

Latin America and China in Times of COVID-19

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Photo credit: Chinese mask medical supplies: Shutterstock- Inkheartx, 2020.

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Cynthia A. Sanborn

In early March of 2020, my colleagues and I in Peru sent messages of solidarity to Chinese peers who could not attend a workshop we held on the Belt and Road Initiative (BRI) in Latin America, due to the severe quarantine measures laid down by their government. We were pained at the thought of professors and students locked in their homes and dorms 24 hours a day, a measure that seemed extreme at the time. Yet less than a month later, the situation was reversed, as the pandemic spread like wildfire across Latin America and the Caribbean and our governments adopted similar measures. Six months and unimaginable losses later, we remain locked up and teaching online, while our Chinese colleagues send us best wishes from a distance.

At the level of governments, is the situation the same? How significant has China been in Latin America's COVID-19 response? Are Latin American relations with China growing closer during this health crisis, or have they grown further apart, as states all close their borders and concentrate on the urgent needs at home?

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Latin America Reaches Out, China Responds

At the II Meeting of the CELAC-China Forum¹ held in Chile in 2018, representatives from Latin America and China agreed on a joint action plan for 2019-2021. Among the priority areas for collaboration, albeit at the end of the list, was an agreement to increase exchange in the health sector, and especially in the control and prevention of disease and the response to health emergencies.² What seemed like a secondary issue at the time has become the most important issue on the global agenda today. And while the United States abandoned a global leadership role in fighting this pandemic, many governments in Latin America turned to China for assistance.

China's response to date has been timely, strategic, and significant. As the first cases of COVID-19 appeared in Latin America, China moved quickly to rebrand itself as a donor rather than a recipient of aid. As the U.S. interrupted international supply chains and hoarded supplies domestically, China was able to harness its advantage as the world's leading producer of medical supplies, to donate large quantities to nearly all countries in the region with which it has diplomatic relations. Chinese diplomats also facilitated the purchase and delivery of massive amounts of supplies, ranging from masks, needles and protective gear, to ventilators, ambulances, and oxygen plants. As the region now shifts to painful reopening, Latin American researchers are collaborating with Chinese peers in the search for a vaccine, and China has offered US\$1 billion in loans to Latin America to help pay for the purchase and distribution of the vaccine once developed.

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It remains to be seen, however, what paths Latin America's relations with China will take in the longer term, and what clouds lurk on the horizon. On one hand, the need for collaboration has never been greater: to develop and share a vaccine, strengthen capacity to prevent future disasters, revive the region's hard hit economies and, above all, forge more sustainable and inclusive development paths. For this, Latin American governments should work with each other and with all potential partners, and avoid getting caught in superpower rivalries. On the other hand, the countries of the region have rarely

¹ CELAC is the Community of Latin American and Caribbean States.

² "Plan de Acción Conjunto de Cooperación en áreas Prioritarias CELAC-China (2019-2021)," Comunidad de Estados Latinoamericanos y Caribeños (CELAC), January 2018, <https://celac.rree.gob.sv/documento-oficial/plan-de-accion-conjunto-de-cooperacion-en-areas-prioritarias-celac-china-2019-2021/>; and Fermín Koop, Manuela Andreoni, Andrés Bermúdez Liévano, and Alejandra Cuéllar, "Latin America seeks Chinese medical aid to fight coronavirus," *China Dialogue*, April 6, 2020, <https://dialogochino.net/en/trade-investment/latin-america-chinese-medical-aid-to-fight-coronavirus/>.



Photo credit: Colombian official receives COVID-19 medical supplies from China: Facebook- Presidente Iván Duque, May 8, 2020.

been so disunited and unable to forge common strategies, be they for more beneficial relations with China or the rest of the world.

The Patterns of Chinese Assistance

A recent study by Diego Telias and Francisco Urdíñez of the Catholic University of Chile tracked over 530 Chinese medical-related donations in 33 countries of Latin America and the Caribbean between mid-February and June 2020.³ Totalling over US\$128 million in value, most of this assistance came from the central government, coordinated by the Ministry of Commerce, the Ministry of Foreign Affairs, and local embassies; but private and state-owned enterprises, foundations, and subnational governments also made donations.

