. Eximbank combined. (It has since slowed.) Carmen Reinhardt of Harvard forecasts that China could become Latin America’s main source of financing.

Perhaps Latin America should just count its blessings. “The concerns of dependency are there, but if China weren’t there, Peru would be seeking other markets for its minerals,” Professor Sanborn told me.

Mr. Werner of the I.M.F. argues that the case for deindustrialization is overblown. “From a medium-term perspective, China is a plus, plus, plus for Latin America,” he said.

In agriculture, for instance, exports to China are leading to lots of innovation and efficiency improvements. Demand for Brazil and Argentina’s soy — a principal
source of animal feed — is unlikely to wane as the Chinese become richer and eat more meat.

“Don’t bet against nature,” Mr. Werner urged policy makers in the region. “Play to your comparative advantage.”

In some bits of the region, however, China has inspired a nostalgic reinterpretation of its economic history and a re-examination of the policy choices of its past.

Remember “Dependency Theory”?

The doctrine, which spread across Latin America from the 1950s through the 1970s, proposed that the region, or any developing country for that matter, could never advance simply by selling natural resources to the rich North, using the money to import the North’s industrial goods. Import substitution, behind a wall of trade barriers, was the path to prosperity.

The theory fell into disrepute during Latin America’s “lost decade” of the 1980s – blamed by a new crop of market-oriented, United States-trained leaders in the 1990s for turning the region into an uncompetitive backwater.

Courtesy of China, it’s back, fine-tuned to adapt to a more integrated global economy.

“We’re not calling for more protectionism, but to substitute imports within competitive open economies,” said Alicia Bárcena, who leads the United Nations’ Economic Commission for Latin America and the Caribbean. “We must think of creating regional production chains to serve regional markets.”

Ms. Bárcena suggests that while China should still be invited to participate in Latin America’s development, this should happen on different terms: “You want our commodities? O.K. But also invest in solar panels here,” she proposed.

Yet for all the hopes in Latin America that a new kind of deal can be had, the symbiotic relationship between the largest importer of commodities and one of the biggest commodity-exporting regions of the world is unlikely to change in any substantial way.

“Without this complementarity, the Chinese don’t have much to go on,” said Matt Ferchen, who runs the China and the Developing World program at the Carnegie-Tsinghua Center for Global Policy in Beijing. “It’s working out quite well for China.”

And the symbiosis could survive for a long time. As Huang Haizhou, the
managing director of China’s International Capital Corporation, told the nervous Latin Americans at the I.M.F.’s conference here, despite any slowdown in growth, China’s long-term demand for commodities remained voracious.

China’s income per person is still only about one-third that of Chile. Every year for the next 30 years, it plans to move 1.3 percent of its population from the countryside to cities. That will require a lot of construction.

“China’s demand for commodities is more important for Latin American growth than exports to the United States,” Mr. Huang said, “and it will be more important for many years to come.”

This may come as a relief to the worried finance ministers here, struggling to recrunch their budgets to fit lower growth and scarcer tax revenue. But it also poses a challenge to the region’s leaders: maybe the traditional development strategy based on manufacturing needs to be recast in Latin America for a new era.