

# China's Strategic Aid Diplomacy to Foster Development of Latin America

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**Abstract**—This paper adopted a retrospective review of China's assistance to Latin America from the 1950s to 2020. Findings suggested that China's assistance to Latin America can be roughly divided into five stages: The 1950s to 1960s was the initial stage of China's assistance to Latin America, mainly focusing on the establishment of diplomatic relations with Cuba and other Latin American countries. The strategy has a strong ideological basis. The 1980s were the stage of development of China's aid to Latin America, which was characterized by consolidating and expanding diplomatic space, emphasizing the spirit of cooperation of equality, mutual benefit, and common development. The 1990s to 2000s marked the further development of diplomatic relations with Latin American countries, plus domestic market-oriented reforms, emphasizing the importance of economic considerations, and less ideological orientation; and this period also witnessed more Chinese state-owned enterprises going out to invest in Latin America. 2010-2019 marked the further development of Latin American relations. This paper contributes to the literature of diplomacy and health assistance to Latin America and highlights the importance of foreign aid and health assistance in sealing bilateral diplomatic relations.

**Keywords**—Broad Spectrum Assistance, China, Latin America, bilateral relations.

## I. INTRODUCTION

EVER since the inception of market-oriented reforms with Chinese characteristics in the 1980s, China's overseas aid activities have entered a completely different period. The methods of external financing for developing countries have increased, and more Chinese state-owned enterprises have gone out to invest in Latin America. In the 21<sup>st</sup> century, after 2021, China's assistance to Latin America is further strengthened. China has promised not to attach any conditions to its assistance to Latin America, and pays more and more attention to the economic and social benefits brought by the assistance. The new COVID-19 pandemic has also witnessed a significant increase in China's assistance to Latin American countries.

### A. Aim

This paper aims at analyzing China's assistance to Latin America, in addition to probing into the health assistance bilateral aid.

## II. METHODS

This study employed a retrospective case study that integrates and compares evidence pertaining to the Chinese assistance in Latin America, in particular the health aid to Latin

America. With the use of retrospective review methods when assessing the available evidence, prejudice can be reduced and therefore provides dependable findings from which inference can be drawn and best practices can be identified.

## III. RESULTS

### A. The Initial Stage of China's Aid to Latin America 1950-1960s

The first stage of China's aid was based on political and ideological orientation. In 1964, the "Eight Principles of Foreign Economic Aid and Technical Assistance" formally established the basic principles of China's aid [1]. At that time, Latin American countries did not want to establish diplomatic relations with the People's Republic of China, but recognized Taiwan as the legitimate government of the Chinese people. At that time, with the exception of Cuba, Latin American countries were mainly anti-communist and pro-American. Cuba is the only Latin American country that has established diplomatic relations with China and received assistance from China. In 1959, the Cuban revolution led by Castro was a success, and Sino-Cuban relations entered a new stage. The two countries have signed two five-year agreements and multiple annual bilateral trade agreements. China supported Cuba in terms of preferential trade policies, mutual loans and material assistance [1]. China's assistance to Cuba is ideological. China firmly supports Latin American countries in their struggle for national liberation and anti-aggression, counter-pressure, and just wars. According to Zhou Enlai [2], the Cuban Revolution successfully opened a hole in the back garden of the United States. China's aid to Cuba aimed to establish formal diplomatic relations to counter the influence of the United States. China's aid to Cuba was mainly concentrated from 1960 to 1965. In these few years, China provided a large amount of assistance to Cuba.

In 1960, China and Cuba signed the first five-year trade agreement worth 3 million pounds. China purchased 50 million tons of Cuban raw sugar, Cuba imported rice and daily consumer goods from China. In 1964, Cuba and China signed the second five-year trade agreement. China has long provided Cuba with rice, soybeans, oil, meat tanks, chemical products and machinery and equipment, and Cuba has exported raw sugar and ore to China [2]. However, between 1966 and 1967-69, Sino-Cuban relations suddenly changed, Sino-Soviet relations deteriorated, and the Soviet Union provided huge

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amounts of assistance to Cuba. Therefore, Sino-Cuban relations were affected by the Soviet factor, and China's aid to Cuba during this period was greatly reduced. It can be seen from this that aid to Cuba has a strong ideological tendency. Foreign aid is the only tool to ensure the establishment of diplomatic relations with Cuba and other Latin American countries. China, which was just established in 1949, has limited national power. Under the intervention of the Soviet Union, China and Cuba have faced difficulties in establishing diplomatic relations [3].