China's donations were, above all, timely, with most arriving before the pandemic reached its peak levels of severity in this region in early July, according to this study. Nearly 53 percent came from the government, another 23 percent from large companies such as Chery, the MEHECO pharmaceutical group, Three Gorges, China National Offshore Oil Corporation (CNOOC), Sinopec and Huawei, and another 14 percent came from the Jack Ma Foundation, which did not have much presence in Latin America before the pandemic.

In a crisis context, Chinese aid was actively sought out by Latin American governments and private business groups. But as with most foreign assistance, donor priorities were aligned with various foreign policy goals. As a

³ Diego Telias and Francisco Urdíñez, "China's Foreign Aid Determinants: Lessons from a Novel Dataset of the Mask Diplomacy During the COVID-19 Pandemic," *ResearchGate*, August, 2020, https://www.researchgate.net/publication/344035590_China's_Foreign_Aid_Determinants_Lessons_from_a_Novel_Dataset_of_the_Mask_Diplomacy_During_the_COVID-19_Pandemic.

result, around 60 percent of China's total donations went to three quite distinct countries—Venezuela, Brazil, and Chile.

Venezuela has been the largest single recipient of Chinese medical aid in Latin America during the pandemic; beginning in mid-March, it received test kits, masks, gloves, and other supplies. By June China had sent an estimated 300 tons of medical aid valued at over US\$41 million.⁴ The priority given to Venezuela is understandable given China's prior investment in that country and the extent of Venezuela's humanitarian emergency. Although there was speculation about China distancing itself from the administration of Nicolás Maduro and supporting some kind of negotiations with the opposition before the COVID-19 crisis, China has since reaffirmed its support for the regime, joining Russia, Cuba, and Iran in criticizing U.S. sanctions.⁵

Yet China is not only supporting its geopolitical allies in Latin America and the Caribbean. Although President Jair Bolsonaro of Brazil imitated Trump in downplaying the gravity of the pandemic and the importance of China for his country, Brazil has been the second largest recipient of medical-related assistance from China. In September, while embracing the visit of U.S. Secretary of State Mike Pompeo, Brazilian Foreign Minister Ernesto Araujo also reportedly thanked his Chinese counterpart for China's support in fighting COVID-19 and stressed that Brazil was willing to further cooperation in vaccine research and development.⁶ According to various reports, authorities in Maranhão, São Paulo, Distrito Federal, and Rio Grande do Norte also went straight to the Chinese for help in acquiring medical equipment, and the authorities of São Paulo state negotiated a partnership between their Butantan biological research institute (the largest in Latin America) and China's Sinovac laboratory, for testing and production of a coronavirus vaccine.⁷ Furthermore, in July the BRICS⁸ New Development Bank, based in Shanghai, approved a major loan to Brazil for improving its health and social infrastructure.

Chile has been the third largest recipient of Chinese medical aid, worth \$12.6 million, and Peru follows with \$7.5 million. Both countries have longstanding strategic partnerships with China, being the first in Latin America to adopt the

⁴ Ibid; and "Venezuela recibe ayuda humanitaria procedente de China," *Telesur*, June 6, 2020, <https://www.telesurtv.net/news/venezuela-recibe-ayuda-humanitaria-procedente-china-20200606-0018.html>.

⁵ Kristen Martinez-Gugerli, "Taking Stock of Chinese and Russian Relations with Venezuela," *Hearts on Venezuela*, August 31, 2020, <http://www.heartsonvenezuela.com/taking-stock-of-chinese-and-russian-relations-with-venezuela/>.

⁶ "Wang Yi Speaks with Brazilian Foreign Minister Ernesto Araujo on the Phone," China-CELAC Forum, September 28, 2020, http://www.chinacelacforum.org/eng/zyxw_1/t1819249.htm.

⁷ Marina Lang, "Brazil's state governors open their own channels with China," *China Dialogue*, August 13, 2020, <https://dialogochino.net/en/trade-investment/36888-brazils-state-governors-open-their-own-channels-with-china/>.

