



'Friendship' Rice, Business, or 'Land-grabbing'?

The Hubei-Gaza rice project in Xai-Xai

Ana Sofia Ganho

LDPI
Working
Paper

32

'Friendship' Rice, Business, or 'Land-grabbing'? The Hubei-Gaza rice project in Xai-Xai

By Ana Sofia Ganho

Published by:

The Land Deal Politics Initiative

www.iss.nl/ldpi

landpolitics@gmail.com

in collaboration with:

Institute for Development Studies (IDS)

University of Sussex

Library Road

Brighton, BN1 9RE

United Kingdom

Tel: +44 1273 606261

Fax: +44 1273 621202

E-mail: ids@ids.ac.uk

Website: www.ids.ac.uk

Initiatives in Critical Agrarian Studies (ICAS)

International Institute of Social Studies (ISS)

P.O. Box 29776

2502 LT The Hague

The Netherlands

Tel: +31 70 426 0664

Fax: +31 70 426 0799

E-mail: iss.icas@gmail.com

Website: www.iss.nl/icas

The Institute for Poverty, Land and Agrarian Studies (PLAAS)

School of Government, Faculty of Economic and Management Sciences

University of the Western Cape, Private Bag X17

Bellville 7535, Cape Town

South Africa

Tel: +27 21 959 3733

Fax: +27 21 959 3732

E-mail: info@plaas.org.za

Website: www.plaas.org.za

The Polson Institute for Global Development

Department of Development Sociology

Cornell University

133 Warren Hall

Ithaca NY 14853

United States of America

Tel: +1 607 255-3163

Fax: +1 607 254-2896

E-mail: ta12@cornell.edu

Website: polson.cals.cornell.edu

© May 2013 All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means without prior permission from the publisher and the author.

Published with support from the UK Department for International Development (DfID), Atlantic Philanthropies, Inter-Church Organization for Development Cooperation (ICCO), Ford Foundation and Miserior.

Abstract

This paper examines a land deal in a state-run irrigation scheme in Southern Mozambique to develop agriculture through technology transfers, in the context of Sino-Mozambican bilateral relations. The project has developed in two distinct phases since 2006, consisting of a pilot phase and slow expansion until late 2011, and of massive expansion of land use since then. Using an agrarian political economy approach, this study provides an analysis of the actors, processes and outcomes of the Chinese project to date, and particularly of political dynamics at work. This paper engages the land-grabbing debate about the place of China therein, the role of the state versus private investors, and the directions of agrarian change from a historical perspective, while questioning basic assumptions such as the duality smallholders - commercial farmers.

About the Author

Ana Sofia Ganho is a PhD candidate at University of Manchester's Institute for Development Management and Policy. Her thesis project looks at the water component investments in rice and sugar plantations in Mozambique, impacts on land and water rights locally and in the policy-making process. Ana Sofia has worked in Portugal, the USA and sub-Saharan Africa.

Acknowledgement

I would like to thank Sérgio Chichava, from the Institute of Social and Economic Studies (IESE), in Maputo, Mozambique, for sharing the twinning agreement about the project and allowing me to accompany him and visiting researcher Jimena Durán in a scoping visit in 2011. I am also grateful to Phil Woodhouse and Sarah Bracking for their comments and suggestions, to IESE for the invaluable support during fieldwork as associate researcher, and to LDPI for the funding and editorial comments provided. Finally, I thank RBL-EP staff for their openness, as well as interviewees from local and central government, ARPONE members, the population of Chicumbane, and Wanbao staff for their time.

Table of Contents

1 'Land-grabbing': global debate(s), China's role, and the Mozambican context	1
2 The Regadio do Baixo Limpopo: geographical and historical context	4
3 The Chinese Project: from 'friendship' farm to ambitious plans	9
4 The Mozambican farmers: beneficiaries of the Chinese technology?	12
5 Terms of cooperation.....	14
5.1 Technology transfer: concept and means of implementation	14
5.2 Terms of land and water use: old and new agreements	17
5.3 Evolving perspectives on Chinese investment in Mozambican rice production.....	17
6 The politics of land and water use in RBL	18
7 Conclusions.....	21
Annex	24
References.....	25

1 'Land-grabbing': global debate(s), China's role, and the Mozambican context

The debate around 'land-grabbing' has evolved considerably since it burst into media headlines in 2008, from a polarisation of views in favour and against. Opponents of the land deals characterized them as an illegitimate takeover by industrialized and land/water-scarce countries of communal land in developing countries, for the large-scale, mechanized production of biofuel and food crops. The process was also regarded as a form of neocolonialism (Blas, 2008), the imposition of extractive logic by foreign powers producing impoverishment through land dispossession, loss of livelihoods and environmental degradation. Conversely, proponents of large land deals – essentially, businesses, some governments and bilateral and multilateral organizations – defended the deals as 'win-win' development opportunities bringing with investment needed jobs, food and technology transfers (World Bank, 2010). Under criticism, this view has also sought to link investment plans with the adoption of the right processes and institutional arrangements, good governance and, not least, investors' compliance with a set of voluntary principles.¹ Assumptions are being revisited and research directions refined as complex and diverse cases emerge globally. Questions have emerged that concern not only the roles of foreign corporations, but also those played by state institutions and domestic elites, as opposed to only foreign actors imposing the deals' terms. Researchers are also asking whether these are new events and 'ruptures', or how far they represent continuity in the patterns of land use and economic accumulation, rural employment and the survival of the 'subsistence farmer'. More broadly, there are questions about the future face of agriculture. The 'land grab' has also raised linked issues around non-agricultural interests such as tourism, conservation and mineral investment; environmental sustainability and water impacts locally; as well as resource management in the context of global geo-economic trends. Such questions have led some critics to postulate multiple types of land-grabbing, rather than a single 'grand land-grab' (Peluso and Lund, 2011) and to interrogate the adequacy of the term 'land-grabbing' for more than drawing media attention (Hall, 2011).

This paper seeks to contribute to the debate on the phenomenon of land-grabbing through analysis of a Chinese land deal that has developed within and beyond a state-run irrigation scheme in the Limpopo Valley in Mozambique. The deal claimed to enable the transfer of Chinese rice growing methods to Mozambican producers, as a means to reduce local poverty and the need for rice imports. This study adopts an agrarian political economy perspective (Bernstein, 2010, in Borras *et al.*, 2011), informed by the context of wider bilateral Sino-Mozambican relations, to provide an understanding of the actors and the changes the new project has produced, with special emphasis on the role of the state and political dynamics among the groups and social classes in the area. To this end, this paper seeks to answer questions identified in the typology developed by Borras and Franco (2010a) and further refined for Southern Africa by Hall (2011) about the kinds of land and associated power (re)distribution the Chinese deal has effected. In so doing, this paper also situates the contemporary project historically, enabling the analysis to question basic assumptions such as the duality smallholder/subsistence agriculture *versus* commercial agriculture. More specifically, the paper asks the following questions:

- 1) What kinds of land and associated power (re)distribution has the Chinese deal effected for the three main Mozambican groups?
 - a. state actors: what role have they played and what forms have they taken along the continuum of state-private involvement?
 - b. 'local elites': how have they responded and are there signs of benefits blocked to other groups?

¹ For important criticism that has been leveled at this code of conduct, see Borras and Franco (2010b).

- c. local populations: how have they been affected by and responded to the presence of the Chinese project? Has there been displacement and dispossession? Have jobs been created, and if so, of what kind?
- 2) What has the Chinese company gained or stand to gain from the deal?
- 3) Does this deal represent a new trajectory of agrarian change or does it constitute continuity with the past?

Ultimately, the paper hopes to contribute towards a richer understanding of 'what land-grabbing produces: what new social relations, land politics, labour markets and modes of accumulation' (Hall, 2011: 208, original emphasis).

China's involvement and investment in African economies has attracted comment for two decades, and it is logical that this should extend to the global context of transnational land deals. With regard to the countries identified as taking land globally and in Africa in particular, China is among the worst offenders, at times singled out (Horta, 2008; GTZ, 2009; Lusa, 2011), although sometimes also being grouped with the BRICs and the Gulf countries (GRAIN, 2008; Anseeuw, 2012; Smaller, Wei and Yalan, 2012). However, even an approximate total figure for China's land deals in Africa is under dispute, given the fragmentary and incomplete nature of the information, especially with regard to the size of individual deals (Hofman and Ho, 2012).

The main rationale offered for China's global land investments is the need to outsource its food production in the face of rapid industrialization, urbanization, population growth (GRAIN, 2008; Freeman, Holslag and Weil, 2008) and biofuel production (de Fraiture *et al.*, 2008). Although such trends undeniably place stress on land in China, a causal link between these and actual agricultural investment in Africa has been difficult to establish (Cotula, 2012; Hofman and Ho, 2012; Freeman, Holslag and Weil, 2008; Cotula *et al.*, 2009). Hofman and Ho (2012) note that Chinese agriculture investment lags significantly behind that of other sectors, corresponding to only 4% of total FDI for 2006-2010 worldwide, adding that China's land-based deals are not concentrated in Africa but in Asia. Other studies also underscore the need to differentiate among imported agricultural produce. For instance, while import of crops for non-food related industrial purposes (rubber, textile fibers, soybeans, biofuels) have indeed increased, along with luxury food items and for the food-processing industry, rice imports have increased less rapidly, and some fruit crop imports have decreased (Freeman, Holslag and Weil, 2008). It is thus a mixed scenario. The fact that import tariffs have not been removed on rice has also been noted to corroborate arguments that China is not using Africa to outsource cultivation of the Chinese staple food (Braütigam and Ekman, 2012, based partly on Freeman, Holslag and Weil, 2008).

