

> CHINESE AGRICULTURAL COOPERATION IN SUB-SAHARAN AFRICA

# Challenging preconceptions

Jean-Jacques GABAS, Xiaoyang TANG

Chinese agricultural cooperation in sub-Saharan Africa is surrounded by preconceptions: high amounts of aid, massive land grabs to feed China, an inert cooperation model, and centralised orchestration by the government. These ideas mean that certain long-standing operators in the field of cooperation with Africa mistrust or even disregard this key player.

This mistrust must be overcome in the current context. Since the mid-1980s, funding for Africa's agricultural development has been steadily declining, despite a slight upturn since the 2008 food crisis. Moreover, the cooperation models of traditional donors are being reformed, and agriculture is becoming an international priority once more. Although information is still lacking or opaque, it is important to clarify the rationale and the instruments of Chinese cooperation, and to compare viewpoints.

In August 2013, the Chinese government published its second White Paper on *China-Africa Economic and Trade Cooperation*. Following on from the regular Forum on China-Africa Cooperation (FOCAC), this publication confirms China's growing interest in sub-Saharan Africa since the early 2000s, seen in the presence of increasing numbers of Chinese operators from both the public and private sectors, whether in trade (China-Africa trade has increased by a factor of 12 since 2000), direct investment (stocks from 10 to 45 billion dollars, according to sources), or development assistance.

This growing presence is generating rumours and preconceptions, which are often dissemi-

nated through the media. As a result of insufficient transparency in Chinese policy and a lack of understanding, these rumours and preconceptions are leading some operators in the field of cooperation to mistrust or even disregard Chinese agricultural cooperation. This mistrust primarily concerns long-standing operators involved in cooperation with Africa, especially members of the Development Assistance Committee (DAC) of the OECD (Organisation for Economic Cooperation and Development), and African leaders. It hampers cooperation between donors, which has nevertheless become necessary in a context in which budget constraints are increasing and a consensus is emerging between

> Preconceptions are leading to mistrust of Chinese agricultural cooperation

traditional donors on the importance of agriculture for the development of sub-Saharan Africa. Research conducted in sub-Saharan Africa gives a more specific overall picture of Chinese cooperation. It shows that certain preconceptions need to be tempered, such as those concerning the amount of aid, land acquisitions, the cooperation model, or the Chinese government's orchestration of the presence of public and private operators in the sub-continent.

This research (see box p. 4) is based on three sources of analysis resulting from field surveys, which supplement the Chinese information available in the form of strategic documents or reports. The first originates in the study of around 100 Chinese projects, both public and private, in the agricultural sector (excluding forests) in sub-Saharan Africa (AFD-CIRAD, 2013), a study that specifies the details of Chinese aid. The second source derives from the exploitation of the Land Matrix database (2013), which records large-scale land acquisitions according to their status (intended, signed, under negotiation or annulled). The third source stems from research conducted in East Africa and Southern Africa by Tsinghua University.

### China asserting its singularity

Although its cooperation policy is an element of its international geopolitics, and is therefore not disinterested, as in other countries, China is nevertheless asserting its singularity. As an emerging country imposing itself in international affairs, it does not subscribe to certain norms adopted by the DAC countries. It distinguishes itself from North-South cooperation, which it sees as tainted by the colonial legacy, and has made non-interference in the internal affairs of states a key pillar of its foreign policy. It favours South-South cooperation on a basis it describes as win-win. It continues to maintain relations with states shunned by the international community, and refuses relations with any nation that recognises Taiwan (Burkina Faso, Swaziland, São Tomé and Príncipe). Its aid is tied; it does not subscribe to the target of committing 0.7% of its gross national income to official development assistance; and its aid accounting rules differ from those adopted by the DAC countries.

### Amounts are still low

China is considered as a major donor for agriculture in sub-Saharan Africa.

Although its funding has been increasing steadily, especially since 2008, the amount of its aid remains limited, and is well below that of the OECD countries: around 130 million dollars from 2009 to 2012 (amount estimated from the cost of the agricultural demonstration centres, excluding multilateral aid, especially through the World Food Programme), compared to 3 billion dollars committed by DAC bilateral and multilateral donors to agriculture and rural development for 2012 alone. It should be noted that this comparison remains problematic and gives only an order of magnitude, as the figures are not based on the same definitions or statistical methodologies, and Chinese data is often opaque. This relatively modest contribution is confirmed by the AFD-CIRAD study: of the 100 projects studied, 60% are awarded as grants (and the rest as public or private loans). Moreover, these projects only concern a small number of countries: Benin, Ghana, Mali and Senegal in West Africa, for 60%; and Zimbabwe, Tanzania and Mozambique in Southern Africa, for 40%.

Chinese agricultural aid is nevertheless expected to increase, alongside China's massive intervention in the construction of infrastructure and in the search for mineral and oil resources for its own growth.

### Few land acquisitions, production for local markets

China is often accused of acquiring millions of hectares of land in sub-Saharan Africa to ensure its own food security.

According to Land Matrix data, China's public and private land acquisitions represent only 290 000 hectares, 15 times less than the land acquired by the United States, almost 10 times less than the United Arab Emirates and more than 6 times less than the United Kingdom. Chinese land acquisitions are concentrated in just a few countries: the Democratic Republic of Congo, Mali, Mozambique, and Benin. It should be noted that Africa is not a priority continent for China, which has acquired almost twice as much land in South America and in Southeast Asia.