#### *B. China's Aid to Latin America during the Adjustment Phase 1969-1980s*

The Ninth Congress of the Communist Party of China held in 1969 marked the second phase of China's aid to Latin America. During this period, the increase in the amount of aid was consistent with the strategy of Chairman Mao Zedong leading the political guidance of developing countries at that time. This strategy includes the promotion and formation of Maoist factions in the Communist Parties of Bolivia, Brazil, Colombia, Peru, and other countries. China initially attempted to convey the communist ideas to Latin America but later declined in the 1970s, when negotiations with Nixon's presidency in the United States led China to seek more friendly diplomatic relations with developing countries. Correspondingly, the number of Latin American countries that established formal diplomatic relations with China in the 1970s increased, including Chile, Peru, Guyana, and Jamaica. In 1971, China replaced Taiwan in the UN Security Council, and the international status of Chinese power rose. According to the treaties signed by Latin American countries that have established diplomatic relations with China, China provides interest-free loans for cooperation in agriculture, textiles and other fields [1].

After the deaths of Mao Zedong and Zhou Enlai, when Deng Xiaoping took power in the Communist Party of China in 1978, the new leaders implemented a revised aid policy, and China opened its doors to the West. The economic reform plan began to introduce market principles and gradually allowed foreign capital investment and international trade to enter the Chinese economy. As a result, economic issues have become more important in guiding foreign aid budget allocation decisions, and China has begun to establish stronger relations with Latin American countries. The aid to Latin America is characterized by many small-scale individual projects and mutually beneficial projects. China began to develop South-South cooperation and economic and technological cooperation based on the principles of equality, mutual benefit, effectiveness, diversification, and common development [1]. From 1971 to 1973, China signed a number of economic and trade agreements with Chile, Peru, Mexico, and Argentina. China bought wheat, fishmeal and copper from these countries. In terms of economic and technical assistance, China has signed economic agreements with Chile, Peru, and Jamaica. China provided interest-free loans, developed agriculture, and conducted special technical cooperation. The Red Cross Society of China provided humanitarian assistance to Nicaragua, Honduras, and Guatemala [2]. By the end of the 1980s, about 17 Latin

American countries had established diplomatic relations with China, and China immediately provided assistance to these countries. China's aid was initially provided in the form of subsidies or long-term interest-free loans. In the 1980s, conditions became stricter, and China's foreign aid had a new focus, emphasizing the improvement and maintenance of existing projects [1].

#### *C. China's Aid to Latin America in the Development Stage 1990s-2009*

In the 1990s, China faced tremendous pressure both domestically and diplomatically. In the face of Western countries exerting pressure on China and Taiwan enticing Latin American countries, some Latin American countries have "transferred" with Taiwan. This period marked the importance of consolidation and expansion of Latin American relations. China has strengthened its check diplomacy, which is to reward those Latin American countries that are on China's side. In fact, seven Latin American countries: Belize, Guinea-Bissau, Nicaragua, Bahamas, Grinda, Libira and Lesotho have transferred their diplomatic recognition back to Taiwan. The competition between Taiwan and China has triggered a bidding war, and both China and Taiwan have proposed assistance. Especially after the disintegration of the Soviet Union in 1990, China's international relations became less ideological, but emphasized the importance of economic considerations in its aid strategy.

Specifically, the structural adjustment of foreign aid in 1995 moved towards marketization, highlighting the links between aid, commerce and investment during this period [4]. China has actively expanded the extent and scope of aid to Latin America, emphasizing the principle of mutual benefit, win-win and common development, and has begun to carry out technical cooperation with Latin American countries. In the 1990s, with the rapid development of China's economy, China's international status continued to improve, and Latin American countries paid more attention to their relations with China. The rise of China's economy has not only promoted China-Latin America economic and trade cooperation, but also greatly enhanced support for Latin American countries, with more flexible aid methods and channels, and more obvious effects [2].