On the other hand, it is important to highlight what we do know about China-Africa relations such as their multilateral and bilateral diplomatic framework, and processes and actors involved in the agricultural sector, often with a previous history in the sectors of mining/oil and/or construction, trade and petty commerce (Alden, 2007). Landmarks usually signaled in the historical trajectory of these relations include policies aimed to encourage Chinese companies to 'Go Out' or 'Go Global' in their search for business opportunities, officially launched in 2001 (Alden, 2007), and the triennial meetings of The Forum of Cooperation of Africa and China (FOCAC) since 2000. The latter represent a bi-regional platform for launching cooperation commitments (debt forgiveness, increases in volume of trade and of development assistance) and providing business opportunities (Alden, 2007; Braütigam and Tang, 2009; Hofman and Ho, 2012). Such commitments are then consolidated through bilateral agreements involving financial terms, which can be grants or lines of credit, as Braütigam (2011) notes, depending on the project's purpose. For instance, for diplomatic purposes, China uses grants and zero-interest loans, whereas development finance loans, equity finance and export credits are about business. A combination of these can be used for mixed-purposes projects

for credit-worthy countries with an income stream. The use of grants and concessional loans, which usually characterize aid, does not exclude profit-making. In fact, it is regarded as a requirement, for longer-term sustainability (Braütigam and Tang, 2009). Agriculture, the sector examined here, has often been part of the diplomatic realm, 'friendship farms' constituting one such politically important type of project, but is also a sector targeted for outward investment (Freeman, Holslag and Weil, 2008; Hofman and Ho, 2012). China has promised to build agricultural technology centres in Africa and to train African experts, engaging Chinese research centres and companies in the process (Braütigam and Tang, 2009). Typically, agreements are first implemented by state entities, and then private companies, are selected to finish the job before turning it over to a national entity ('turn key' projects) and/or to continue to exploit it (Braütigam and Tang, 2009). Therefore, agriculture is for China a sector that is part of both aid and FDI strategies.

These relationships have been couched carefully in a 'language of commonality' (Power and Mohan, 2010) that seeks to set them apart from that of Western powers and charges of neocolonialism. At the same time, the effect of China's extraordinary domestic economic growth and rapidly expanding economic presence in Africa has been unsettling for the traditional donors in Africa. However, just as the West's double standards² need to be read between the lines, so an equally critical stance is necessary towards Chinese policy statements of political 'non-interference', 'equality', 'mutual benefit' and 'political trust' or 'non-interference', as they are officially framed in statements of FOCAC and other fora (FOCAC, 2006; Embassy of Namibia, 2012). Furthermore, considering China or even the Chinese state as a monolithic player should be avoided. This is especially important in light of the decentralization of 'Going Global' initiatives (Hofman and Ho, 2012), whereby, in addition to central state entities, Chinese provincial authorities and SMEs can also play key roles that are less subject to control by central authorities and perhaps less sensitive to social and environmental concerns than large MNCs in the public eye (Alden, 2007).

What, then, is the context of Mozambique with regard to 'land-grabbing'? Mozambique is among the top four sub-Saharan African countries that have witnessed significant increased investment in land (Cotula, 2012; World Bank, 2010). More important than exact numbers about the deals' surface area are trends such as the expansion of land used for production of sugar and/or ethanol (Schut, Slingerland, and Locke, 2010), a broader trend in land change noted for Southern Africa more generally (Hall, 2011). Official statistics about land available to or contracted by investors are not forthcoming from the Mozambican government, pending completion of an ecological-agricultural zoning exercise in 2013.³ Statistics about investment values from domestic sources such as the Centre for Investment Promotion (CPI) include only approved projects, i.e., planned, rather than actual investment. Likewise, it is not clear to what extent statistics from the specialized agency for the promotion of agriculture, CEPAGRI, have been checked by monitoring project implementation activity. However, used with caution and combined with other sources for triangulation, CPI and CEPAGRI figures can help to shed light on investment trends and scale, and the place of Chinese investment therein. Recent studies using CPI statistics show that in 2000-2010 (Chichava, 2012) in Mozambique, as elsewhere (noted above), Chinese investment in agriculture and agribusiness was low (4% of total investment) and, most recently, was not concentrated on food crops. Instead, timber and forestry dominate (44%), while food crops and agro-processing represent only 7% of agricultural investments. Alarmist reports about plans to send massive numbers of Chinese farmers to Mozambique's Zambeze basin (Horta, 2008) were also proved to have been greatly exaggerated

² Although the differences cannot be detailed here, creating business opportunities through aid is not unlike what Western governments have done (Bracking, 2009).

³ Interview with zoning consulting firm staff, Maputo, B.18, 19/11/2012. A report combining figures from different sources quotes a total of 36 million ha of potentially arable land, of which 6 million would be under cultivation and 7 million would be available to investors (Oakland Institute, 2011, p. 8). Figures such as these are likely to be revised in the on-going zoning exercise.

(Braütigam and Ekman, 2012), but, according to some informants, such plans may have been scrapped due to fear of resistance (Interview B.7, 26/7/2012; Ekman, 2012).

To sum up, the existing Chinese agricultural projects in Mozambique have been few and of relatively small scale until recently (Braütigam and Ekman, 2012; Ekman, 2012; Chichava, 2010). This was true of the Xai-Xai rice project examined in this paper but is starting to change with the entry of a private operator and expansion of the original project, as will be presented in more detail. Furthermore, the case study goes against some general trends. For instance, it does not fit the prevalence of non-food/flex crops (e.g. sugar cane) in agricultural FDI in Southern Africa. And, insofar as its production is reportedly destined for the Mozambican market for now, it also backs arguments that China's goal there is not to outsource its rice production.

The research is based on fieldwork undertaken for approximately two months, between May and November 2012, in Xai-Xai, Gaza province, and the capital Maputo. A combination of qualitative and quantitative methods was used. Interviews were conducted with city, district, and national government officials; small and medium-scale producers and village dwellers, local and national NGOs, financial institutions, Chinese company representatives and workers. Whenever available, official studies, presentations, and reports were used for triangulation, as was quantitative data concerning values of investment, loans, production area and crop yields.

Regarding this paper's structure, the next section provides a brief geographical and historical context of the area where the Chinese project began. The paper goes on to examine the project from the Chinese side (Section 3), the designated beneficiaries of the technology (Section 4), and to discuss the specific terms of cooperation (Section 5). Section 6 looks at the institutional and political dynamics on the Mozambican side, and implications for the relationship with the Chinese project. And the concluding section draws conclusions with respect to the questions identified at the start of the paper.

2 The Regadio do Baixo Limpopo: geographical and historical context

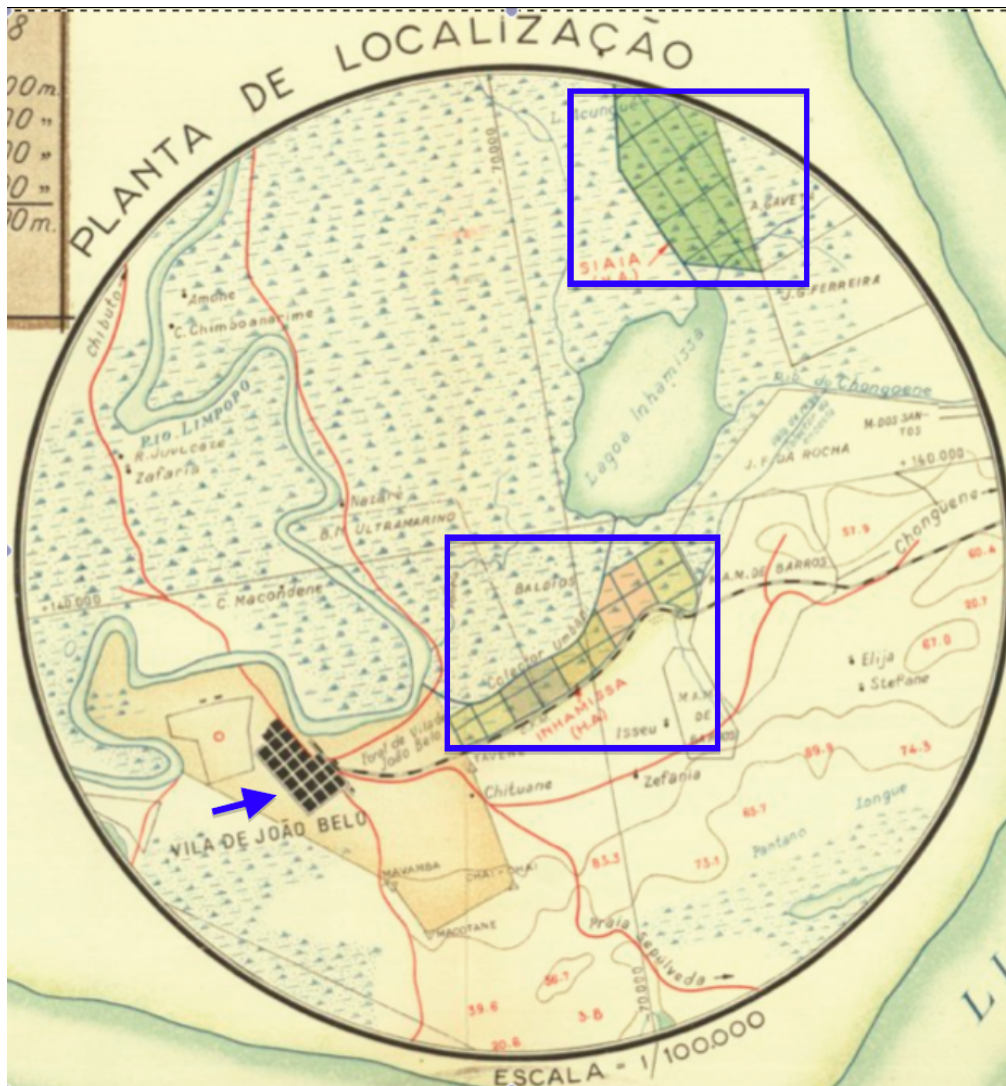
The Regadio de Baixo Limpopo (RBL) is located near Xai-Xai city, in the Lower Limpopo basin (see Annex 1), close to the estuary of the river, downstream of the 561 km course of the Limpopo from the point of its entry from South Africa. The Limpopo, together with its tributary the Oliphants, is characterised by extreme seasonal and inter-annual variation in flow (Brito *et al.*, 2009). Further, with a low-lying flood plain, generally less than 100 m above sea level, subject to water discharges/withholding in dams in riparian countries upstream (South Africa, Botswana), the natural condition of the area is immensely affected by floods and droughts (Vaz, 2000).

Without irrigation and flood control, good harvests have been estimated at about one out of four years (Sobrinho, 1981; Roesch, 1988). In order to stabilise water levels and supply irrigation, engineering works were developed in the 1950s.⁴ All water management infrastructure, however, remains subject to periodic major degradation due to flood damage, and requires major investment for renewal, making agriculture in this area an extremely difficult and expensive enterprise. The historical trajectory of irrigated agriculture in the area can be divided in four broad periods, from colonial capitalism (1950s-1975) to Socialist/planned economy (1975-1983), and transition to market economy (1983-2000) to the current (2000-present) market economy dominated by loan-funded rehabilitation of infrastructure, but emphasis here is on 2004 to the present.

