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China's Agricultural Belt And Road: Nascent Investor to Putative Development Partner?

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Jiayi Zhou

1 Introduction

In May 2017, the Ministry of Agriculture, National Development and Reform Commission, the Ministry of Commerce, and the Ministry of Foreign Affairs of the People's Republic of China (PRC) jointly published the white paper 'Vision and Action on Jointly Promoting Agricultural Cooperation on the Belt and Road.' (hereafter the 'ABR Vision and Action Plan'). This newly formalized agricultural component of the larger Belt and Road Initiative (BRI) proposed agricultural cooperation with the mostly agrarian partner nations of the BRI as a way to "promote agricultural sustainability," to "share development opportunities," and "build a community of common interests and destiny" between China and BRI partners.¹

The BRI is a Chinese government-led strategy that entails a massive outpouring of Chinese investment, loans, and projects both in and outside of China's borders. It is sometimes but not always grouped into at least two separate initiatives: the Silk Road Economic Belt (SREB) and the 21st Century Maritime Silk Road. First announced in 2013, it was expounded upon in the March 2015 official document 'Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road.' Estimates are that the BRI will channel nearly one trillion USD worth of outwards investment into various economic sectors, in geographies across the Eurasian landmass as well as beyond. While it is mostly known for large-scale infrastructural and industrial projects, Chinese investments in the agricultural sector have also been announced within the BRI framework since the initiative was first announced in 2013. These include agricultural land acquisitions, agro-processing and cross-border value chain investments, and technical assistance projects in partnering countries.

Major financial and political incentives for Chinese companies to make new investments, as well as for foreign counterparts to cooperate, have been established through new funds such as the the Silk Road Fund of 40 billion USD, new financial institutions such as the Asian Infrastructural Investment Bank (AIIB), funding for investment through China's policy banks, and numerous state-level visits and diplomatic overtures by China's top leaders as well as sectoral representatives. At the same time, many of the myriad projects under the BRI umbrella were pre-existing, already planned, or were currently underway at the time of its announcement. In this regard, and to a large extent, the BRI provides only a more robust political framework for China's ongoing economic investment activity abroad, which had been and continues to be encompassed by the policy umbrella of China's 'Going Out' (which in the case of agriculture, is denoted by *nongye zouchu qu*, or 'Agricultural Going Out').

The ABR Vision and Actions Plan represents an extension of this BRI logic; low on specific details but full of the political language of mutual benefits, it could for instance be argued that the May 2017 document merely crystallizes pre-existing (though recent) modalities of Chinese overseas agricultural investment, while nevertheless giving this activity a new high-profile political boost. Greater strategic and diplomatic efforts, however, may make all the difference: examination of China's agricultural OFDI policies and practices over the past decade reveals that it is in fact the lack of national-level coordination – as well as a degree of neglect in strategic messaging – that has made agriculture a rather less prominent component of China's overseas investment policy of 'Going Out,' even while

¹ PRC Ministry of Agriculture, NDRC, Ministry of Commerce, Ministry of Foreign Affairs, 'Vision and Action on Jointly Promoting Agricultural Cooperation on the Belt and Road,' 12 May 2017, at: http://english.agri.gov.cn/news/dqnf/201705/t20170512_247847.htm

being subject to politicization in investment destination countries. Whether the ABR represents a sort of new critical juncture in China's overseas agricultural investment activity in practice, however, may be too early to say.

This paper attempts to map the ways in which China's role in overseas agriculture, and in particular, state policy regarding it, has evolved and shifted since the 2000s. It looks at shifts in policy, particularly after 2013, and examines to what extent an increasingly robust 'Agricultural Going Out' policy has to do with the BRI in specific. A detailed look at the on-the-ground impacts of the Agricultural Going Out, or the 'Agricultural BRI' (ABR) China is stressing the positive developmental benefits that its ABR and related-activities are likely to bring to host societies, economies, and populations in terms of agricultural modernization, food security, and even poverty alleviation. But beyond messaging, actual impacts are of course dependent on the more specific design and nature of such investment activities (e.g. whether or not they are extractivist), as well as implementation. The latter is very likely to be subject to the dynamics between levels of Chinese actors and levels of local counterparts – the variegated political, economic, and ultimately power relations between actors on both sides. Chinese investments of course not only operate within specific local political economies, they also impact them.