In terms of energy cooperation, as early as 1993, PetroChina signed an agreement with the Peruvian government to mainly participate in the development of Peru's oil fields and provide technical assistance. Since 2000, China has successively sent medical teams to Cuba, Guyana, Ecuador, Dominica and other countries. China has provided material assistance to Cuba, Chile, Peru, Haiti and other countries in fighting natural disasters. China assisted in the construction of hospitals in Ecuador, Peru, Talida, Talalida, Tabago, Saint Lucia and other countries, and provided medical training for some Latin American countries to foster the long-term development of medical and health care [3]. Since 2003, China has successively assisted in the construction of national stadiums in the Bahamas, Jamaica, Costa Rica, Grenada, Barbados and other Latin American countries. Aid cooperation continued. For

example, in 2004, China carried out comprehensive cooperation with Mexico, Brazil, Colombia, Cuba, Peru, Ecuador, Venezuela and other countries. China not only participated in the development and refining of oil fields and channels, but also provided technical services and loan financing to help Latin American countries solve the obstacles such as insufficient infrastructure, low technical level, and serious shortage of financing funds in the process of energy development [3]. In 2005, the Chinese government, at the request of Dominica, provided agricultural technical assistance in phases, including sending 9 Chinese agricultural technicians to Dominica. Over the years, the project has introduced many new varieties of Chinese vegetables, fruit trees and flowers, organized various forms of agricultural technical training, visited farmers, and provided technical guidance and services such as agricultural planting machinery services to local farmers. In terms of public facilities, China's assistance to Latin America is mainly concentrated in the fields of education, culture and entertainment, forestry management, transportation, sports, medical and health, and the construction of convention and exhibition centers.

Regarding the relationship between China and Caribbean countries, the 2008 White Paper on China-Latin America Foreign Relations showed that China's ties with Latin America and the Caribbean have become increasingly important. China has repeatedly demonstrated the direction and development of its aid policy in this policy document and stated the importance of bilateral relations in the preliminary plan [4]. China has made clear proposals for providing assistance to countries that maintain friendly relations with Caribbean countries in the next three years. The plan includes giving 4 billion yuan of preferential land, training 2,000 people, and sending agricultural experts, Chinese teachers and medical teams to the area [4].

In terms of medical and health care, China's assistance to Latin America has several aspects: dispatching medical teams, providing free medicines and medical equipment, assisting in hospital construction, and providing medical training. The most important aid is the dispatch of medical teams to Latin America. For example, in Latin America, Guyana is located in the northeastern part of South America. Its economic development level is relatively backward, the level of medical services is not high, and the limited supplies of medicines is common. Since 1993, there have been 11 batches of medical aid teams stationed in Hubei. A member of the Chinese People's Medical Team has also become the 147 "Chinese Medical Angels" in the eyes of the locals. According to Guyana's first medical team captain and physician Wang Yongxiang from Susu Hospital in Jiangsu Province [6], the medical team received more than 40,000 patient-times in the past two years, with a total of 6,361 surgical patients and 2,611 severely ill patients. The "trauma center" not only helps local hospitals to establish urgently needed departments, but also provides practical training to local doctors through clinical teaching, special lectures, academic exchanges and other methods. Together with the medical facilities established in China, it trains local medical talents and trains local medical personnel through these measures and the ability

of doctors to serve the local population has greatly enhanced [5].

At the farewell ceremony of the medical team, Guyanese President Granger stated that since the establishment of diplomatic relations between Guyana and China, cooperation in various fields such as medical and health has developed vigorously, and the Chinese medical team is an important part of bilateral cooperation. Granger expressed his heartfelt gratitude to the Chinese medical team for their important contributions to improving the health of Guyana people and promoting the development of Guyana's health industry. Guyana cherishes its relations with China and looks forward to further expanding and deepening the friendly cooperation between the two countries. Zhang Limin, Chinese Ambassador to Guyana, said that as the world's largest developing country, China, while developing itself, has not forgotten to undertake international obligations commensurate with its own capabilities and promote the common development of human society. Since the establishment of diplomatic relations between China and Guinea, cooperation in the field of health has continued to deepen. China dispatched medical teams to Guinea and provided assistance such as medical equipment, which played an important role in promoting the development of health services in Guinea and enhancing the friendship between the two peoples [6].