⁴ First the Macarretane Dam was built, in the 1950s, to supply an irrigation system through gravity at Chók>wè, upstream from Xai-Xai and construction of the Massingir Dam, on the Oliphants River, begun in 1972 (MDSAR, 2008a) to provide water for irrigated agriculture downstream all the way to Xai-Xai and/or hydro-electric power (Sobrinho, 1981; MDSAR, 2008a).

The Regadio do Baixo Limpopo (RBL) was established under Portuguese rule, starting in the 1950s. It eventually incorporated previous efforts, such as some failed, individual private concessions from the turn of the nineteenth century (Torres, 1967), and 'an experimental project for forced cultivation of rice' begun the 1936 (Roesch, 1991). In 1951, drainage works were implemented in the marshy, rich soils ('machongos' in their local designation) between Xai-Xai (formerly Vila João Belo) and the Inhamissa Lagoon.

Map 1: Location of RBL's original drainage blocks



Source: Adapted from Monteiro and Fonseca, 1952

In 1952, about 400 ha had been demarcated in Inhamissa, which are at the origin of the current Inhamissa block, which was eventually extended north to Siaia. By 1967, about 11,300 ha had been reclaimed and most was under cultivation (Torres, 1967). The drainage works resulted in radical changes in land use and enabling intensive food production.⁵ A key goal of the Inhamissa scheme was to eventually develop commercial agriculture in Gaza (Torres, 1967) through a combination of 'technical assistance, coercion and incentive' (Roesch, 1991), which included forced labor (for construction, work on settlers' fields, maintenance of drainage structure, forced cultivation of

⁵ See Torres (1967) for further information.

specific crops) but also extension services and periodic price increases (Roesch, 1991). Some of these forms of coercion competed with migration for wage-work in the South African mines, and the need to tend to one's own plot of land at the same times when labour was needed on settler farms (Roesch, 1991; O'Laughlin, 1996). These multiple activities demonstrate that subsistence agriculture was underpinned by a flow of in-kind and wage income, however precarious, to provide capital assets and to make up for shortfalls in households' own food production in case of crop failure.

Very few Portuguese peasants and cadres remained in Mozambique after independence, and the production and marketing system collapsed (Roesch, 1988). In 1977, a Socialist system of production centrally planned and backed by the state was launched. Abandoned settler farms and plantations were transferred to direct state control; populations relocated to 'communal villages' out of the floodplain in the aftermath of major floods (Sobrinho, 1981; Roesch, 1988) and organized into producer co-operatives. Emphasis was placed on state agro-industrial units and, to a much lesser degree, on agricultural production cooperatives. Household production for subsistence in communal villages occupied a marginal role, as peasants were expected to eventually be absorbed by the state sector (Wuyts, 1985) and the perceived colonial contradictions between pre-capitalist peasantry and modern settler farm sector were to be eliminated (O'Laughlin, 1996). However, by FRELIMO's Fourth Party Congress in 1983, the large agro-industrial production units were plagued with management and financial problems, and a 'role [was accepted] for private trade and production' (O'Laughlin, 1996: 19). In 1987, the government's Programme of Economic Rehabilitation, or structural adjustment reforms negotiated with the Bretton Woods Institutions, ushered in economic liberalisation.

In Xai-Xai, during this period the irrigation scheme was managed by two main separate parastatals. One, in charge of agricultural production, was the large UPBL (Unidade de Produção do Baixo Limpopo), whose area of intervention extended to the Chicumbane area; it closed down even before the PRE reforms, in 1986. The second parastatal was, since 1978, in charge of water and water infrastructure, including the Lower Limpopo Irrigation System (Sistema de Regadio do Baixo Limpopo, SRBL), and had significant support from USSR, Bulgaria, and The Netherlands in the form of engineers, funding for rehabilitation works, and equipment. SRBL was partially privatised in 1999, but the total loss of equipment in the 2000 floods made it unviable.

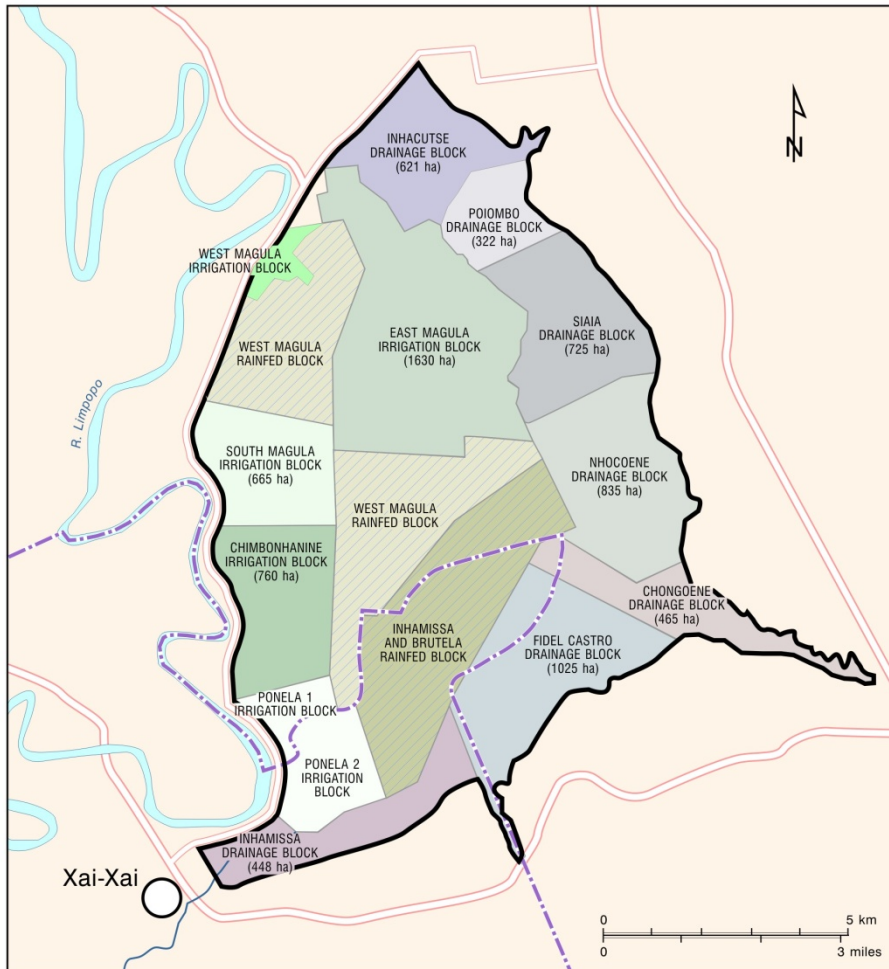
Interviews indicated that, in RBL, during the 1980s, about ten individuals worked an area of around 2,000 ha, first alongside UPBL, then, with the failure of UPBL, a few were given the land to exploit on their own, as medium-scale commercial farmers. Following a drought in 1991, only a couple of farmers had the means to continue farming.⁶ With the cessation, after 1992, of violent insurgency that had afflicted most of rural Mozambique since 1984, large-scale rehabilitation of the irrigation schemes was planned for 1993, but implementation was delayed for a decade. Between 1991 and 2003, most production in RBL effectively came to a halt, as infrastructure damaged by floods went unrepaired and many people left the area to seek work in South Africa or in urban areas.

In 2003 the Massingir Dam and Smallholder Agricultural Rehabilitation project (MDSAR) was finally approved to undertake repair of infrastructure and reorganize agricultural production, with a loan from the African Development Bank. Cost escalation during the delay between the project's budget approval and the start of its implementation meant funds were insufficient to complete the works planned in 1993 (MDSAR, 2008a). Three of the medium-size commercial farmers who stayed on from the transition period, together with former UPBL workers, have been integrated in the current farmers association ARPONE, to work in part of RBL's main irrigation block, Ponela. Subsequently, they began working with the Chinese, who cultivate the other part of the block.

⁶ Interviews in Xai-Xai with a SRBL former staff member (A.41, 17/7/2012) and ARPONE members (A.15, 18/5/2012; A.20, 24/5/2012).

Currently, RBL's 11,787 ha are organized in 12 blocks. The main two areas of interest here are the 'drainage' blocks, where the 'family sector' (small-scale producers) is located, and the 'irrigated' blocks, intended for commercial agriculture. The currently active, rehabilitated irrigation blocks are Ponela, Chimbonhanine and small parts of the Magulas (see Map 2).

Map 2: Lower Limpopo irrigation scheme, Regadio do Baixo Limpopo (RBL)



Source: Cartographic Unit, The University of Manchester. Adapted from maps provided by RBL-EP and Xai-Xai Municipal Council.

However, the extent and origin of capital for rehabilitation are important factors that determine who can develop these blocks. The drainage area was the main focus of MDSAR's first phase of the Xai-Xai component, for some 4,400 ha, followed by 3,780 ha in the irrigation blocks in phase 2 (MDSAR, 2008a, MDSAR, 2008b). With regard to the latter blocks, Ponela is divided in two smaller areas by the drainage ditch that crosses it. Ponela 2 was rehabilitated by MDSAR and has been exploited since 2008 by the medium-scale Mozambican farmers of ARPONE. After rehabilitating Ponela 2, MDSAR realized that no money was left to actually rehabilitate Ponela 1.⁷ Although not originally coordinated with the MDSAR programme, a Chinese company has developed and used Ponela 1 since 2006, and Chimbonhanine block since 2012, financing water and land infrastructure. Finally, CAFA, a Portuguese cotton producer has cultivated approximately 200 ha of a Magula block and aims to extend production through local outgrower schemes. The Chimbonhanine and Magulas could be turned over to private agriculture operators because they had benefited from limited publicly-

⁷ Interview with former MDSAR staff member in Maputo (A.39, 9/7/2012).

funded work, mostly on parts of their primary drainage ditches. The remaining areas and pumps will be contemplated in the next and last phase of rehabilitation, scheduled to take place between 2013 and 2017.⁸ The parastatal Regadio do Baixo Limpopo, Empresa Pública (RBL-EP) has managed the area since 2011 and, as explored in Section 6, has recently expanded its area of intervention into surrounding land in Xai-Xai municipality and district, raising key issues for all.