With regard to the accusation of producing to "feed its own population", evidence indicates that Chinese agricultural companies present in Africa produce food crops (vegetables, rice, beans, sugarcane, maize, soy, etc.) for domestic or regional markets. Far from feeding China, the African continent imports from this country

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> The African continent imports from China more agricultural and food products than it exports

- more agricultural and food products than it exports.
- Some products are nevertheless exported, such as palm oil for the Chinese agro-food industry, or cotton and sisal for the textile industry.

## A cooperation model that is evolving...

Contrary to the idea that China's agricultural cooperation model is static, this model is in fact the result of developments due to political change in China and to the growing participation of Chinese operators in international debates on cooperation.

Prior to the 1980s, China assisted in building large state farms such as Mbarali and Ruvu in Tanzania, Kombe in Congo-Brazzaville, and Koba Farm in Guinea-Conakry. Despite good results at first, production rapidly declined, as economic viability was neglected in favour of political objectives. Without withdrawing funding for major projects, especially for irrigation in Ghana, Rwanda and Niger, China then focused on technology transfer and knowledge sharing with farmers: short training courses in vegetable growing or veterinary care; the provision of selected seeds; or the repair of agricultural machinery. These transfers did not produce the anticipated results, as the local, economic, political and social contexts were not given sufficient consideration during the project design stage.

## towards public-private partnerships

In the mid-1990s, the Chinese government thoroughly reformed its cooperation policy. Based on its own experience of development, it has since advocated the market economy to enable rural Africa to escape poverty, by increasing farmers' incomes and improving their living conditions. It finances the construction of farms and equipment for local processing of agricultural products, and sends Chinese technicians responsible for transferring and disseminating techniques developed in China.

Increasingly, China is associating its interventions with private investment and commercial activities. For example, in Guinea, Mali and Ghana, Chinese companies have joined forces with local companies or investors, in the form of joint ventures. In Tanzania and Zambia, Chinese companies have established farms using

subsidised loans granted by Eximbank, the export-import bank of China.

This model combining aid, investment and trade has intensified with the agricultural technology demonstration centres, announced at the 2006 FOCAC in Beijing and confirmed since. Four centres were set up in 2010 (Cameroon, Liberia, Benin, Uganda), seven in 2011 (Mozambique, Sudan, Tanzania, Zambia, South Africa, Rwanda, Congo-Brazzaville) and nine in 2012 (Ethiopia, Togo, Angola, Mali, Congo-Kinshasa, Mauritania, Malawi, Central African Republic, Côte d'Ivoire), with surface areas varying between 0.3 and 120 hectares.

These demonstration centres are evidence of the cooperation policy in force, based on public-private partnerships, combining grants and commercial activities. For the first three years, the Chinese government awards grants: for the construction of the centre, carried out by Chinese state-owned companies; and for agricultural training and extension provided by Chinese experts. After the first three years, the centres are expected to sell their training services and their products, especially vegetables, on local markets in order to become self-financing. As the creation of these centres is recent, there has not yet been any impact assessment.

The demonstration centres also illustrate a model based on technical-economic aspects, implying that food security is a matter of the availability of agricultural products. Consequently, China takes little account of constraints on demand, grain market failures, the institutional environment or the role of agriculture against a broader development backdrop. Whether in the administrations responsible for cooperation or in research, it gives little attention to or even disregards issues of market instability, insurance, youth employment in a context of rapid population growth in rural areas, or the structural transformation of agricultural economies. True to its principle of non-interference, and also aware of the insufficient number of its technical assistants, it has little involvement in the drafting of national agricultural policies or in the research agendas of national agricultural institutes.

## A diversification of operators

Contrary to the idea that the government in Beijing is orchestrating a surge of Chinese companies and entrepreneurs, Chinese cooperation is marked by the multiplication – most often uncoordinated – of diverse operators. Until the

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## A few words about...

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1990s, the Chinese government controlled all interventions in the agricultural sector in Africa. But since then, the institutional landscape has become more diversified and complex.

In China, development assistance is managed by three ministries: the Ministry of Foreign Affairs, the Ministry of Trade and the Ministry of Agriculture. Two state-owned banks finance Chinese companies in the agricultural sector in Africa: Eximbank grants loans either at preferential rates or at market conditions; the China Development Bank offers loans only at market conditions, and feeds the China-Africa Development Fund, which invests in Africa, especially in agricultural projects. Furthermore, to avoid fierce competition in China, many public, national and provincial companies are investing in Africa. Some small private entrepreneurs are also venturing into poultry farming and vegetable growing; outside of any official cooperation, they are often unknown to the Chinese embassies in the countries concerned.

## Encouraging permeability

Since the 1950s, the Chinese agricultural cooperation model has been evolving, even if change

is slow. It is influenced by China's own experience of development, by the assessment practices of other donors, by negotiations with the beneficiaries of aid (policy makers, farmers' organisations), or by participation in international negotiating bodies on aid effectiveness (the China-DAC Study Group, the Busan forum, etc.).

It is also influenced by experience sharing, as with the visit of Chinese operators to Embrapa (Brazil) to discuss Brazilian agricultural development and what Africa can learn from it.

Finally, it is influenced by the circulation of ideas between national administrations in charge of cooperation, between trilateral cooperation partners, between the world of research and that of higher education, and between civil society representatives, etc.

Ideas and experiences are revealing a certain permeability, indicating that these worlds are not entirely distinct. This permeability should be encouraged in order to eradicate preconceptions on both sides, based on the findings of research. It will then be possible to discuss the cooperation and development paradigms not only of China, but also of the traditional DAC donors. <

This *Perspective* is based on studies by GEMDEV (2012), AFD-CIRAD (2013), and Land Matrix data, in which Jean-Jacques Gabas participated, as well as research conducted in Southern Africa by Xiaoyang Tang. This research gave rise to several publications, including:

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