⁸ The BRICS are Brazil, Russia, India, China, and South Africa.

One China Policy (recognizing the People's Republic of China as the sole sovereign state), and to negotiate free trade agreements with China. They also have historically strong relations and FTAs with the United States, and for decades have embraced open markets and liberal democracy, though not without considerable social tensions.

In the Chilean case, strong relations with China extend to its private sector, where a collective donation was made by various Chinese firms, including Minmetals, Chinalco, Yutong, Didi, Dahua and Tsinghua University, according to Telias and Urdíñez. The Luksic Foundation, established by Chilean billionaire Andrónico Luksic, also helped to accelerate the purchase and distribution of medical supplies, thanks to a history of doing business with China.⁹

In Peru, authorities confirmed the first known case of coronavirus on March 6, 2020, and the first news of Chinese donations came the next day, when BGI Genomics and the Mammoth Foundation announced a donation of reagents for rapid testing.¹⁰ By early April, the Chinese embassy had sent 10,000 kits for molecular testing and thousands of protective suits, gloves, and eyewear, while Jack Ma also announced a massive donation and the Municipality of Zhongshan (province of Guangdong) sent additional supplies. The latter was the homeland of many of Peru's Chinese immigrant community.

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Trade over Aid

Arguably more important than Chinese donations to Latin America was the region's need for urgent and massive purchases of the medical equipment and supplies for which China is the world's main producer. In addition to its economies of scale, China again stood out for its ability to deliver supplies when most countries in the region were suffering the worst of the pandemic. Furthermore, in the public eye, the line between donation and purchase was blurred, as medical donations and purchases arrived on the same planes and were received by Chinese and Latin American diplomats and with high profile media coverage.

After initial complaints about the quality of some Chinese medical exports, the Chinese Ministry of Commerce announced it was reinforcing control measures,

⁹ Felipe Retamal, "Un millón de mascarillas: llega a Chile vuelo con donación de familia Luksic," *La Tercera*, April 18, 2020, <https://www.latercera.com/nacional/noticia/un-millon-de-mascarillas-llega-a-chile-vuelo-con-donacion-de-familia-luksic/D5XFITHI4FEAVGIHN73ELQ4DGM/>.

¹⁰ "China ofrece una donación de reactivos para realizar las pruebas rápidas para el diagnóstico de coronavirus (Covid-19) al Ministerio de Salud del Perú," Embajada de la República Popular China en la República del Perú, July 3, 2020, <http://www.embajadachina.org.pe/esp/sghd/t1753222.htm>.



Photo credit: Argentina's Health Minister, Ginés González García, welcomed a flight from China with health supplies and protection elements for health personnel: Facebook- Health Minister; Ginés González García, April 20, 2020.

and published lists of certified producers. Investigative journalists across South America who monitor government purchases have closely followed these sales.¹¹ In Argentina, reporters estimated that the government had spent over \$12.5 million in purchases from China, involving 30 round-trip Aerolíneas Argentinas flights. The largest supplier was Sinopharm, which also took an early lead in the race to test its vaccine in Latin America. In Peru, the first purchase of supplies from China was announced shortly after the initial donations in March, and involved over a million rapid tests, 200,000 molecular tests, and 500 ventilators. After some initial Chinese purchases made through local intermediaries were held up en route through the United States, Peruvian government officials coordinated directly with their Chinese counterparts. This was not only the case with medical supplies. Peru's Ministry of Education also turned to the Chinese ambassador for assistance when the entire public school system moved to distance education, and Peru had to import some 500,000 tablets for low-income students, a task for which local intermediaries proved incapable.

Although both Chile and Peru were quick to establish lockdown measures as well as to seek international help, their results have been disappointing from both the health and economic standpoints. With its huge informal sector and weak public health services, Peru's situation is especially dire, with close to 857,000 cases registered as of October 15, 2020, and one of the highest

¹¹ Ernesto Cabral, "Pruebas rápidas sin certificación de China dominan mercado de América Latina," *Ojo Público*, September 8, 2020, <https://ojo-publico.com/2072/test-rapidos-sin-certificacion-de-china-en-america-latina>.