This historical trajectory highlights firstly the challenges of geography and climate that have made commercial agriculture a difficult and expensive enterprise. Resorting to external funding and expertise to carry out essential tasks of land and water management suggests financial vulnerability and lack of sustainability of the irrigation scheme RBL, and has been an important driving force of efforts to attract private investment to irrigated blocks. Second, it identifies frequent changes of development direction (colonial capitalism, centrally planned economy, rapid transition towards a market economy), causing confusion and uncertainty after independence, further compounded by over a decade of insurgency and insecurity (1976 -1992). Third, and as a consequence of the latter point, land users went through different redistribution waves, at times integrated within the state-run production apparatus, other times operating independently, giving rise to multiple potential claims to the land and rendering patterns of accumulation complex. However, through the process, land use and associated labour regimes, rather than land ownership, was the key factor for livelihoods.

At present and for the purposes of this paper, there are mainly two social groups in the RBL perimeter but important linkages exist between them. A vast majority that has historically been termed the 'family' sector is located in the 'drainage' area. Many come from surrounding areas and continue to rely on off-farm jobs to supplement subsistence agriculture, when production is possible. Many in the family sector RBL areas are elderly, after massive migration of youths to towns, and to the traditional destination, South Africa. Then there is a small group of aspiring commercial farmers in ARPONE, located in an irrigation block, who also have diverse sources of livelihoods associated with the city (see Section 4). Some of them have lived through the different historical periods, having survived the state farm era but also benefited from it through access to land and associated production. A few ARPONE members also have smallholdings in the 'machongos', confirming historical links between the two areas.

As O'Laughlin (1996) argues, the dualist perception of peasant and modern agriculture was inherited from the colonial administration and adopted as a key assumption in Socialist strategy after independence. It was further reproduced, with slight differences, in the 'traditionalist view' of smallholders that emerged during times of structural adjustment (1989 onwards). At no point, the author argues, did that model hold true, because society was based on multiple and diverse sources of livelihoods and labour regimes, but most significantly on migrants' earnings in South Africa. Imposition of restrictions on recruitment of Mozambican mine labour by the South African authorities after Mozambican independence, coupled with FRELIMO's policies that marginalised the peasantry during the period of planned economy accelerated social differentiation (Wuyts, 1985; O'Laughlin, 1996). Differentiation was further heightened afterwards, during the transition period (1983-2000), as mostly individuals employed or otherwise associated with parastatals thrived through political connections and access to means of production (Wuyts, 1985). Wuyts (1991) concurs that 'with the economic reforms came the vision of the peasantry as a mass of smallholder producers', while in fact the main income for this group – wage income in South Africa – was becoming more difficult to obtain, and social and economic differentiation increased. In 2001, the author already noted the return of large private companies and of some 'patterns of accumulation and labour use' reminiscent of the past, in their monopolistic and monopsonistic tendencies, as part

⁸ Interview Xai-Xai, A.44, 17/7/2012.

of a pattern of development that continues to exclude the poorer groups of the rural population (Wuyts, 2001).

3 The Chinese Project: from 'friendship' farm to ambitious plans

The Chinese project that started in Xai-Xai's Ponela 1 block has undergone important changes, evolving from an experimental, pilot initiative with limited state resources to become a large-scale project on multiple sites, under private ownership. The present section examines how the Chinese project has developed in order to understand the drivers, actors and processes associated with it.

A twinning agreement was signed by the provincial governments of Gaza, Mozambique, and Hubei, China, in 2008, as a result of wider bilateral development negotiations at presidential and cabinet levels. In 2002, during former prime minister Pascoal Mucumbi's visit to China, the two countries signed a Memorandum of Understanding (MoU) in the area of agriculture for 2002-2007 (Chichava, 2010), and in 2004 the Government of Mozambique (GoM) made a specific request that aimed to increase rice production in Mozambique (Braütigam and Ekman, 2012; Interview B.7, 26/7/2012). The 'friendship' in the farm's name denotes its political importance in the diplomatic relationship (Braütigam and Eckman, 2012) and is thus likely to have been funded through a Chinese grant. In 2006, a relatively small area (300 ha) was identified in Xai-Xai for a pilot project to produce cereals and rice in particular (DPA, 2010),⁹ a first stage the Mozambican state authorities regarded as necessary before more land would be provided.¹⁰ The state farm company Lianfeng Agricultural Development Corporation, from Hubei, was selected to carry out the project and created its Mozambican subsidiary, Hubei Lianfeng Mozambique, Lda (HLM). The provincial Governor then instructed the Provincial Directorate of Agriculture (DPA) to 'facilitate the setting up of Chinese investment in Gaza' (DPA, 2010), which liaised with HLM's manager.¹¹

Photo 1: Sign on the right side of the wall at the entrance of Chinese compound: Hubei-Gaza Friendship Farm¹²



⁹ The Chinese media portrayed it as having been the choice of the Chinese representative (Braütigam and Ekman, 2012).

¹⁰ Interview Xai-Xai, A.53, 28/9/2012; DPA, 2008.

¹¹ Interview, Xai-Xai, 12/5/2011.

¹² All photos were taken by the researcher.

With regard to actual land use and production, the area HLM cultivated has increased since 2007, but rather slowly, covering 150 - 180 ha in the 2011-12 campaign.¹³ The slow pace was due to insufficient machinery and, implicitly, insufficient resources to acquire such,¹⁴ which is consistent with the context of a pilot project. In 2011, HLM went back to Hubei to seek further support.¹⁵ A private investor took over,¹⁶ Wanbao Africa Agricultural Development, Ltd (WAAD), from Wanbao Group, and negotiated to have about 20,000 ha in the area for grain cultivation, processing and storage, disbursing the capital needed for expanding operations beyond Ponela 1. HLM manager and staff have remained.¹⁷

While WAAD acknowledges pressure from GoM, it argues that it was looking to expand operations. Reference in the twinning accord to granting a larger area in five-years' time confirms this. WAAD was thus awarded in 2012 all the land they had requested. First, another 700 ha (Chimbonhanine block) for seed multiplication. Then an additional 7,800 ha outside RBL's original perimeter, in Chicumbane, located in the floodplains across Xai-Xai, for alternating rice, corn and wheat. And finally approximately 10,600 ha in various locations for future expansion,¹⁸ with 50-year leases (Diário de Moçambique, 2012).

Photo 2: Chicumbane floodplain fields with drainage ditches



¹³ DPA (2010) and Interviews with RBL-EP and WAAD staff, Xai-Xai A.12, 17/5/2012; A.6, 10/5/2012; A.10, 16/5/2012.

¹⁴ Interviews, Xai-Xai, A.12, 17/5/2012; A.6, 10/5/2012; A.10, 16/5/2012 but also DPA report (DPA, 2010).

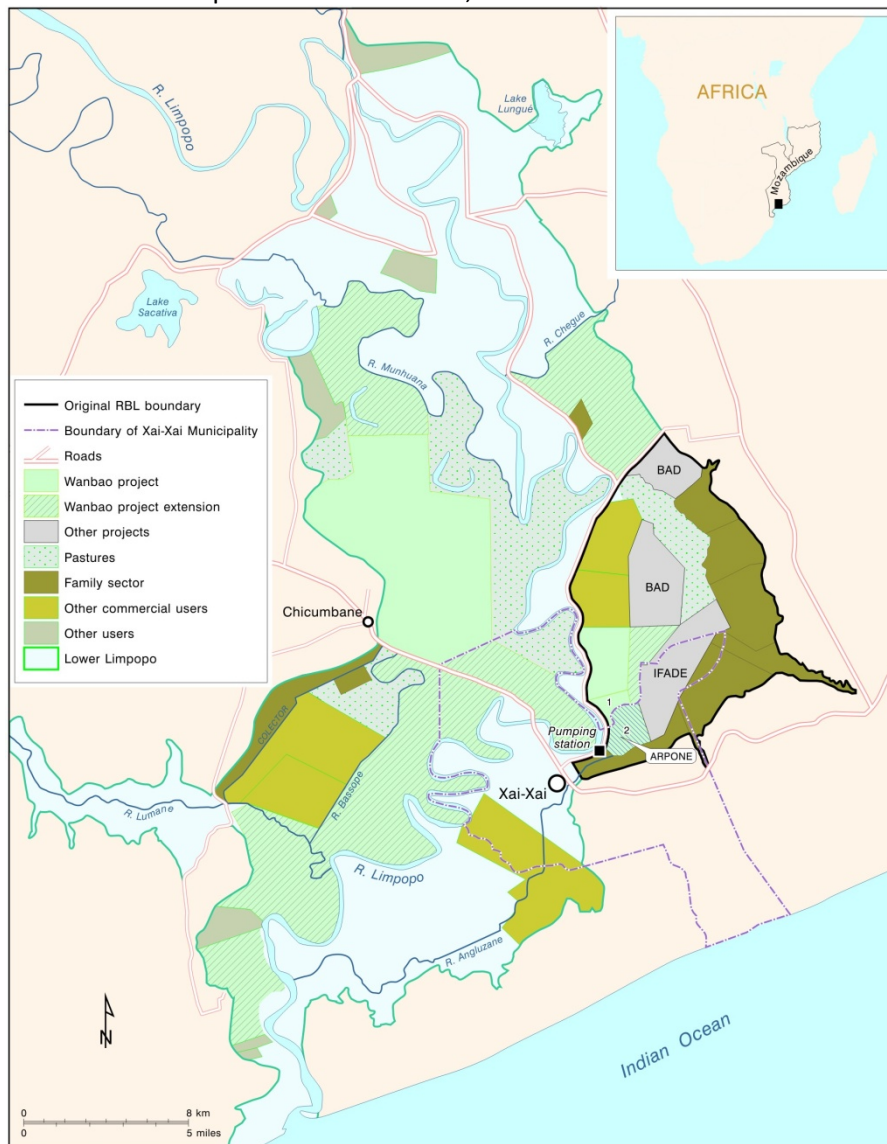
¹⁵ Interview with RBL-EP in Xai-Xai, A.31, 12/6/2012.

¹⁶ Braütigam and Ekman (2012) report indeed a 'joint venture' (7), based on Chinese sources.

¹⁷ Interview, Xai-Xai, A.10, 16/5/2012.

¹⁸ Interview Xai-Xai, A.29, 8/6/2012.

Map 3: Current RBL area, with Wanbao's areas



Source: Cartographic Unit, The University of Manchester. Adapted from maps provided by RBL-EP and Xai-Xai Municipal Council.