2 The Agricultural 'Going Out'

The Going Out ('*zou chuqu*') initiative of encouraging Chinese enterprises to invest abroad was first formally proposed by the Central Committee of the Communist Party of China (CPC) in 1999, and subsequently adopted into Tenth Five Year Plan for (2001-2006). The initiative was, and continues to be, a concerted political push by the Chinese government to encourage Chinese enterprises – largely SOEs – to invest abroad. Stated objectives of this policy are to secure resources, promote exports, boost corporations' international branding and competitiveness, expand international cooperation and exchanges, and otherwise open up the developmental space for enterprises, within the context of China's wider integration into the global economy.² Financial incentives and supports are provided through special government and industry funds, cheap loans or credits provided by China's state policy banks, tax breaks, and other public support services. Besides other public services to such companies, the state apparatus is also otherwise proactive in developing foreign economic relations, working to provide conducive trade and investment environments in local states.³ China's outwards foreign direct investment (OFDI) increased exponentially since the policy's conception, from 2.8 billion in 2002, to 170.11 billion USD by 2016.⁴ These outwards flows have concentrated on sectors such as extractives and mining, leasing and commercial services, finance, and wholesale and retail trade.⁵ Agriculture has featured minimally in Chinese OFDI in relative terms. It is has in fact only been sectorally accounted for in official statistics since 2003 – when agricultural OFDI amounted to 81.7 million USD, or around 3% of the total. In 2015, the figure was around 2%, though in absolute terms it had risen to 2.6 billion USD.⁶ China only became a net investor in agriculture in 2013; it became a net direct investor in all sectors only in 2016, while maintaining a position as one of world's top FDI recipient states.⁷ It is on its way to becoming the world's largest net creditor by 2020.⁸

² Government of the PRC, 'To Better Implement the Going Out Strategy [更好地实施“走出去”战略],’ 15 March 2006, at: http://www.gov.cn/node_11140/2006-03/15/content_227686.htm

³ PRC State Council Overseas Affairs Office, 'Outline of the Going Out Strategy [“走出去”战略概述],’ 2011, at: <http://qwgzyj.gqb.gov.cn/yjyt/159/1743.shtml>

⁴ PRC Ministry of Finance, 'Comments on China's Outward Investment and Cooperation in 2016,' 18 January 2017, at: <http://english.mofcom.gov.cn/article/newsrelease/policyreleasing/201701/20170102503092.shtml>

⁵ Lina Lian (2011), 'Overview of Outward FDI Flows of China,' *International Business Research* 4 (3), 107

⁶ Nong Shijie, '1400 Chinese enterprises making agricultural investments in 90 countries, with total investments of 11.5 billion USD [1400 家中国企业全球 90 个国家投资农业, 总投资额 115 亿美元],’ at: <http://www.nongshijie.com/a/201708/16670.html>

⁷ OECD, 'FDI in figures,' April 2017

A clear definition of the Agricultural Going Out remains subject to some debate, but as a study by the Rural Economic Research Center of the Ministry of Agriculture (MoA) defined in 2012, encompasses the overseas direct investment activities of Chinese enterprises – both state-owned and private – in all sectors of agriculture: crops, forestry, animal husbandry, fishing production and processing, feed, fertilizer, agricultural inputs, and as well in logistical facilities.⁹ In alignment with the broader Going Out, of which agriculture is one targeted sector, the state has provided financial and policy supports for such enterprises. Agribusinesses and companies interested in investing in the agricultural sector have been eligible to receive general funds and loans for businesses to go abroad, and specialized state funds for the agriculture sector in specific have also been made available more recently: a Foreign Agricultural Loan Program was set up by the China Exim (Export-Import) Bank and MoA in December 2008, and in 2011, a cooperation agreement between the China Development Bank (CDB) and MoA on the Agricultural Going Out was also signed.¹⁰

