

# China's Alibaba promises \$15.5B for development initiatives

September 3 2021, by Joe McDonald

---



Visitors walk past a booth for Chinese technology firm Alibaba at the China International Fair for Trade in Services (CIFTIS) in Beijing, Friday, Sept. 3, 2021. E-commerce giant Alibaba Group said Friday it will spend \$15.5 billion to support President Xi Jinping's campaign to spread China's prosperity more evenly, adding to pledges by tech companies that are under pressure to pay for the ruling Communist Party's political initiatives. Credit: AP Photo/Mark Schiefelbein

E-commerce giant Alibaba Group said Friday it will spend \$15.5 billion to support President Xi Jinping's campaign to spread China's prosperity more evenly, adding to pledges by tech companies that are under pressure to pay for the ruling Communist Party's political initiatives.

Alibaba said it will invest in 10 projects for job creation, "care for vulnerable groups" and technology innovation. Its 100 billion yuan (\$15.5 billion) pledge includes 20 billion yuan (\$12.5 billion) for a fund to "cut income inequality" in the company's home province of Zhejiang, south of Shanghai.

Alibaba and other Chinese tech giants including games and social media service Tencent Holdings Ltd have announced plans to invest in social welfare, technology development and other ruling party priorities in response to pressure to align with Beijing's political and economic plans.

Xi's "common prosperity" campaign calls for spreading the benefits from China's economic growth more widely and narrowing one of the world's widest gaps between an elite with more billionaires than the United States and the poor majority in the 1.4 billion population.

"We firmly believe that if society is doing well and the economy is doing well, then Alibaba will do well," CEO Daniel Zhang said in a statement.

Beijing has launched anti-monopoly, data security and other crackdowns on internet industries since late 2020 in an effort to tighten control over companies the ruling party worries might be too big and independent.



Visitors and staff members walk past an electronic display at a booth for Chinese technology firm Alibaba at the China International Fair for Trade in Services (CIFTIS) in Beijing, Friday, Sept. 3, 2021. E-commerce giant Alibaba Group said Friday it will spend \$15.5 billion to support President Xi Jinping's campaign to spread China's prosperity more evenly, adding to pledges by tech companies that are under pressure to pay for the ruling Communist Party's political initiatives. Credit: AP Photo/Mark Schiefelbein





In this Aug. 10, 2021, file photo, a man wearing a face mask walks past the offices of Chinese e-commerce firm Alibaba in Beijing. E-commerce giant Alibaba Group said Friday, Sept. 3, 2021, it will spend \$15.5 billion to support President Xi Jinping's campaign to spread China's prosperity more evenly, adding to pledges by tech companies that are under pressure to pay for the ruling Communist Party's political initiatives. Credit: AP Photo/Mark Schiefelbein, File

The ruling party tolerated a widening gap between China's rich and poor as the economy boomed over the past three decades. Xi, who took power in 2012, has called for renewing the party's "original mission," which includes eradicating poverty, raising incomes and directing investment toward strategic technology and other initiatives.

Tencent promised 50 billion yuan (\$7.7 billion) last month for "common prosperity" initiatives in health care, education and rural development. That doubled the company's spending on corporate social responsibility.

Another e-commerce company, Pinduoduo Inc., promised last month to spend \$1.5 billion on agriculture and other rural development projects.

Alibaba reported a profit of 45.1 billion yuan (\$7 billion) in the quarter ending in June.

Founder Jack Ma, who stepped down as chairman in 2019, has long been one of China's most prominent charitable donors. His foundation shipped medical supplies to Africa during the coronavirus pandemic and has given to education, health and environmental causes.

© 2021 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed without permission.

Citation: China's Alibaba promises \$15.5B for development initiatives (2021, September 3)  
retrieved 24 April 2024 from

<https://techxplore.com/news/2021-09-china-alibaba-billion-anti-poverty.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.