COVID-19 mortality rates relative to population in the world.¹² In this context, the search for a vaccine is of especially high priority.

Expanding Frontiers: Vaccines and Beyond

Today most Latin American countries are struggling to manage the health crisis while reopening their economies; hence, their concern is with gaining access to a vaccine that can be safely and massively administered. As over half of the COVID-19 vaccines that have entered phase-3 clinical trials were developed by Chinese laboratories, Latin American governments have raced to engage them in trials with local scientists and volunteers. In addition to Sinovac, Sinopharm also signed agreements with Argentina and at least two Brazilian states (the latter pending authorization from regulators), and trials for the Sinopharm vaccine began in Peru the first week of September, with thousands of volunteers signing up. This process involved collaboration between Peru's two leading universities in the health sciences and a delegation of top Chinese scientists, who will remain in Lima for several months.

When China announced that any vaccines developed by their laboratories would be made available as a “global public good,”

and that credit would be provided to Latin American countries to gain access to the vaccine, this was warmly received in the region. As former Mexican ambassador to China Jorge Guajardo put

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it, “That’s the type of event that is so momentous, [the public] will realize that somebody is helping us and others are not. That would be the big game changer, much more than face masks, gowns or goggles.”¹³ Yet it remains to be seen if and how this vaccine distribution will be implemented.

Looking ahead, what role will China play in the region’s recovery?

For much of South America, China remains the leading trade partner and lender, and its markets remain crucial. Chinese investment in the LAC region has also been considerably higher than that of the United States in recent years (leaving aside Mexico and the offshore fiscal paradises). While recent announcements coming from Washington suggest this may change, it remains to be seen if U.S. investment will increase significantly, in what sectors, and with what, if any, political conditions.

¹² Data from the Johns Hopkins University Coronavirus Resource Center, October 15, 2020, <https://coronavirus.jhu.edu/map.html> and <https://coronavirus.jhu.edu/data/mortality>.

¹³ Matt Rivers, “Pandemic power play: It’s China vs. the US in Latin America,” Cable News Network, August 15, 2020, https://lite.cnn.com/en/article/h_55c6ebdbfa0f7adb55bcf6a8cd03f10a.

Chinese officials have reassured Latin American leaders that they continue to place strategic and long-term importance on relations with Latin America and the Caribbean. To date, however, these relations are largely concentrated in the export of natural resources and commercial agricultural products, and the import of technology. A declared priority for most of the region is to diversify international economic relations, and the BRI raised expectations for new investment in modern infrastructure, transportation systems, and digital connectivity, among other areas. In practice, however, few substantial advances in those sectors have been made.

Other authors in this series will address the future prospects for Latin American trade and investment with China, and the potential impacts of U.S.-China

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While Latin American scholars have long looked to the United States and Europe for training and research opportunities, China has invested heavily in the scientific capacity of its major universities and is now leading the world in scientific publications in various fields. Despite questionable initial efforts by local authorities to keep the virus under wraps, Chinese scientists have been leaders in publishing open-access evidence related to managing COVID-19 and numerous areas of public health and epidemiology of considerable use to the rest of the world.¹⁴

Meanwhile, the current crisis has laid bare the weaknesses of Latin America's universities and research communities. While countries with long histories of scientific achievement, such as Brazil and Argentina, have seen a decline in research funding from their respective governments and a continued brain drain of talent to the North, other countries are struggling to reverse historically low scientific production. All of them need international collaboration, including graduate and postgraduate training opportunities and access to experienced peers, in order to expand research frontiers.