As for overarching national policy guidance, in 2006, the Ministry of Commerce, the Ministry of Agriculture, and the Ministry of Finance issued ‘Opinions on Accelerating the Implementation of the Strategy of ‘Going Out’ of Agriculture,’ with the MoA issuing a ‘Development Plan the Agricultural Going Out’ as well.¹¹ The country’s Eleventh (2006 – 2010), Twelfth (2011 – 2016), and Thirteenth (2016 – 2020) Five-Year Plans have promoted the acceleration of the Agricultural Going Out, in addition to specialized five-year plan guidance by the MoA, e.g. the Eleventh Five and Twelfth Five Development Plan for International Agricultural Cooperation and the Thirteen-Five Development Plan for Agricultural Science and Technology. Other documents which reiterate language regarding the Agricultural Going Out include: the annual No. 1 Policy Documents of the CPC, and the State Council’s ‘National Development Plan for Modern Agriculture 2011-2015.’ The National Food Security and Long-Term Planning Framework (2008-2020), also mentions the Agricultural Going Out, for a stable and reliable import system for those particular commodities, e.g. soybeans and oilseeds, for which China is not self-sufficient.¹² In 2014, the CPC Central Committee and State Council released ‘Several Opinions on Comprehensive Deepening Rural Reform and Quickening the Promotion of Agricultural Modernization.’ Within the subsection on improving national food security, the government proposed “reasonable use of international agricultural markets,” through in part:

“Accelerating the implementation of the Agricultural Going Out policy, and cultivating large grain, cotton, oilseed and other such companies that have international competitiveness. Supporting the outside world, particularly neighboring countries, to carry out agricultural production and import-export cooperation for mutual benefit and win-win. Encouraging financial institutions to actively innovate financial means and methods for the international trade of agricultural products and services for the Agricultural Going Out. Exploring the establishment of an international trade fund and a overseas agricultural development fund.”¹³

⁸ David Dollar, ‘China as a Global Investor,’ Brookings, Asia Working Group, Paper 4, May 2016

⁹ Agricultural Development Bank of China, ‘Agricultural Going Out’s Meaning and Present Situation,’ 24 October 2015, at: <http://www.adbc.com.cn/n136/n139/n152/c17320/content.html>

¹⁰ Phoenix News Media, ‘Ma Zhigang: Progress and Countermeasures in China’s Agricultural Going Out’ 21 June 2016, at: http://pit.ifeng.com/a/20160621/49206766_0.shtml

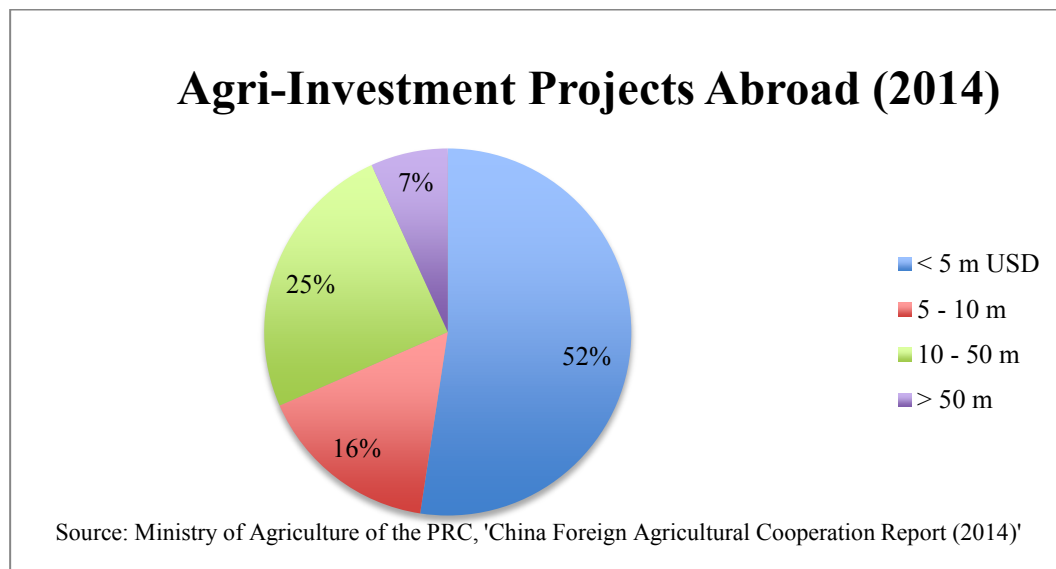
¹¹ PRC Ministry of Agriculture, ‘Opinions of Accelerating the Construction of Modern Agriculture,’ 14 June 2006; PRC Ministry of Commerce, ‘Agricultural Going Out: How Can Enterprises Go Out Well? [农业“走出去”，企业如何走稳走好？],’ 6 May 2014, at: <http://cafec.mofcom.gov.cn/article/tongjipeixun/201405/20140500573571.shtml>