Xai-Xai's rice destination remains unclear. Despite earlier statements by HLM that some rice had gone to China after supplying the local market,¹⁹ none could be found, except in the Chinese supermarket in Maputo. What is more, WAAD's current position about the destination of the new production is to bridge the production gap in the domestic market, as per the agreement with GoM,²⁰ which echoes national policy documents.²¹

Finally, a few comments are necessary regarding the technical specifications of the rice produced in Xai-Xai, because of the reportedly superior yields underlying interest in the technology transfer but also issues of seed control/reproduction. Yields are estimated to be about 9 t/ha (DPA, 2010), although this has not been independently verified. These rates are about three times higher than optimal traditional yields in Gaza, but the project is not using hybrid rice, which has historically been

¹⁹ Interview Xai-Xai, L.1, 1/12/2011.

²⁰ Interview Xai-Xai, A.50, 21/9/2012.

²¹ Such documents include the *Green Revolution Strategy in Mozambique 2007* (MINAG, 2007) and the *Plan of Action for Food Production 2011-2020* (MINAG, 2011).

associated with increased yields in Asia. Indeed, the farm appears to have been a test site of the Green Super Rice program, funded through a grant from the Bill and Melinda Gates Foundation (B&MGF) that was awarded to the Chinese Academy of Agrarian Sciences between 2008 and 2011 (Braütigam and Ekman, 2012; B&MGF, 2012; Green Super Rice, 2012). However, hybrid rice is not grown in Xai-Xai. WAAD's manager clarified that results from initial testing were not very different from non-hybrid rice and it would have been too complex to deal with hybrid seeds (Interview 28 September 2012). The sign just on the left side of the open gate, since late 2011, indicates an association with a testing institution, Huazhong University, but this does not constitute evidence that research is being carried out in the specific area of hybrid seeds.

On the other hand, WAAD's project does have a key role in seed supply until Mozambicans can produce it themselves. Because seeds were not certified before entering the country (see protocol in MINAG, 2009), *a posteriori* certification was initiated at the local agronomy station in 2011 in Chókwè (EAC) to support Mozambican farmers in the future, with some links to the Green Rice programme.²² Until this process is completed, farmers are dependent on Chinese supply of seeds, albeit non-hybrid seeds, due to factors not only of seed production but also harvesting and storage conditions.

4 The Mozambican farmers: beneficiaries of the Chinese technology?

Under the cooperation agreement, the key obligation of the Chinese is to transfer rice-growing technology to Mozambican producers in RBL. The specific technology has been described by WAAD manager, Mozambican farmers and a RBL-EP agronomist as a combination of: careful soil levelling, tillage of wet soil using tractors equipped with wide tires and rotating blades for tilling wet soil; use of particular rice seed varieties, and sowing germinated seed; irrigation at a precise level for a set number of days; and use of weeding herbicide in specific quantities. As detailed in the present section, such transfers have been hindered by linguistic factors, the price tag attached to accessing the Chinese factors of production, but also production and marketing factors on the Mozambican side.

The beneficiaries were a group of about 40 members of the ARPONE farmers association, selected to cultivate the plots in RBL's Ponela 2. They were provided with technical assistance and credit with a state-backed microfinance institution, GAPI, as part of the MDSAR programme, aimed to foster commercial agriculture in the irrigated area, with a view to help make RBL financially sustainable. However, the agreement with the provincial government is vague about the intended beneficiaries of the Chinese methods, mentioning 'peasants in the Xai-Xai irrigation scheme' but also 'local communities' and 'neighbouring and other communities'. It is highly questionable that ARPONE farmers can be considered 'local communities' — they certainly would not consider themselves 'peasants' ('camponeses'). 'Family sector' producers located in the drainage areas would have corresponded more closely to 'local communities'. Potentially, they also would have been a better fit for B&MGF's improved seed programmes, intended to help smallholders' livelihoods. In practice, however, important production factors would have prevented this, such as plots' size and condition, unaffordable Chinese rates, lack of financing, and Gaza's chronic labour shortage.

Therefore, it is important to understand who ARPONE members are and how they have accessed the Ponela 2 scheme. The initial process of selection of eligible farmers was transparent in some regards, with a public tender and a detailed report (MDSAR, 2008b). It is a fairly heterogeneous group, partly by design, as MDSAR managers wanted to combine people with different education levels and farm

²² Phone and email contact with EAC staff, on 19/7/2012, and interview with official from Ministry of Agriculture, Maputo, B.5, 13/7/2012.

experience.²³ ARPONE membership is compulsory for anyone wishing to cultivate in the irrigated Ponela block, and although the association was formed to represent farmers' collective goals (GdPG, 2010), it does not constitute a natural social unit or a professional one, for most members have/have had another job and agriculture did not constitute their main activity.

Among the approximately 40 ARPONE members,²⁴ a fairly high number are older and/or retired, and men predominate (only seven are women). They can be divided into four groups according to their main paid occupation. A first group includes businessmen in transportation (truck rental), construction and repair (electrician, stonemason, carpenter, mechanic) and trade (e.g. soda and alcoholic beverages), and a few raise cattle or poultry for a living. A second group is made up of public sector employees including former military, nurses, social services (Xai-Xai prison), local administration officers and provincial staff, former UPBL staff and current/former RBL-EP and MDSAR staff. A third group is a women's association. And finally, a few occupy positions in local FRELIMO structures, not least ARPONE's president, the local FRELIMO Secretary but also, inherently, all those associated with the local government, e.g. the District Administrator, the Head of the District Services of Economic Activities and the Secretary of the Provincial Government. Indeed, state employees are in a privileged position by virtue of the ease of access to information on the application process, as was pointed out in a few interviews. Thus there is little doubt that ARPONE is constituted by a local 'elite', as Chichava (unpublished paper²⁵) also concurs. At the same time, it should be noted that nothing in the selection criteria excluded state employees.²⁶ In fact, they are part of the few with a higher level of education, guaranteed income and potentially some disposable capital. Their profile thus fits the criteria established by MDSAR (in fulfilment of ADB regulations) and confirms the historical diversity of sources of livelihoods necessary to engage in agriculture, but also how far local elites have strayed from this economic activity in the recent past. Third, however, as is elaborated further in Section 6, accepting some state employees as applicants represented a compromise between local and central governmental forces.

The attention provided to ARPONE contrasts with the original MDSAR aims, which envisaged strong technical assistance for both the family sector and the emerging commercial farmers. However, in practice, and in addition to specific structural problems with Ponela 2 plots, there are important limitations to the technical and financial assistance provided by government to all agricultural producers, whether commercial or family sector. In order to understand these limitations it is necessary to provide some detail of the organisation of production in the field. ARPONE farmers cultivate an average size area of 5 ha, with a few holding 10 ha and 20 ha (RBL-EP, n.d.). For irrigation needs, they depend on the new Umbape pumping station, which collects water draining from the 'machongos' and pumps it to the irrigated fields. The most important constraint is lack of levelling of nearly all irrigated plots, resulting in uneven water distribution and rice reaching maturity at different dates, preventing harvesting at optimum time for all areas and resulting in high losses. WAAD also cites inadequate water management as a reason for not providing assistance to farmers. Furthermore, few ARPONE farmers either own tractors/machines needed for mechanized cultivation and harvesting, or have enough disposable capital to pay for those services or other inputs. For this reason, the MDSAR project included provision of credit from a revolving fund from GAPI, a micro-finance institution underwritten by the state. Credit is to be used to purchase tractor services from either RBL-EP, which owns insufficient/inadequate machines, or companies subcontracted by them, or the Chinese, the most expensive option. As part of the deal, farmers repay the credit through

²³ Interview with former MDSAR management staff (Xai-Xai, A.38, 28/6/2012).

²⁴ It was unclear exactly how many ARPONE members there were, as a few could not cultivate their plot due to technical problems. A few more were letting someone else cultivate it for health reasons. The total was between 40 and 50 members.

²⁵ Based on the presentation 'Acumulação num contexto de dinâmicas e lógicas neo-patrimoniais. O caso da ARPONE em Gaza', IESE's III Conference, 4-5 September 2012, Maputo.

²⁶ Interviews A.13, 18/5/2012; A.39, 9/7/2012.

selling their rice to a company with a processing unit. In practice, this is either MIA, a subsidiary of Sainsbury-owned Mozfoods, or HLM/WAAD.

Last season's credit was available several months too late, owing to delays in funding at the Ministry of Agriculture, which contributed 50% of GAPI's finance for the scheme.²⁷ As a consequence of the delay, some farmers were reluctant to take loans for fear of poor yields and unpaid debt. However, a large number still took the credit despite knowing that conditions were not conducive to good results, while a few also used the credit for other activities. At the time of this research, it remained to be seen if funds had been applied effectively, and if so, whether there would be harvesting machinery and the marketing channels to enable the farmers to sell their crop at a profit.²⁸

It is difficult to tease out the exact reasons for variations among yields from farmers in Ponela 2. They seem to include a combination of individual reasons, and factors that are out of farmers' control. Individual reasons include the amount of time spent on the farm and the quality of on-site management in his/her absence, when the plot holder may be limited to monitoring operations by phone ('phone agriculture' in the words of a RBL-EP staff); the ability to seek and apply technical advice on agriculture and water management versus a 'I know best' attitude, sometimes associated with historical-local cultivation methods; and an ability to cultivate a personal relationship with the Chinese, as a means to access Chinese rice growing methods. All these belong in the personal, individual realm. Alongside these, there are also factors that fall outside of what an individual farmer can address to better his/her yields and profit margin. These include delays to the campaign due to lack of credit; lack of land levelling; problems with water valves; insufficient machines to harvest the rice; the lack of an area for drying the rice; and a belated institutional awareness of a lack of marketing agents to sell rice in processed form, if a profit is to be made. These constraints beg the question of what indeed the Chinese farm is bringing to the Mozambican farmers in a context of very incomplete 'technology transfers' but also of less than perfect support regarding credit, marketing and regulations.

Overall, regarding the project's first phase described above, land use has remained intensive for mechanised cultivation of food crops. Individuals selected belong to the elite but the predominant pattern of accumulation has been one of debt. Selection criteria pertaining to means of production automatically excluded most small producers in the drainage areas, who are unlikely to be involved in the rice-production value chain of the Chinese and ARPONE project(s).

5 Terms of cooperation

5.1 Technology transfer: concept and means of implementation

The bilateral agreement remains vague in many regards. In fact, it was intended to be negotiated in more concrete terms by local authorities.²⁹ This section highlights key aspects of the accord, namely the concept of transfer and the means and status of its implementation. Contractual terms of land and water use are analysed in Section 5.2. This is followed by a commentary on the evolving perspectives on the project's investment in rice production in Mozambique and potential gains, in Section 5.3.

