

# China's tsunami aid: political interests not humanitarian concern

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In the lead up to the UN-sponsored tsunami summit in Jakarta on January 6, the Beijing bureaucracy announced, with considerable fanfare, an unprecedented assistance package totalling \$83 million for the victims of the disaster.

President Hu Jintao told the press that the Chinese government would provide “any possible aid in its power to those need it.” The state-controlled media boasted that the decision was a sign that China was emerging as a “responsible” power in the region.

Arriving in Jakarta to attend the summit, Premier Wen Jiabao declared: “I do not have a big entourage with me this time, but I’m flying with 16 tonnes of relief materials, as well as the kind affections of the Chinese people.” It even was leaked to the press that the premier had urged accompanying delegates to limit their luggage so as to load more aid.

In the course of the gathering, Wen announced low-interest loans for the rebuilding of infrastructure, as long as Chinese companies were involved. He also promised to promote the devastated resort areas to Chinese tourists and to write off a \$4.3 million Chinese loan to Sri Lanka. Half of the aid would arrive at the end of the month, Wen declared.

The aid package is by far the largest in the 55-year history of the People’s Republic of China. Beijing has previously provided bilateral aid to Indonesia, as well as Vietnam and Burma, but this is the first time it has contributed significantly to a major multinational relief operation.

Like the other countries attending the summit, Beijing’s decision to offer assistance is motivated not by concern for the tsunami victims, but rather by economic and political considerations.

One factor is the ongoing rivalry between China and Taiwan for influence, especially in the Asia Pacific region. Having initially pledged just \$2.62 million in aid,

Beijing was embarrassed by Taipei’s announcement of a \$5 million package. Each side sought to outdo the other with Taiwan increasing its aid to \$50 million.

China insisted that Taiwan not be represented at the Jakarta summit. In line with its “One China” policy, Beijing regards the island as an integral part of China and treats it as a renegade province. For more than three decades, since the US reached a rapprochement with China in 1972, Taiwan has been excluded from all major international bodies, including the UN.

China and Taiwan both have significant economic interests in South and South East Asia.

Over the last decade, Taipei has developed close relations with India in particular. Bilateral trade has jumped dramatically: by 33 percent between 1995 and 2002. In 2003, it increased by 16 percent to \$US1.4 billion and grew another 20 percent in 2004. Taiwanese investments in India are also on the rise: from \$22 million in 1996 to \$74 million in 2002. In October 2002, the two sides signed an agreement to encourage further Taiwanese investment, particularly in IT and other major industries.

China has extensive trade relations, particularly with South East Asian countries such as Indonesia and Thailand. Components and raw materials are shipping from the rest of Asia to Chinese factories for manufacture into exports to the US, Japan and Europe. Thailand, for instance, has been dubbed the “Oriental Detroit” as so many of the auto parts required for Chinese assembly lines are sourced there.

China’s growing demands for oil and gas also play a significant role. Three years ago, the state-owned China National Offshore Oil Corporation (CNOOC) paid \$585 million to purchase five offshore oil and gas fields in Indonesia. The deal was CNOOC’s biggest investment outside China and made the company the largest offshore oil producer in Indonesia.

Commenting on Beijing’s reaction to the tsunami,

Joseph Cheng, a Hong-Kong based academic, told the Channel News Asia website: “This is exactly what China wants. It wants to secure respect as a responsible, major power, a benevolent power. In the past two or three years, China’s foreign policy has emphasised its rise is peaceful, that it is no threat to its neighbours and even that China’s prosperity will mean prosperity for the region.”

Sensing an opportunity, China’s response to the disaster was relatively rapid. Its first task force was sent to collect relief goods in China’s provinces on December 27 and the first aid arrived in Sri Lanka on December 29. On January 1, Wen met the ambassadors of the affected countries in Beijing. The Ministry of National Defence and the General Logistic Department of the People’s Liberation Army have been centrally involved.

As with other governments around the world, another significant factor in Beijing’s decision to increase its aid was the response of ordinary working people.

Private donations have reached \$US18 million in a country where the annual per capita GDP is just over \$US1,000. After opening a 24-hour hotline on January 1, the International Red Cross received thousands of calls every day. Tsunami donation centres were set up in many cities to collect funds.

Yang Zhi, a 74-year-old retiree, who lives on a monthly pension of just 2,000 yuan (\$US241), donated \$60 to China Charity Federation after making a two-hour bus ride from his home in Beijing. “My wife and I decided to donate money to help the tsunami victims. We couldn’t find a donation site in our community until I learned on the TV yesterday that the federation accepts donations,” he told the *China Daily* on January 5.

Up to January 4, Shanghai—China’s largest city—had received 3 million yuan or \$362,700 in donations, with more than 90 percent coming from individuals. Executive vice-president of the Red Cross in Shanghai, Xiong Fangjie, told reporters: “People rushed here from different corners of the city.”

Ordinary people gave far more generously of their limited savings than the new wealthy layers in China. Corporate donations were the exception rather than the rule. Lenovo, China’s largest computer company, which recently bought a Personal Computer division of IBM for \$1.75 billion, donated \$500,000. SOHO China Ltd, one of the country’s largest media companies, took the opportunity to boost its image by holding a fund raising function for the Red Cross at which its two CEOs donated one million yuan (\$US120,000).

Beijing was reluctant to allow private aid collection and

took six days before giving the green light. As with any activity outside their control, Chinese authorities feared that the involvement of masses of ordinary people in making donations could become a focus for political opposition. After all, the social conditions facing the vast majority of the population are very similar to those confronting tsunami victims throughout Asia.

The hypocritical attitude of the Beijing bureaucrats to the tsunami catastrophe is underscored by the domestic social disaster over which they preside every day. Hundreds of millions of people are struggling on a dollar or two a day. Millions of workers had been laid off from state-owned enterprises. Many farmers are either bankrupt or have lost their land, forcing tens of millions to the cities to find low-paid work. Millions of children whose parents cannot afford to send them to school end up as child labourers.

Industrial accidents, especially in mining and the export zones, kill and injure tens of thousands of workers every year. Severe pollution has created many “cancer villages” throughout rural China. Inadequate and poorly policed planning regulations result in many deadly fires and building collapses. Natural disasters such as floods kill thousands of people every year due to the lack of proper assistance or infrastructure.

Beijing maintains its political grip in the face of widespread discontent and protests through police-state repression. The newly affluent middle class layers, who have reaped the benefits of the foreign investment flooding into China to exploit cheap labour, are notorious for their indifference to the plight of the poor. Most are more interested in the latest business news or fashion than what is happening at the bottom of Chinese society.

The attitude of top government officials and the wealthy elite to the impoverished tsunami victims in southern Asia is no different from their attitude towards the Chinese poor. They simply calculated that the catastrophe could be turned to their advantage by raising China’s international profile and cementing closer ties in a region where China has significant economic and strategic interests.



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