¹² Government of the PRC, ‘National Food Security Medium to Long-term Framework (2008-2020) [国家粮食安全中长期规划纲要(2008—2020年)],

¹³ Government of the PRC, State Council and CPC Central Committee, ‘Opinions of Deepening Rural Reform and Accelerating the Modernization of Agriculture [关于全面深化农村改革加快推进农业现代化的若干意见],’ 19 January 2014, at: http://www.gov.cn/jrzq/2014-01/19/content_2570454.htm;

The Agricultural Going Out in Practice

In initial years China's overseas agricultural investments were dominated by the activity of SOEs, with the largest state-owned China National Cereals, Oils and Foodstuffs Corporations (COFCO) being a self-proclaimed 'vanguard' for the Going Out.¹⁴ In recent years, however, the body of actors investing abroad in the agriculture sector has diversified into a much more balanced mix of private and state-led corporations. Investments have also diversified in terms of their shareholder and ownership structure, and have expanded from initial focus on basic resource development, to "business management using capital cooperation, and promoting international mergers and acquisitions in the industry."¹⁵ Data from the MoA's Foreign Economic Cooperation Center revealed that by the end of 2013 there were 443 Chinese-established agricultural enterprises abroad, involving 373 domestic actors. Of these Chinese actors, 213 were so-called "dragon head" industry leaders, which accounted for 54.5% of the investment flows that year.¹⁶ However, these statistics are piecemeal and incomplete, due to lack of national-level aggregated information about enterprise activities.¹⁷ Investments have been concentrated in countries of ASEAN, Russia, South America, and Africa. In 2015, crop cultivation accounted for 59% of this outflow, with forestry, animal husbandry, fishery, and services at 26%.¹⁸



In the China Foreign Agricultural Cooperation Report published in 2014, the MoA noted that the financial scale of these investments remains small (see Figure 1), and that on the whole, China's OFDI concentrates on low value-added, low-tech and labor intensive industries, with projects followed no overarching strategic layout for establishing a global supply chain. Enterprises were driven abroad instead by a desire for cheap land, labor resources, and the front end of the value chain, e.g. farming.¹⁹ Indeed, often lost in earlier western analyses and discourse about China's massive "land grabs" was

¹⁴ PRC Ministry of Commerce, 'COFCO: Let agricultural cooperation shine a new light on BRI economic cooperation [中粮集团：让农业合作在“一带一路”经济建设中焕发新光彩], 16 May 2017, at: <http://cafiec.mofcom.gov.cn/article/zqzhw/201705/20170502575888.shtml>

¹⁵ Agricultural Development Bank of China, 'Agricultural Going Out's Meaning and Present Situation,' 24 October 2015

¹⁶ Ministry of Commerce, WTO / FTA Consulting, '2014 Release of 'China's Foreign Agricultural Investment Cooperation Report,' 3 June 2015, at: <http://china.wto.mofcom.gov.cn/article/ap/1/201507/20150701043201.shtml>

¹⁷ Nong Shijie, '1400 Chinese enterprises making agricultural investments'

¹⁹ Ibid.

the smaller-scale, private and more individualized corporate actors, whose on-the-ground activities may not be captured by national-level statistics or news headlines, and are also not as subject as to in-depth research and analysis. However, such actors have in fact been instrumental in breaking investment ground in countries for China.

But how efficacious has the policy side of the Agricultural Going Out been for Chinese enterprises in practice? State actors such as COFCO have received billions in loan supports from China's policy banks, as well as tax reductions and duty exemptions. But Chinese media, research and academic articles are rife with the policy bottlenecks and difficulties of investing overseas for less established or state-connected corporate actors. Published even in government outlets is analysis that despite rhetorical policy support for the Agricultural Going Out, "follow-up preferential policies and support measures are not in place" for interested enterprises.²⁰ Some of the more specific complaints of agribusiness noted by the MoA, in a research study undertaken by its Rural Economy Research Center, are that relevant procedures for approval are convoluted and complex, national seed export management restrictions, lack of corresponding insurance products and services, and lack of national financial funds.²¹ State financing mechanisms established for the Agricultural Going Out have been difficult for smaller corporate actors to access due collateral requirements, as overseas assets often cannot be mortgaged. The 2011 Twelfth Five-Year International Agricultural Cooperation Development Plan itself also noted that there were "financing problems related to the implementation of the Agricultural Going Out."²²