#### *D.China's Assistance to Latin America for the Further Development Stage 2010-2019*

The main goal of 2010-2019 is to increase the ways in which foreign financing is provided to developing countries. In addition to donations and interest-free credit, China also provides discounted preferential loans, joint ventures, and participation in comprehensive international cooperation projects and plans. The second milestone is the proposal made by Premier Wen Jiabao during his visit to the UN Economic Commission for Latin America and the Caribbean in 2012 to strengthen the political, economic and cooperative relations between China and Latin America. The third turning point is the cooperation framework from 2015 to 2019, namely the 1+3+6 plan, which was proposed by President Xi Jinping at the first China-Latin America summit in Brazil in 2014. In this plan, 1 stands for a plan aimed at achieving inclusive growth and sustainable development, 3 stands for three engines, which means promoting cooperation through trade, investment and financial cooperation, and 6 stands for six areas, which refer to the cultivation of industrial linkages and energy resources. Six major areas of cooperation include infrastructure, construction, agriculture, manufacturing, technological innovation, and information technology.

The fourth milestone is the joint approval of the 2015-2019 cooperation plan at the first ministerial meeting of the China-Latin America Community Forum held in Beijing in 2015. The document is a board plan that considers 13 thematic areas of work, eight of which are concentrated in the economic field. The fifth breakthrough was Premier Li Keqiang's 9-day official visit to Latin America in 2015. He made it clear that despite the slowdown in economic growth on both sides of the Pacific,

China would make greater contributions to Latin America. In the next few years, China would allocate more billions of dollars and promise to build a trans-Amazon railway linking Peru and Brazil [4].

As of the end of 2012, China had issued 3 billion preferential loans to Caribbean countries, mainly for infrastructure construction. At the same time, China has trained more than 500 officials and technicians for Caribbean countries, and organized training courses on earthquake and tsunami warning and monitoring systems for these countries to establish such systems. China established schools in Antigua and Dominica, dispatched medical teams to Dominica, trained local medical personnel, and completed technical cooperation projects in agriculture and fishery in Dominica, Grenada, Cuba and other countries [7].

China has strengthened its medical and health services in Central and South America. From 2015 to 2019, China sent a total of 202 batches of 3588 foreign aid medical team members, treated 11 million patients, trained local medical staff, carried out free consultations, donated medicines and equipment, etc. 1,500 people received awards from relevant countries and received honors such as the Presidential Medal. A medical worker gave his precious life for foreign aid medical work. China has also dispatched short-term medical experts to carry out specialized surgeries, and carried out 42 cataract surgeries in 25 countries including Botswana, Eritrea, Morocco, Ghana, Bahamas, Maldives, Antigua and Barbuda, and carried out "Operation Bright" activities, a total of 9752 surgical cases [7]. Therefore, we can conclude that the dispatch of Chinese medical teams to South America is of great social significance, and the facilities and related services provided are economically sustainable.

#### *E. Closer Relations between China and Latin America beyond 2020*

China's assistance to developing countries has improved the basic medical and health capabilities of these countries. For example, China has built more than 50 medical and health infrastructure projects in the Congo (Brazzaville), Rwanda, Zimbabwe, Cambodia, Kyrgyzstan and other Latin American countries. In addition, China has played an active role in safeguarding people's health and training local medical staff. In providing medical equipment, medicines and medical consumables to Latin American countries, China has alleviated the shortage of medical resources. Through counterpart cooperation with medical institutions, China has helped more than 20 countries build the capacity of professional departments. For example, China helped Trinidad and Tobago set up micro-neurosurgery and endoscopic neurosurgery. The Dominican medical team pioneered minimally invasive surgery, brought advanced medical concepts to the local area, and made up for the Caribbean many medical technology gaps [7].

In terms of fighting the coronavirus pandemic in Latin America, on February 26, 2020, Brazil reported the first case of COVID-19 in Latin America. In response, China delivered medical equipment and services, and delivery has been steadily

proceeding. On March 6, 2020, China BGI Gene Corporation and the Mammoth Foundation announced the delivery of reagents for the diagnosis of coronavirus. This announcement is the first publicly recorded and one of more than two hundred transactions from China to Latin America. The aid to Latin America and the Caribbean is not only concentrated in Beijing, but also local governments in major Chinese cities to the Chinese embassies in the region. For example, according to the Chinese Embassy in Ecuador, the central city of Chongqing in China shipped 1,000 protective suits, 1,000 surgical suits and 54,000 N95 masks to Ecuador in early April 2020. Suzhou City, located in Jiangsu Province, China, donated 20,000 masks and 200 sets of protective clothing to the Panamanian government in late April 2020. Nanjing City donated 30,000 masks to Colombia [8].