The 2008 accord is notoriously sparse about what exactly it is to be transferred, i.e., what the 'agrarian technology' consists of. Besides a reference to the cultivation of '[among others] rice, corn and vegetables' (DPA, 2008: 2), it merely states 'introduction of new high-yield crops, seed testing,

²⁷ Interview with GAPI's staff member responsible for ARPONE's project, A.25, 25/5/2012, Xai-Xai.

²⁸ The crop was damaged/lost due to floods in January 2013 (VoA, 2013).

²⁹ Interview with staff from Directorate of International Cooperation at the Ministry of Agriculture (Maputo, B.7, 26/7/2012).

and introduction of new methods regarding systems of production and irrigation appropriate for each culture' (4), in which the DPA has a duty to participate. As evidence of fulfilment of the agreement, HLM is said to be signing a contract for 'technical assistance in preparing the soil, levelling the land, distributing seeds, pest control and buying the product from those farmers' (DPA, 2010: 3). What both the accord and its monitoring reports omit is that the necessary demonstration and/or the dispensation of services are to be rendered in exchange for a fairly high fee, as part of the terms of a commercial contract. There is only an oblique reference to HLM's duty 'to support communities to access specific credit in cash or in kind for agriculture through negotiations with the community' (4), but this has been carried out first by MDSAR and then RBL-EP using credit from the Mozambican financial agency GAPI.

The agreement also omits any details about the exact means of the said transfer. Choices could have included direct demonstration to individual farmers, or a particular individual such as a farmers' representative or an extension officer who would then demonstrate it to farmers collectively. That RBL-EP has only negotiated the latter option five years after HLM begun sowing³⁰ can be viewed as a reflection of how vague the twinning accord left the matter, and how little the DPA acted upon it. Further training aspects are mentioned in the monitoring report (DPA, 2010) but the DPA's new leadership was unaware of these.³¹

In addition to cost, other factors have contributed to limited transfers. First, there has been a lack of staff and machines until recently. HLM initially concentrated their relatively few resources on their own development, and until last year, they did not have enough resources for their field and the Mozambican producers', a combined area larger than theirs. Second, language and cultural barriers have made effective communication difficult. Neither the Chinese manager nor any workers can speak Portuguese or Changana, and only the former speaks English. Also, they employ only two English-Portuguese/Changana interpreters. According to Mozambican farmers and RBL-EP staff, this has contributed to communication problems when they wanted to contract services and when receiving instructions for operations in the field, when Chinese staff have not been free to demonstrate farming techniques in person. Consequently, a third factor emerges, the lack of mutual trust and understanding that such communication produces, leading to misconceptions about capacities and work ethics.³² Indeed, it makes it difficult to tease out the part of a farmer's individual responsibility in the Chinese discourse about how Mozambican farmers are 'resistant to change', that 'don't do as they are told', and 'just ask help, help, help' (sic) rather than learning and becoming self-reliant.³³ Ultimately, the existence of such a real language barrier raises the question of whether the government's goal of technology transfers can indeed be taken seriously.

This factor may also be at work in how the Chinese hand-pick the farmers. As was noted by different RBL-EP staff, the Chinese are keen on having high yields and will only assist farmers they think will obtain them. Their selection is based, they argue, on observation of farmers' behaviour since 2007. But matters are not so linear. Indeed cultivating relations with the elites is a tendency remarked by critics (Alden, 2007) as a factor contributing to the rapid spread of the Chinese presence in Africa and a strategy to access those who control resources.

These limiting factors can be exemplified through interaction during the 2011/12 campaign. Under pressure by RBL-EP, HLM/WAAD finally provided 14 farmers with what is termed the 'partial assistance package' (RBL-EP, n.d.), consisting of the paid provision of the Chinese seed variety. A

³⁰ Interviews Xai-Xai: A.31, 12/7/2012; A.42, 17/7/2012.

³¹ Interview Xai-Xai, A.43, 18/7/2012.

³² Language and cultural barriers have been remarked in other Chinese agricultural projects. See *inter alia* Durán and Chichava (2012), Buckley (2011).

³³ Interview Xai-Xai, A.12, 17/7/2012.

further four Mozambican farmers received the ‘full assistance package’, all the way from soil preparation to harvest and de-husking. However, interviews revealed³⁴ unspoken selection criteria include cultivating courteous relations with the Chinese, proof of initiative, ‘hard work’ and ability to learn directly from them, as opposed to becoming dependent on their assistance or sending the farm manager in his/her place. However, given that many farmers have off-farm jobs, the importance of employing a good farm manager should be stressed as a factor, too. Rhetoric aside, looking closer at who the recipients of the full package were reveals some bias towards the influential: the Governor’s wife, a key member of RBL-EP and former interim project manager and the wife of the farmers’ association president. Only the fourth appears to be a more ‘common’ farmer, but still one of the few with 10 ha and the president of ARPONE’s General Assembly. Perhaps aware of the appearance of selection bias, the Chinese manager justified the choices invoking the GoM’s desire to have local leaders ‘lead by example’. Again, the strategy seems to be to target those with access to control of resources and with political capital. However, even this has not been a full guarantee, because their ability to assist even those farmers they have selected comes second to their own operations.

In turn, the Chinese project is based on a particular type of outgrower model, although no reference is made to this in the Agreement. In addition to those few ARPONE members engaged, WAAD staff has in-house Chinese outgrowers. Rather than the company exploiting the whole area as a single unit, each worker is personally responsible for managing a specific plot and then selling the rice to this company, based on the belief that ‘it makes the worker responsible for his work and the results he gets’, a WAAD staff member stated.³⁵ This mode of production is likely to be more akin to that of a state farm in Hubei than to a western firm using economies of scale. This business model bears also some resemblances to that of the Mozambican counterparts and the colonial model: a state company charging farmers for the provision of inputs and services, offering to buy back the produce at a low price, and deducting profits towards the loan. The model would be applied in the Chicumbane areas being developed currently and would potentially include Mozambican peasants, but terms for those are yet to be determined. Although the outgrower model is gaining currency as a form of agricultural commercialisation, in part because it allows companies to reduce their own risks by getting producers to bear more of the risk of crop failure, this Chinese version undermines the need for Mozambican outgrowers. It is also reminiscent of infrastructure companies bringing their own workers, as part of a strategy to get the job completed without having to address language barriers and labour issues (Alden, 2007: 83).

In sum, a particular conception of ‘technology transfer’ emerges that, despite being framed as development assistance, is restricted by commercial considerations and has generated minimal interaction with the supposed beneficiaries, rather than providing a wide and adaptive platform for learning/training. This has resulted in very little actual transfer to the Mozambican side. If production factors independent of the Chinese company have to be taken in consideration even for the ‘model’ farmers, the prospect of transfer of methods is very low. Key aspects such as language barriers, staff and machine availability, and subjective farmers’ selection criteria have constituted obstacles from the beginning that raise questions about the GoM’s seriousness of intent and bargaining power, undermining the concept of ‘technology transfer’ altogether. Finally, this transfer develops side by side with an outgrower model that employs a large number of Chinese and a likely small number of Mozambicans, but the Agreement’s emphasis on cultivation methods turns attention away from labour numbers and quality of employment.

³⁴ Interviews Xai-Xai, A.12, 17/5/2012; A.8, 14/5/2012.

³⁵ Interview Xai-Xai, A.46, 18/7/2012.

5.2 Terms of land and water use: old and new agreements

Charges and terms of use of land and water were not specified under the twinning accord but changed dramatically once RBL-EP came into force. This sub-section analyzes such changes with regard to the use of infrastructure and land and water resources. Their wider political context is discussed in the next section.

Regarding charges for use of facilities, the 2008 agreement merely states that 'the DPA will facilitate [matters for] HLM CO, LDA to begin fulfilling its fiscal obligations such as payment of fees for the use of electric energy, water consumption, telecommunications, and other' (DPA, 2008, emphasis added). However, no reference is made to the entity that should receive the payment, and a source from WAAD confirmed that they did not pay any fees until recently.³⁶

By contrast, for the 2011-2012 campaign, WAAD signed an exploitation agreement with RBL-EP, whereby it pays for electricity used by the Umbape pumping station, and for maintenance of the common infrastructure, although no water for irrigation is charged because it comes from springs rather than the Limpopo. Fees are based on the number of hectares under cultivation (RBL-EP, 2011) and no water meters are used. Starting in the fall 2012, for irrigation needs of Chimbonhanine block, the Chinese should use water from the Limpopo with their new pump. RBL-EP will be provided water at a charge from the Regional Southern Water Authority, ARA-Sul, and pass that charge on to WAAD. In Chicumbane, WAAD performed all infrastructure work and water will come from the Limpopo and Lumane rivers, and the same payment principle should apply.

The exception to this general arrangement is the individual farmer whose plot is located within Ponela 1. In order to avoid conflict, a 'partnership' was brokered by the DPA, by which the farmer got work done from the Chinese for soil and water infrastructure preparation, but has to pay for remaining services like other farmers.³⁷ The water fee was only specified months later, after WAAD delayed signing the MoU it agreed to verbally, but is more than RBL-EP's subsidized rates for ARPONE members in Ponela 2. This farmer also raised the issue of competition from the Chinese farmers, citing obstacles to providing him access to water in his plot.

The fees charged to this farmer can be cause for concern for the Chicumbane area, insofar as it could offer a template for services to that area. Although a clause has been agreed to by WAAD whereby 10% of the area they develop is to benefit the peasants there, this will not come free of cost, as WAAD management has hinted. Rather, for those wishing to use irrigated plots, an aggregated fee containing water expenses as well as services such as ploughing would be payable to WAAD.³⁸ That the exact modalities of assistance still needed to be decided at the beginning of the agricultural campaign (November 2012) is telling of how little is communicated to the supposed beneficiaries, or how difficult the negotiations between RBL-EP and WAAD possibly are for having affordable rates. Thus, potentially, deeper social differentiation could emerge: a group of those who can afford cultivating within the new irrigated perimeter (another ARPONE?), and those who can only continue doing rain-fed agriculture, on the margins.³⁹

5.3 Evolving perspectives on Chinese investment in Mozambican rice production

The process of expansion of the Chinese project was neither a direct negotiation between WAAD and local populations, nor a simple process. Rather the land transfer occurred through the intermediation of the centrally-vested RBL-EP and as part of its own strategy of expansion of its area of intervention

³⁶ Interview Xai-Xai, A.46, 18/7/2012.

³⁷ Interviews Xai-Xai, A.20, 24/5/2012; A.31, 12/6/2012; A.40, 18/7/2012.

³⁸ Interviews Xai-Xai, A.46, 18/7/2012; A.53, 28/9/2012.