Importing overseas products back to China has as not featured as a major *modus operandi* for most Chinese corporate actors. But in terms doing so, agribusinesses complained of difficulties related import management restrictions, inspection and quarantine restrictions, and the a double tax or customs duty burden. Indeed, China has a strict import tariff quota for imports of sugar, wheat, corn, rice, cotton, wool, and certain oilseeds, allowing for only the companies that are over 50% state-owned to bypass. This limits the potential of China's majority private companies and smaller actors engaged in Going Out to tap into the home market.²³ The China Overseas Agricultural Development Alliance, an organization with 30 of the most powerful and well-known domestic agricultural enterprises in its membership, states that:

"Many agricultural enterprises are interested in overseas low-cost land and abundant fresh water resources, answering the national call and actively "going out" to develop and expand overseas markets. However, many "going out" enterprises in particular private enterprises and individually owned enterprises are faced with a series of problems such as small scale, scattered strength, narrow field, insufficient overseas agriculture experience and lack of effective financing channels. These enterprises are restricted by national policies with respect to tax, entry inspection and quarantine, etc., which hinders the "going out" enterprises."²⁴

²⁰ Xinjiang Agricultural Information Net, 'Thoughts on Accelerating the Implementation of the Agricultural Going Out Strategy [关于加快实施农业“走出去”战略的几点思考],’ 4 September 2014, at: <http://www.xj-agri.gov.cn/nongcxh/6042.jhtml>

²¹ PRC Ministry of Commerce, 'Agricultural Going Out: How Can Enterprises Go Out Well?

²² China Economic News, 'Twelfth Five-Year Development Plan for International Cooperation (Full Text) [农业国际合作“十二五”发展规划],’ 5 February 2013, at: http://www.ce.cn/cysc/agriculture/gdxw/201302/05/t20130205_81372.shtml

²³ SRI Agriculture and Development Research Center, 'The rights and wrongs of China's overseas agricultural investment [中国企业海外农业投资的是与非],’ 10 October 2014, at: <http://sri.blog.caixin.com/archives/77592>; PRC Ministry of Commerce, 'Agricultural Going Out: How Can Enterprises Go Out Well?

²⁴ China Overseas Agricultural Development Alliance, 'Alliance Background,' at: http://www.coada.org/EN/about_bj.aspx

These are in addition to issues of lack of industry association support, lack of support from foreign governments, and the myriad more investment-related problems and encounters related to doing businesses abroad more generally for inexperienced corporations.²⁵

Chinese corporations – particularly the smaller and private ones – have pointed these policy bottlenecks as being a factor in the weaker national aggregate results in this particular sector, and often unsurprisingly, have argued for much more state support and attention to these problems. Indeed, as one MoA official put in 2016, up until recently the Agricultural Going Out plans were “suspended at the top,” without many coordinated national efforts in regards to its implementation.²⁶ Part of this is that aspects of Going Out policy has been divided between responsibilities of the National Development and Reform Commission, the Ministry of Finance, the Ministry of Commerce, the Ministry of Agriculture, and other bodies, without sufficient inter-agency coordination.²⁷ Moreover, as is the wont in China, national-level policy guidance often falls short of specific measures and details. Therefore, much of the interpretation and implementation of this industry-related policy has in fact been left to provincial and local governments. Fifteen of China’s provincial governments have for instance created their own specific Agricultural Going Out plans, in accordance with their own provincial comparative advantages, characteristics, and specific circumstances.²⁸

Ma Zhigang, director of the Investment Policy Department of the MoA, speaking at the 2016 Boao Forum on the effectiveness of the Agricultural Going Out, has described the ongoing efforts by the government to resolve bottlenecks of the policy. According to him, in October 2014, the State Council established a inter-ministerial Task Force for Overseas Agricultural Cooperation to coordinate, streamline, and promote Agricultural Going Out efforts. This, comprised of 18 government departments and ministries, is led by the Minister of Agriculture Han Changfu, with the head of the NDRC, the vice minister of the Ministry of Commerce and others servicing as vice the conveners. As part of their efforts, a new specialized office within the MoA for overseas agricultural cooperation has been created established, pilot Agricultural Going Out business insurance subsidies and overseas agricultural extension subsidies have been created, and new public information services will be provided for interested businesses. This task force was charged also with reviewing and approving the ABR Vision and Actions Plan that was released in May 2017.²⁹

