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China's Donation Diplomacy

Hiddai Segev and Galia Lavi

The Chinese global “donation drive” in the wake of the Covid-19 crisis has sparked criticism of Beijing in the international arena. United States and international elements claim that China is using “mask diplomacy” intentionally, to leverage its contributions for political purposes. Indeed, it appears that both Chinese corporations and the Chinese government are exploiting the opportunity created by the pandemic with shipments of donated aid, partly as a way of posing an alternative to the United States as a global leader.

After bringing the spread of the coronavirus under control in its territory, China embarked on a broad “donations drive.” Through the central government, provinces, municipalities, Chinese embassies worldwide, the army, private companies, NGOs, and even private individuals, medical equipment was donated to some 150 countries and four international organizations. The Chinese also organized video consultations with medical teams in over 170 countries, and sent medical teams to some 30 countries, including Italy, Iran, and Saudi Arabia.

In addition, a few days after President Donald Trump announced a freeze on United States funding for the World Health Organization, which in the latest round of biennial payments amounted to \$893 million, the Chinese Foreign Ministry announced a donation of \$30 million to the organization, on top of a previous donation of \$20 million transferred in early March. China also announced it would grant the WHO aid of \$2 billion for two years. Following announcements from a laboratory in France regarding intentions to transfer the distribution of vaccines it might develop first to the United States, the main funder of the laboratory, Chinese President Xi Jinping declared that vaccines developed in China would be available to benefit everyone in the world.

The scope of China's activity drew extensive criticism in the West, led by the accusation that Beijing was adopting “mask diplomacy” to leverage the international aid for political purposes, and in particular, as part of its rivalry with the United States, to position itself as “a responsible power.”

The Chinese donations, from both private businesses and government bodies, were distributed among many countries, particularly in Asia, Europe, and Africa. However, the “donations drive” was not consistent, and the scope of the donations did not always match Chinese interests and ties with the destination countries. For example, Iran, which has recorded over 130,000 cases of Covid-19 and some 7,000 deaths, received donations of tens of thousands of masks, protective suits, and testing equipment from various Chinese sources, including the army, local government, and the Jack Ma Foundation, plus a visit from a delegation of doctors from the Chinese Red Cross. In contrast, Saudi Arabia, which has recorded over 70,000 infections and some 400 deaths, received a single delegation of medical experts from China, bringing with them a small quantity of protective equipment – notwithstanding the “comprehensive strategic partnership” between these countries. In Europe too, close relations with China were no guarantee for large donations. Italy received donations from over 20 government and private bodies in China – the highest number of Chinese entities involved in providing donations to any Western country. Spain also received donations from at least 12 different Chinese entities, mostly non-governmental. On the other hand, Turkey received donations mainly from the Chinese ICBC Bank, and France received only a few donations from some private Chinese sources.

Many donations were given against a background of the donor's personal familiarity with or interest in the recipient. For example, the Chinese community in Madrid donated some 100,000 masks to the Spanish capital, while the local government in the Muslim region of Xinjiang donated to Iran, Iraq, Lebanon, and Egypt. Twin city agreements were also a basis for donations, such as 300,000 masks from the municipality of Guangzhou to the town of Gorgan in Iran.

Chinese businesses used the donations largely to improve their international image and to promote commercial and image interests. A clear example were the donations from the Huawei Corporation, which at the time of the virus outbreak was the focus of an economic, technological, and cognitive struggle between the United States and China regarding control of the global technology market and the determination of future international standards in the field of communications. The corporation was blacklisted by the US Department of Commerce in May 2019, causing enormous damage to its finances and image. But the pandemic gave Huawei an opportunity to improve its image: it was announced that the corporation had contributed to dozens of countries, with assistance not only of medical equipment but also of communication systems. For example, Huawei provided communications equipment to a medical laboratory in Iraq, and even offered to build a cloud-based computer network for hospitals in Italy, to be linked to the hospitals in Wuhan in order to coordinate medical aid between China and Italy.

Indeed, Huawei was accused of exploiting the crisis to influence countries thinking about promoting tenders and allowing the entry of Chinese companies to their 5th Generation (5G) communication infrastructures. Huawei donated medical equipment to Spain, Holland, and Baltic countries that were deliberating over 5G agreements with Chinese companies, due to these countries' security reliance on the United States and fear of harming their relations with the US if they chose the Chinese option. Among the members of the Five Eyes intelligence alliance, the corporation donated only to hesitant Canada, and not to the other four members – the United States, Britain, Australia, and New Zealand – which had already decided to ban or limit the involvement of Chinese companies in the construction of their communications infrastructures. The donation to Canada was apparently linked to the arrest in Canada of Meng Wanzhou, the corporation's former Chief Financial Officer. Since her arrest in December 2018, China's attempts to gain her release have failed, and the corporation was possibly using the donations to influence the Canadian legal system, which is expected to hear her case soon.

Apart from its involvement in 5G, Huawei is cultivating other markets, including mobile devices, digital economy, tourism, and food. It has donated to countries in Africa, which are unable to pay the costs of building 5G infrastructures, but are still a possible target market for Huawei's other products. The Jack Ma Foundation and Alibaba Foundation also donated to about 150 countries, including a donation worth about \$508 million to the United States, the largest sent to any country during the crisis.

The Chinese donors that sent medical equipment to Israel include the Jack Ma Foundation, Chinese International Radio, Toga Networks (the R&D center of Huawei in Israel), and a number of smaller donors with personal connections to the recipients (such as the community of Chinese graduates of Bar-Ilan University), but not the giant corporations SIPG, Hutchison, and China Harbour. These corporations are involved in Israel's strategic infrastructures, and have recently faced growing opposition from the United States and from elements in Israel to their continued activity in the country. Although these corporations would seem to have an interest in strengthening their image and their ties to Israel, no donations from them have been recorded.

Some of the Chinese donations reflect identification and a sense of shared destiny with countries affected by the coronavirus, and others stem from personal acquaintance with the recipients. However, this does not rule out the assessment that the Chinese government and corporations identified a strategic opportunity to strengthen their international standing and promote future cooperation.

The Chinese government sees the donations to other countries as a response to criticism on social networks in China about how it handled the pandemic, and as a means of stimulating national pride by presenting China as a rich, generous, and responsible superpower. Beijing has also worked to repair the damage to its image caused by accusations that it initially concealed the severity of the outbreak, and has used the donations to change the global dialogue from criticism of its responsibility for the pandemic to discussion of its extensive efforts to eradicate the virus. In particular the Chinese government seeks to present China as a leading and responsible global power, which contrasts with the failures of the US administration in its handling of the crisis. Moreover, Beijing used the military to demonstrate its logistical military capabilities. The Chinese military participated in the transfer of medical equipment to at least 20 countries, including Iran. For the first time, the military's new Y-20 cargo planes helped transport medical equipment beyond the Chinese border, which received broad coverage in the Chinese media. This was a display of military capabilities mainly for the benefit of domestic public opinion, but perhaps Beijing also wished to signal that it could operate militarily overseas. In the past it was the US military that took on the job of humanitarian aid during international crises, but the current crisis has allowed China to send a message to developing countries that its military too can help them in times of trouble.

It is still too early to assess the full impact of the Chinese donations spurred by the pandemic, and to estimate how the various recipients will view their ties with China and their reliance on Chinese supplies. For now, it is clear that Beijing wishes to present its leadership as an alternative to that of the United States, particularly since Washington has withdrawn from supporting international organizations and treaties, and appears less interested in the role of global leader.