China provides medical assistance to Latin American countries regardless of political ideology. In 2020, most of the assistance were in the form of donations, although many transactions also involved the sale of Chinese Personal Protective Equipment (PPE) to governments and municipalities in the region. For example, it is reported that Mexico has ordered PPE worth US\$56 million from China [8], which will be delivered via multiple flights [8]. Peru is even considering purchasing from China a 1,000-bed prefabricated hospital facility built in Wuhan, China in ten days [8]. In Argentina, the government of Xi Jinping donated to the Argentine Armed Forces helmets, protective clothing and bio-safety suits equipped with real-time fever detection cameras, and nearly 2 tons of equipment in June 2020 [8]. In Chile, from mid-2020 to May 2020, the Chilean Minister of Health [8] received an aircraft carrying medical supplies at the Santiago Airport arranged by the Chilean Embassy in China to strengthen the country's health system. Chinese businessmen donated ventilators, test kits, thermometers, 1.6 million masks and more than 230,000 pieces of medical supplies. In Colombia, the country received aid from China on May 7, 2020 in response to the coronavirus [8]. The Chinese government provided medical supplies worth 1.5 million U.S. dollars. The supplies included 30,000 nucleic acid tests, 680,000 masks, glasses, gloves, protective clothing, infrared thermometers and respirators. In addition to medical equipment, the Chinese Embassy also donated food to many families affected by the epidemic [8].

Venezuela, in March 2020, hosted a delegation of eight Chinese experts to jointly respond to the coronavirus crisis. The team consists of doctors and scientists who treated the virus at its peak in China. Along with the medical mission, 22 tons of medical equipment arrived there, including 500,000 test kits, ventilators, protective clothing, glasses, masks and gloves. In addition, since March 2020, Chinese companies have almost continuously provided medical equipment and services to Latin America. Other early donations include the delivery of two thermal imaging cameras from the Chinese telecommunications company Huawei to Argentina for use by the country's customs agencies, and the company's coordination with several Central American countries on the delivery of artificial intelligence diagnostic services described by the media in Latin American countries. China also donated medical supplies to Bolivia,

Brazil, Costa Rica, Panama, Slavic, Cuba and other countries during the critical period of the epidemic [9].

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#### IV. CONCLUSION

This article divides China's aid to South America into five historical stages. Correspondingly, with the acceleration of the domestic local business environment and the opening-up policy, as Chinese state-owned enterprises invest in Latin America, state-owned enterprises successfully provide assistance to Latin America. In accordance with China's national policy of opening to the outside world and going global, Chinese state-owned enterprises have carried out successful overseas sustainable development businesses in Latin America, benefiting local people, enhancing corporate reputation and profits, in line with China's national policy and foreign policy of strengthening cooperation with Latin American countries. Such assistance reaps political returns. Since 2008, the Dominican Republic, El Salvador and Panama have each changed their political acceptance from Taiwan to China. Having obtained additional allies in Latin America provides China with invaluable opportunities to garner more votes at the United Nations and their allies' support for Chinese representations in multinational institutions. Such advantages also bring in commerce opportunities. It fosters Latin American countries to adopt Chinese technology settings and brings into Huawei, ZTE, Dahua and Hikvision that are banned by the United States into the picture of regional infrastructure, promoting China representation in the rules of commerce in the near future. Closer alliance is evidenced in 19 governments across South America and the Caribbean signing up for President Xi Jinping's Belt and Road Initiative, a US\$1 trillion intercontinental business and understructure network. Chinese investments in key infrastructure projects in Latin America, such as China Cosco Shipping, based in Shanghai, has been constructing a US\$3 billion port at Chancay in Peru, and there have been plans for an intercontinental network connecting Latin America's Atlantic and Pacific coastal area from Brazil to Chile [10].

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