3 The Agricultural Belt and Road

Various investments have deemed themselves BRI-related, including those by private enterprises of no state affiliation, and which may receive no particular governmental policy supports. Indeed, outside of certain concrete funding mechanisms and certain government-to-government deals, the BRI is a loose and indeed unofficial label that can be applied to or utilized by a variety of actors for public diplomacy or publicity purposes. The MoC in its BRI investment and cooperation statistics captures only the broad amount of investments in BRI-countries – and does not provide any disaggregated data on BRI-specific projects.³⁰ In actual fact, no official list of BRI-specific projects exists, and even the countries partnering with China on the BRI is in state news sources or statistics is only a number given as a total, based on bilateral agreements the contents of which differ case by case. Such a loose and flexible framework and format in fact suits China’s purposes quite well in its various dealings at both bilateral and multilateral levels.

²⁵ SRI Agriculture and Development Research Center, ‘The rights and wrongs of China’s overseas agricultural investment’; PRC Ministry of Commerce, ‘Agricultural Going Out: How Can Enterprises Go Out Well?’

²⁶ Phoenix News Media, ‘Ma Zhigang: Progress and Countermeasures in China’s Agricultural Going Out’

²⁷ Xinjiang Agricultural Information Net, ‘Thoughts on Accelerating the Implementation of the Agricultural Going Out Strategy’

²⁸ Phoenix News Media, ‘Ma Zhigang: Progress and Countermeasures in China’s Agricultural Going Out’

²⁹ Ibid.

³⁰ PRC Ministry of Commerce, ‘Investment and Cooperation Statistics about Countries along Belt and Road in January 2017,’ 8 March 2017, at: <http://english.mofcom.gov.cn/article/statistic/foreigntradecooperation/201704/20170402551467.shtml>

Agriculture was mentioned as an area for mutual investment within the May 2015 document Vision and Actions on Jointly Building Silk Road Economic Belt and 21st- Century Maritime Silk Road. But though the format of the ABR Vision and Action Plan, and its release as a joint document of the MoA, National Development and Reform Commission, the Ministry of Commerce, and the Ministry of Foreign Affairs certainly elevates it into a special category, agriculture is not necessarily a uniquely targeted sector in regards to the BRI. It was in fact one of many deliverables of the May 2017 BRI Forum, including the policy documents ‘Building the Belt and Road: Concept, Practice and China’s Contribution,’ ‘Vision and Actions on Promoting Energy Cooperation on the Belt and Road,’ ‘Guidance on Promoting Green Belt and Road and Vision for Maritime Cooperation on the Belt and Road Initiative,’ and ‘Guidance on Promoting Green Belt and Road and Vision for Maritime Cooperation on the Belt and Road Initiative.’³¹ High-level officials within the MoA have also seemingly linked the Agricultural BRI Vision and Action Plan to the ongoing efforts of the inter-ministerial task force established in 2014. While categorized as part of the enhancement and acceleration of the Agricultural Going Out, the BRI and the BRI Forum potentially offered a timely platform for their work to be showcased.

But whether agricultural investments by Chinese corporations abroad counts as ‘Going Out’ or part of the BRI, however, is largely a moot point: they are both. Yang Yi, head of the Foreign Economic Cooperation Center within the MoA, linked both – stating that “overseas agricultural investment cooperation is an important part of the national Going Out strategy, and is a key part of realization the BRI grand strategy.”³² The January 2017 MoA Thirteenth Five-Year Agricultural Science and Technology Development Plan states that “pace of agricultural science and technology” bringing in and going out” has obviously accelerated. The international cooperation network has expanded and improved; we have accomplished a number of technology transfers, built demonstration service bases, and international cooperation in agriculture along BRI countries continues to grow.”³³ Indeed, the BRI itself has been noted by many analysts as merely more of the same, or at best a sort of Going Out 2.0. Moreover, the economic policy goals the two frameworks serve are mostly the same:

The ABR Vision and Action Plan states that China will “promote agricultural cooperation under the Belt and Road Initiative,” prioritizing “a policy dialogue platform, agricultural science and technology, agricultural trade, agricultural investment, and capability building and non-governmental exchanges.” Such language has in fact mirrors much of the language of international agricultural cooperation as promoted by the MoA and in Agricultural Going Out guidance. Some concrete mechanisms proposed for achieving this in the ABR Vision and Actions Plan, include “bilateral cooperation between governments; multilateral cooperation mechanisms; major conferences and forums; and overseas agricultural cooperation parks.” Bilateral cooperation seems certainly to have been accelerated. At the first BRI Forum held in May 2017, the MoA announced MoUs, strategic action plans, five-year plans, and three-year plans with the governments of Serbia, Argentina, Chile, and Egypt.³⁴