³⁹ These were the scenarios that WAAD management mentioned, albeit tentatively, in September 2012, Xai-Xai.

to develop commercial agriculture, as is further examined in the context of land politics in Section 6. Altogether, WAAD's project represents a USD 250 million investment over a three-year period,⁴⁰ up significantly from HLM's USD 1,200,000 (Centre for the Promotion of Investment, 2011). This can only have been a key factor in mobilizing the state to make land available, in a province and a sector in dire need of investment. The benefits of the deal the Mozambican government envisaged were improved means of production through the technology transfer and job creation, although, as described earlier in section 5.1, such benefits have been slow and uneven.

By contrast, WAAD potentially stands to gain immensely from the deal. Wanbao has risen to prominence among the thousands of agro-processing companies in Xiangfan city, Hubei province, with Wanbao Cereals and Oil as a recognized brand in that regional context but not internationally (Ruchun, 2009). Wanbao's presence in Mozambique, thus, can be viewed as part of a strategy of business expansion of its cereal processing operations, to give it not only national but also global recognition. In China, this industrial sector is said to be of key importance for economic growth, yet lacking in scale (Ruchun, 2009). The substitution of the initial funding state actor in an experimental project integrated in a development assistance package by a private operator, also from China, as the leading partner and interlocutor with the government is a recognizable pattern described by Braütigam and Tang (2009) for agricultural engagement in Africa. The Chinese state has extended incentives to agricultural companies to 'Go Global' but unfortunately, it was not possible to find out if WAAD had benefitted from these.

While the project's declared focus on rice production for the Mozambican market is a plausible scenario, given the Mozambican rice deficit and China's import tariffs, as Braütigam and Ekman (2012) concluded, another scenario is also plausible: to export to a market other than China. Indeed, partial export of large-scale production is part of the deal with the GoM. WAAD is acutely aware of the market potential of South Africa and other net importers of rice in Southern Africa.⁴¹ Until then, if WAAD's rice is primarily for domestic consumption, the impact on the local rice market should be addressed. On the Mozambican side of production, the decisive factor in enabling Mozambican producers to supply the rice market remains dependent on how effective the transfer of rice production technology is. However, it is just as important to examine critically what particular roles rice production and the technology transfer to members of the ARPONE group might have served, in the wider political context of land management and investment. This is examined in more detail in the next section.

6 The politics of land and water use in RBL

Despite precise charges of fees for the use of land and water and associated infrastructure, the broader criteria by which these resources are considered to be available and allocated are largely unclear. The discourse of 'idle' or 'underutilised' land validating land use change in favour of large, mostly foreign investors is at work in Mozambique, and FDI is hailed as the magic factor to unlock farming potential. Following HLM/WAAD's re-launching of rice production in the area, GoM begun promoting the project as an investment success story that is allowing the re-awakening of the 'sleeping monster' RBL (Macuablogs, 2012) and as evidence that it is taking action to reduce food insecurity and poverty (Portal do Governo de Moçambique, 2011). As is the case with many of the new land deals (Smaller and Mann, 2011; Woodhouse, 2012), no water limits are specified in the Xai-Xai deal. The assumption in an irrigation scheme is that land abundance comes hand in hand with water abundance and the associated infrastructure. Yet, water quantities are variable across time (seasonally and inter-annually) and spaces of different scales. This means that impacts need to be evaluated at moments of greatest water scarcity (rather than in terms of water use averaged over a

⁴⁰ Interview A.6, 10/7/2012, also RBL-EP presentation (RBL-EP, 2012).

⁴¹ Interview Xai-Xai, A. 53, 28/9/2012.

particular year). Moreover, impacts of water use extend far beyond a given tract of land where the water is used (Mehta, Veldwisch, and Franco, 2012). This is especially true in a flood and drought-prone area like Xai-Xai. Yet the official discourse in the media and with investors downplays such problems or denies any negative impacts of large projects for the general population and local producers.

As described in Section II, the history of irrigation infrastructure in RBL encompasses failed public and private enterprises and provincial authorities, resulting in ambiguity in accountability and governance and political tensions associated with competing visions of agricultural and rural development. The Chinese encountered this context of fragmented/competing authority in 2006. The present section examines the processes and consequences of such changes, and places them in the wider context of land and water governance in Mozambique.

To recall briefly the institutional history of RBL's management, the DPA was nominally in charge of RBL since the demise of the two former parastatals, SRBL and UPBL, and until MDSAR rehabilitated the perimeter (2004-2008). In 2011, RBL-EP took over, after another interim period.⁴² However, until 2011, the division of labour and chains of authority remained unclear, including in 2006, when the Chinese project was set up. On the one hand, MDSAR was officially in charge of the area, under the authority of one of the regional water boards, ARA-Sul, thus the Ministry of Public Works and Housing (MPWH), relegating the Ministry of Agriculture (MINAG), which coordinates with DPAs, to a secondary role. On the other hand, negotiations for the Chinese deal were led at the presidential and top cabinet level via the MINAG-DPA. The selection of a few local high public officials for Ponela 2 (ARPONE) constituted a compromise aimed to win their cooperation towards the MDSAR project. However, once MDSAR's management ended, not only did MINAG recover the authority over the area, it increased its direct powers over it, sidelining the DPA. This began at the time of the creation of RBL-EP's statutes, in 2010 (GoM, 2010), which invested the company with great authority controlled by the central government. They were based on MDSAR's draft from 2006-2008 (MDSAR, 2008b), according to an interpretation of land and water legislation in force, in the absence of specific references to irrigation schemes. MDSAR argued that the Land Law Regulations (GoM, 1998) stipulate that areas in the vicinity of publicly-funded infrastructures are automatically considered 'partial protection areas'. Moreover, in the Water Law (GoM, 1991) MDSAR found the definition of a 'public hydrological domain', which it then applied to RBL. The interpretation of these laws gave the legal basis for essentially arguing for the state's exclusive use of RBL as a state-run irrigation scheme. Henceforth, it would constitute a land sub-regime, controlled more directly from Maputo instead of Xai-Xai.⁴³ However, the central government, through MINAG, took MDSAR's instruments to new heights, especially in the expansion phase of company's area of intervention.

Some brief considerations about the legal land-water framework are needed to contextualise the significance of the changes introduced with RBL-EP. According to the Constitution of Mozambique, all land is property of the state. Communities and individuals, although barred from owning or selling it, have 'the right to use and benefit from the land', an expression conveyed in the acronym DUAT. It is a dualist regime that recognizes both written titles and oral testimony for DUATs. The current Land Law was approved in 1997, its more specific Regulations ('Regulamento') in 1998 (GoM, 1998), with addenda *inter alia* on authorization for land titles over 1,000 ha. The three paths for land rights were specified in separate Articles of the Land Law Regulations: a) 'occupancy' of land by communities, b) 'use' of land by individuals for over 10 years, and c) a formal land request, by Mozambicans or foreigners, which can accommodate long-term leases with businesses. All transfer of rights of land

⁴² In the interim, management was entrusted to the head of MDSAR extension services (now with RBL-EP and ARPONE) and the sister company in charge of the Chókwè irrigation scheme, HICEP.

⁴³ Other elements point to power centralisation that cannot be detailed here and are the subject of a forthcoming article in *Desafios para Moçambique 2013*, Maputo, IESE.

‘occupied’ by a community or ‘used’ by individuals is subject to approval of those rights’ holders through two consultation meetings and a signed declaration by representatives of all sides present, or by transfer of a written DUAT. The relevant DPA usually handles it on the state’s side. However, MDSAR argued, there are exceptions, such as land, water and infrastructure considered ‘public domain’. And in this case, administratively, a parastatal such as RBL-EP takes over that land from the DPA.

The newly carved land sub-regime naturally has consequences for land and water rights. First, RBL-EP can revoke previous DUATs for land falling within RBL.⁴⁴ Second, DUAT titles are replaced by ‘exploitation agreements’ negotiated with RBL-EP. These cannot be inherited, are of variable duration, usually shorter for individual producers, such as ARPONE members, and can also be annulled quickly, whereas DUAT holders had between two years (foreigners) and five years (nationals) to show they could put the land to productive use. Furthermore, while smallholders, whether families or small associations, were exempt from usage fees, exploitation agreements come with fees, as part of a framework that aims at financial sustainability.

This has transformed land and water users into tenants of the state, i.e., RBL-EP, with diminished bargaining power, and made RBL-EP the leading entity and instrument of territorial expansion and land control by the central government. The company’s area of intervention was conveniently imprecise at the moment of its creation.⁴⁵ But it now extends vastly outside of the area originally identified by MDSAR as RBL’s perimeter to land within the district,⁴⁶ going from 12,000 ha to 70,000 ha. Land demarcation was undertaken at the same time for both RBL-EP’s territory, and within it, for current and future investors. And even if present land occupation was reportedly respected in the demarcation exercise, some families in the key areas in Chicumbane were, at least temporarily, dispossessed of their farmland by the state. The goal to make land available for investors has determined the extent of expropriation. The proximity to water bodies may have been used liberally to justify eminent domain, seemingly superseding occupation rights.⁴⁷ However, claims to land formerly under control of old parastats were also invoked by RBL-EP in informal conversations.

Given how central irrigation is for most new investments in agriculture in Mozambique, parastatals like RBL-EP will surely play a prominent role. Yet, there has been little serious consideration of water inter-annual variability and spatial scale of impacts. Further, the deals’ importance can cause ARA-Sul’s official water assessment and allocation process to be hurried or sidelined.⁴⁸ In times of scarcity, this could affect the groups of users differently. Therefore, it is important to look at who RBL’s users are now and whether their bargaining power has changed since the times of MDSAR and the initial stage of the Chinese project. As stated in RBL-EP’s regulations, management of the hydraulic infrastructures and ‘organization’ of its users constitute the company’s main responsibilities. However, while regulations do not distinguish between different users, the support they receive reflects not only their different needs but also governmental priorities at a given time and their political importance or lack thereof.

In the case of HLM/WAAD, high political support and weak, personalised local structures enabled limited pressure for results until recently. In this regard, RBL-EP is much better equipped to negotiate. Meanwhile, ARPONE members represent a preferential group in terms of governmental policy, as

⁴⁴ Such was the case with CAFA’s, granted in 2006, according to DPA’s database.

⁴⁵ The map of RBL’s area of intervention, alluded to in the Decree that created the company RBL-EP, was not attached. Thus, there is no published record of its original perimeter as of 2010.