For this reason, Latin America cannot afford *not* to engage with China, nor with any other scientific community around the world. In recent years, China has

¹⁴ Éanna Kelly, "China was slammed for initial COVID-19 secrecy, but its scientists led the way in tackling the virus," *Science|Business*, April 7, 2020, <https://sciencebusiness.net/covid-19/international-news/china-was-slammed-initial-covid-19-secrecy-its-scientists-led-way>; and Richard Horton, "Offline: COVID-19 and the dangers of Sinophobia," *The Lancet*, July 18, 2020, [https://www.thelancet.com/pdfs/journals/lancet/PIIS0140-6736\(20\)31600-7.pdf](https://www.thelancet.com/pdfs/journals/lancet/PIIS0140-6736(20)31600-7.pdf).

offered increasingly generous scholarships to Latin Americans for study in its universities. Brazil, Argentina, and Chile have advanced in scientific collaboration with China, in such areas as nuclear energy, space science, and satellites—without compromising, to date, their involvement with Western colleagues as well. Other areas of potential collaboration include internet infrastructure, electronic commerce, telemedicine, and online education of various forms. In each of these areas, China and Latin America have much to share. But China and the region also need to understand each other better. To this end, exchange in the social sciences and bolstering of area studies on both sides are also critical.

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Chinese Foreign Minister Wang Li recently told Latin American counterparts that his country looks forward to “building a China-LAC health silk road and a China-LAC digital silk road.”¹⁵ After initial hesitation, China agreed to join the WHO-led COVAX global initiative for fair distribution of COVID-19 vaccines, while the United States continues to refuse. However, there are also signs that both superpowers may use the potential vaccine as a foreign policy tool.¹⁶ New restrictions on foreign students and scholars in the United States and China are also worrisome, as are U.S efforts to restrict third-country researchers who collaborate with Chinese universities. None of this bodes well for global cooperation in preventing disease and improving access to health services for all.

Divided We Fail?

Current events are reshaping the global order in ways no one can predict. For Latin America to reap maximum benefit from a changing global scene, it is fundamental to understand and engage with China as well as other major powers.

“The day must come when we Latin Americans learn to not compete among ourselves, but rather to compete together,” wrote former Peruvian foreign minister Rafael Roncagliolo recently; he added that, “We could start to do it

¹⁵ “China and Latin American and Caribbean Countries Hold Special Video Conference of Foreign Ministers on COVID-19,” Ministry of Foreign Affairs, the People’s Republic of China, July 23, 2020, https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1800563.shtml.

¹⁶ Sara Zheng, “China joins WHO-led Covax scheme to share coronavirus vaccines fairly,” *South China Morning Post*, October 9, 2020, <https://www.scmp.com/news/china/diplomacy/article/3104788/china-joins-un-led-covax-scheme-share-coronavirus-vaccines>; and Linda Lew, “Coronavirus: Global vaccine equity threatened by national self-interest, says UN,” *South China Morning Post*, September 11, 2020, <https://www.scmp.com/news/china/diplomacy/article/3101169/coronavirus-global-vaccine-equity-threatened-national-self>.

now, immediately, with the acquisition of the vaccine against COVID-19.”¹⁷
Diversification of trade, promotion of physical and digital connectivity,

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managed extraction and use of the region’s valuable lithium resources, protection of the region’s enormous biodiversity, and implementation of high environmental and social standards on all major investments, are among many common objectives Latin American states claim to share.

Yet Latin America today is deeply divided, its governments showing little will or capacity to work together. The would-be hegemons, Mexico and Brazil, no longer have an appetite for regional leadership. Brazil pulled out of CELAC entirely this year.¹⁸ Even the Pacific Alliance (Chile, Colombia, Mexico, and Peru) has taken little recent initiative in engaging with Asia. Undoubtedly, the pandemic has forced each country to focus inward, but the closure of physical borders should not mean closing the region’s economic, strategic, and scientific frontiers as well.

¹⁷ Rafael Roncagliolo, “América Latina en la guerra tibia,” *La República*, July 25, 2020, <https://larepublica.pe/opinion/2020/07/25/america-latina-en-la-guerra-tibia-por-rafael-roncagliolo/>.

¹⁸ “Brazil quits community of Latin American and Caribbean States,” *AgenciaBrasil*, January 17, 2020, <https://agenciabrasil.ebc.com.br/en/politica/noticia/2020-01/brazil-quits-community-latin-american-and-caribbean-states>.