But what is unique about the BRI is the degree of concerted and strategic messaging not for Chinese corporations, but for foreign counterparts. Indeed, Foreign Minister Wang Yi made it the promotion of the BRI the “diplomatic thrust” of his ministry in 2015.³⁵ This admixture of economics and politics is

³¹ PRC Ministry of Environmental Protection, ‘List of Deliverables of the Belt and Road Forum for International Cooperation,’ 16 May 2017, at: http://english.mep.gov.cn/News_service/media_news/201705/t20170516_414107.shtml

³² China Agricultural Mechanization Herald, ‘China Overseas Agricultural Investment Report Release,’ 16 June 2015, at: http://www.camn.agri.gov.cn/Html/2015_06_16/2_22947_2015_06_16_27835.html

³³ PRC Ministry of Agriculture, ‘Thirteenth Five-Year Agricultural Science and Technology Development Plan [“十三五” 农业科技发展规划],’ 25 January 2017, at: http://www.moa.gov.cn/zwlml/ghjh/201702/t20170207_5469863.htm

³⁴ PRC Ministry of Environmental Protection, ‘List of Deliverables of the Belt and Road Forum for International Cooperation’

³⁵ Chen Heying, ‘Foreign policy in 2015 to focus on ‘Belt and Road’ initiatives,’ Global Times, 9 March 2015, at: <http://www.globaltimes.cn/content/910919.shtml>

of course not unusual for the Chinese state. And much like the BRI itself, the proposed ABR also constitutes a concerted public messaging campaign, providing an overarching strategic narrative for China's Agricultural Going Out – not only for Chinese domestic industries, enterprises and audiences, but also for foreign counterparts. Thus, the inclusion of the Ministry of Foreign Affairs among the signees of the ABR Vision and Action Plan strikes as particularly interesting. Indeed, high-level diplomatic efforts for the BRI are so far much more robust than any other economic initiative in China's repertoire.

In this regard, the developmental narrative plays an important role. The Agricultural BRI Visions and Actions Plan, frames the entire endeavor altruistically, making reference to the United Nations' Sustainable Development Agenda (Agenda 2030), and ending on the note that "China is willing to make greater contribution to food and nutrition security and agricultural sustainability in the world."³⁶ This rhetoric is echoed by the industry. For example, even prior to the publication of the Agricultural BRI Visions and Actions Plan, the Honary Chairman of the China Overseas Agricultural Development Alliance (COADA) – putatively a civil society organization – had attended an EU Agricultural Outlook Conference, also attended by President of the European Commission, and in presenting about about the agricultural component of BRI, stated specifically that the "The 'One Belt, One Road' [previous label for the BRI] policy in agriculture refers to Chinese efforts to infuse agricultural technology and capital to underdeveloped nations in Africa and South Asia, with the aim to resolve the problems of food security and poverty." And that "The agricultural efforts under the 'One Belt, One Road' Policy does not directly promote Chinese domestic agriculture." Highlighting the non-commercial e.g. developmental nature of BRI investments, it states that "due to the low degree of economic development and existing financial constraints, these nations cannot become commercial market for the world's major food producers [sic]."³⁷

The sincerity of this type of rhetoric may of course could be questioned by western or critical analysts, but it is notable that the BRI is even incorporated into China's *National Plan on Implementation of the 2030 UN Agenda for Sustainable Development*, released in September 2016. The document explicitly linked China's BRI with facilitating the Agenda 2030's implementation in BRI target countries. Highlighting China's role as not a developmental actor overseas, China's action plan for achieving Goal 2 of eradicating hunger, includes a promise to "by 2022, jointly launch about 10 country programs under the South-South cooperation framework with the UN Food and Agriculture Organization, and conduct cooperation with countries and regions along the Belt and Road routs in such areas as crop breeding, animal husbandry, fishery, and processing and trade of agricultural products."³⁸ In China's Position Paper on the Implementation of the 2030 Agenda, released earlier in April 2016, it is also notable that Goal 2 of eradicating poverty and hunger was listed first among the government's key priorities.³⁹ The Agricultural BRI Visions and Actions Plan, published later, are also framed altruistically, with reference Agenda 2030, and ending on the note that "China is willing to make greater contribution to food and nutrition security and agricultural sustainability in the world."⁴⁰

³⁶ PRC Ministry of Agriculture, NDRC, Ministry of Commerce, Ministry of Foreign Affairs, 'Vision and Action on Jointly Promoting Agricultural Cooperation on the Belt and Road'

³⁷ Huang Jiangnan, 'The Future of Agriculture in the Era of Idea Economy [sic],' presentation delivered at 2016 EU Agricultural Outlook Conference, at: <https://ec.europa.eu/agriculture/sites/agriculture/files/events/2016/outlook-conference/outlook-conference-2016-12-06-huang-jiangnan.pdf>

³⁸ PRC Ministry of Foreign Affairs, 'China's National Plan on Implementation of the 2030 Agenda for Sustainable Development,' September 2016, at: http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/W020161014332600482185.pdf

³⁹ PRC Ministry of Foreign Affairs, 'China's Position Paper on the Implementation of the 2030 Agenda for Sustainable Development,' 22 April 2016, at: http://www.fmprc.gov.cn/mfa_eng/wjdt_665385/2649_665393/t1357701.shtml

⁴⁰ PRC Ministry of Agriculture, NDRC, Ministry of Commerce, Ministry of Foreign Affairs, 'Vision and Action on Jointly Promoting Agricultural Cooperation on the Belt and Road'

The Chinese government, in its efforts to promote the BRI in general, has posited it as one of the main engines to “promote world peace and development” of the century.⁴¹ That its financial outpourings will have effects on economies and on development across Eurasia beyond is clear. The BRI has now been endorsed by the United Nations Development Programme (UNDP), with a high-level official calling it a potential “accelerator and an effective vehicle” to achieve Agenda 2030. China and the UNDP signed an MoU in September 2015, for

“[a] strategic cooperation framework that aims to enhance collaboration between UNDP and the Chinese government for the implementation of the Belt and Road Initiative (BRI) and the 2030 Agenda for Sustainable Development . . . to mobilize and facilitate co-ordination among all stakeholders involved to create an environment which will promote poverty eradication, environmental sustainability and inclusive social development.”⁴²

While China’s narrative and potentially its activities as a major developmental actor are quite remarkable, it much be mentioned that it is not necessarily new. As far back as 1996, when China’s published its first White Paper on Grain Security, the government stated that “not only does China not pose a threat to world food security, China will make greater contributions towards world food development!”⁴³ Language in the 2011 Twelfth Five-Year Development Plan for International Cooperation stated that one of the main tasks of China in this regard was to “to perfect the agricultural South-South cooperation and development system with Chinese characteristics and to strengthen international cooperation in agriculture and food,” through “earnestly fulfilling our government’s agriculture related external commitments to the Millennium Development Goals, as agreed upon at the Beijing Summit of the China-Africa Cooperation Forum, increas[ing] overseas agricultural technological demonstrations, sending out personnel and providing trainings within China.”⁴⁴

At the time of writing, it is still too early to say what exactly the ABR is likely to look like in practice, and whether or to what extent it will in fact be categorically different from a more robust Agricultural Going Out in function. The more pertinent question is of course what developmental impacts China’s overseas agricultural investment projects are likely to have. Certain agricultural deals and discussions which fall specifically under the BRI framework, or in BRI countries, have already had an impact on host countries. This rest of the paper examines briefly examines one case within the SREB portion of the BRI – both of which border China, but with quite different agrarian structures and circumstances. As it shows, there is much variability in China’s investment models and modes in different regions. It shows also the variability of China’s BRI as it applies in different parts of the world – where geostrategic priorities may be more or less prominent. But interestingly, what is of greatest interest here is the degree to which Chinese investments will affect the local politics of these countries, and how it interacts with the political economies, agrarian politics, and governance in and of these countries.

⁴¹ Ibid.

⁴² United Nations Development Programme (UNDP), ‘Belt and Road: new path to regional development’, Press release, 10 November 2016

⁴³ As qtd. in Richard Ghiasy and Jiayi Zhou, ‘The Silk Road Economic Belt: Security Implications and EU-China Cooperation Prospects,’ Stockholm International Peace Research Institute, 2017, 51

⁴⁴ China Economic News, ‘Twelfth Five-Year Development Plan for International Cooperation’

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