⁴⁶ Interviews in Xai-Xai, A.31, 12/6/2012; A.29, 8/6/2012.

⁴⁷ Article 10 of Land Law Regulations states that ‘every national citizen who has, in good faith, used a piece of land for at least 10 years, [automatically] becomes the land use rights holder’, unless ‘the land has been reserved legally for another purpose or falls within a partial protection area’ (GoM, 1998, personal translation).

⁴⁸ Interviews, Maputo, B.8, 19/10/2012 and B.9, 22/10/2011.

emergent commercial farmers, an electoral constituency and a client FRELIMO elite. RBL-EP staff confirmed that most human and technical resources, as well as time, go towards these farmers.⁴⁹ Finally, there are the small producers organized in associations in the seven 'drainage' blocks (see Map 2),⁵⁰ which RBL-EP is also to assist by clearing over 100 km of primary canals with machines and undertaking efforts to increase production and incomes in a few of the areas.⁵¹ However, most technical agricultural support is provided by extension officers from DPA/Services of District Economic Activities (SDAE), which it seems grossly understaffed to do. It is worth noting that good functioning of RBL is contingent on proper maintenance of all water infrastructure, starting in the secondary and tertiary canals in the family sector, which is the users' responsibility. Significantly, the Chinese in Ponela 1 are the first to benefit from this, drawing from the canal before anyone else. Finally, outside the old RBL perimeter, families in Chicumbane are another constituency, one with undefined support.

This scenario constitutes a significant departure from MDSAR's original focus on the family sector, albeit not by chance. The political importance of the different groups present in RBL is a reflection of competing visions of agricultural development that might have been at stake in the process, i.e., MDSAR/MPWH's and the DPA/President's. That RBL was rehabilitated with a loan from the ADB could well have determined the vision, in 1993, where smallholder agriculture was considered the key to unlock poverty reduction, as opposed to 10, 12 years later, when other trends and power configurations were forming. By 2011 in Mozambique, the disconnect between a discourse of support for the 'family sector' and the fiscal incentives to attract private investment was undeniable. This could reflect a policy shift at the World Bank, where the insistence on increased yields was re-packaged as a 'productivity revolution' (Woodhouse, 2009), with a subtle change in emphasis from smallholder farming in Africa (World Bank, 2003; 2007) towards an explicit role for large-scale farming (World Bank, 2009). Furthermore, it is plausible that the smallholder model had no ownership at the provincial level. For instance, the lack of support for MDSAR plans could be due to persistent, belittling ideas about the traditional peasantry, besides interference with DPA's ability to distribute land according to its own interests. Many at DPA still view smallholders with contempt, and consider even Ponela farmers incapable of success (even some DPA colleagues).⁵² What is more, a few discreetly expressed the view that a private company would have been better suited to exploit it – as long as the farmer could retain control of the title to negotiate it with investors.⁵³ The idea of a backward, unable mass peasantry is reminiscent of planned economy days, as noted in Section II, confirming the suspicion that the smallholder model was donor-led but not owned by Mozambican elites.

7 Conclusions

This paper has examined a land deal that has developed in two distinct phases since 2006, in and beyond a state-run irrigation scheme in the Limpopo Valley, in the context of bilateral Sino-Mozambican relations. It was concerned with the actors, dynamics and effects of land and power (re)distribution related to the Chinese project. For question 1, analysis of the state's role, the elites, and the populations' land rights and means of production was complemented with a historical perspective. Switching to the Chinese side, question 2 asked what the Chinese company stands to gain from the deal and the mechanisms at work. And the final question took up another analytical

⁴⁹ Interviews A.9, 16/5/2012; A.13, 18/5/2012.

⁵⁰ MDSAR (2008a) expected 8000 smallholders to use the 'drainage' area by the project's completion (p. 6), but RBL-EP did not know the plot use rate at the end of 2012 and was starting a survey to determine that.

⁵¹ In the Nhacutse 'Casa Agrária', for instance, it is trying to influence a switch to more profitable crops and looking for partnerships for marketing and storage.

⁵² Interview A.37, 15/6/2012.

⁵³ Interview A.35, 14/6/2012.

strand present in the land-grabbing debate, about the extent to which these are new events or represent continuity in the patterns of land use and economic accumulation. Guarding against generalisations, the Xai-Xai case is in many regards quite unique in the Mozambican context, regionally, and perhaps globally. Yet, it is also largely framed by the same bilateral relations that China has defined for other African countries.

First, regarding the actors driving the process, contrary to the general perception a few years ago that land deals were mostly led by corporations, the Xai-Xai case shows a continuum between state and private actors. It evolved from a cooperation arrangement between two states and recently incorporated a Chinese private corporation, likely benefiting from state incentives consonant with the 'Going Global' strategy. This policy-framed switch was accompanied, on the Mozambican side, by important institutional changes where its position was significantly reinforced. In a global context of heightened investment interest in farmland, WAAD's investment contributed to the central government reasserting and expanding control over land and water resources, indeed 'a centralising 'land grab'' (Mehta, Veldwisch and Franco, 2012) from provincial authorities. If in this scenario, charges of illegality and neo-colonialism (Blas, 2008) imposed on a powerless state become difficult to sustain, the means by which the state has extended its power should, at the very least, be debated.

Regarding land and power (re)distribution to the elites, the effects have been unexpected. In phase 1 (Ponela), there was distribution of land that has long been the state's, in keeping with mostly intensive food crop use since colonial beginnings. The difference this time lies in its focus on a 'technology transfer' that has had few results. If, in some cases, land distribution to specific ARPONE members aimed to gain the cooperation of the local administration in a contest with central powers, their participation in RBL did not block others from applying. Further, it has resulted in more accumulation of debt than profit. But this should not be pinned entirely onto Chinese investment, but also onto the means of production made available on the Mozambican side.

In the second, recent phase (Chicumbane), there is change in land occupation for intensification of food production on land recently used for family consumption and grazing, but this also represents a return to old colonial intensive practices. This recent land (re)conversion has corresponded to considerable appropriation and dispossession by the state, based on old state claims and the discourse of 'unused' land. The many unanswered questions about modalities of assistance to local populations carry great potential for social differentiation such as when new land is going to be allocated, where, and whether they will be part of a technology transfer scheme.

This leads into the second guiding question of what gains accrue for the Chinese company and what their own objectives are. The initial accord has created the conditions for a private operator's massive expansion, fulfilling ambitions of global presence in the processing sector and associated industries. However, the deal is unlikely to have as a hidden agenda exporting rice to China, or expanding China's hybrid seed market share. Instead, WAAD is likely to gain an entry gate into the Southern African regional market in a few years.

The deal's vagueness makes it difficult to ascertain the government's objectives, increasing food production and/or reducing poverty, but could potentially serve to satisfy different constituencies while ignoring the contradictions about the means to fulfil those goals. If the goal was to increase aggregate yields domestically and then let WAAD export, the technology transfer to Mozambicans would not be strictly necessary, as production could continue with WAAD. Using medium-size Mozambican operators or the large-scale Chinese project would correspond to entirely different models of agricultural and rural development, and yet none seems to integrate the poorer rural population of the 'family sector'. The large-scale Chinese model, eliminating Mozambicans as outgrowers and labourers, would perpetuate the historical misconception of the

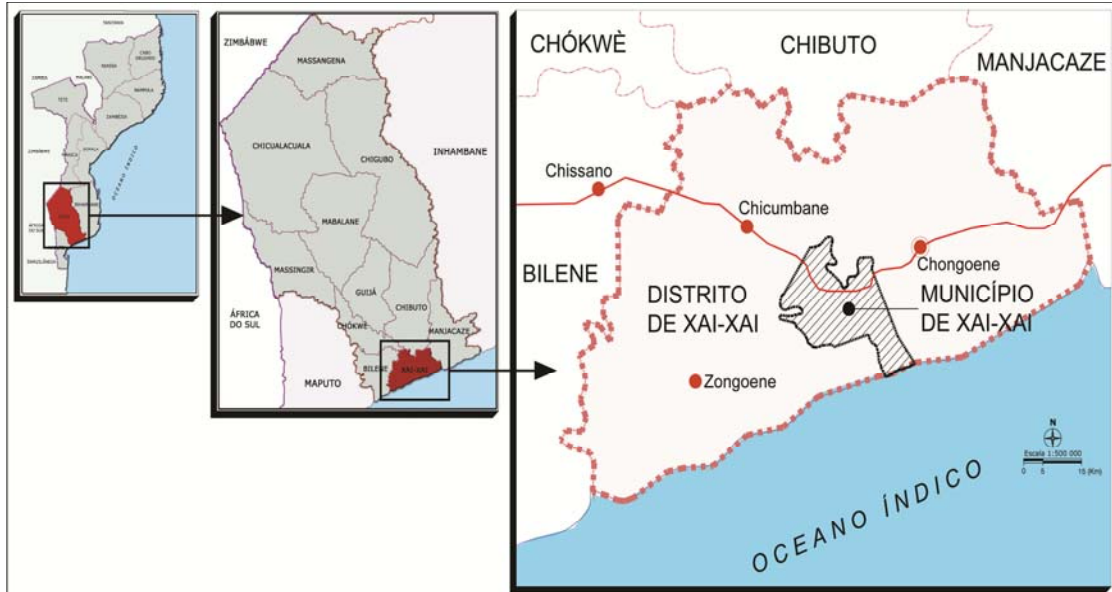
peasantry/smallholders living purely on subsistence, primitive agriculture, disconnected from off-farm work and markets, rather than a differentiated group integrating different labour regimes. The Chinese business model, with outgrowers and *in situ* processing could, in theory, provide opportunities. However, the low purchasing price for unprocessed rice, the high price tag of production services and limited financing, as well as competition with Chinese outgrowers threatens to make the model unviable for those who, at least temporarily, were disposed of their farmland. Furthermore, processing activities are unlikely to create many jobs. However, it's important to remember that there was never a 'smallholder' homogeneous group surviving solely from subsistence agriculture, nor an agriculture-based economy in Gaza, despite the efforts since colonial days. Rather it has been a labour-based economy where people resort to multiple sources of livelihoods, which are often off-farm and not local. In this regard, the Chinese project is unlikely to dispossess them of a role in the local economy, insofar as that role has historically been a precarious one, or reverse the historical trend of Gaza's economy to make it an agriculture-based one.

From the empirical analysis of the previous sections summarized above, it is possible to begin to consider the question about whether this deal represents a new form of agrarian change. With regard to land use and systems of production, although the Chinese project does represent significant changes in recent times, both in extension and purpose, big, mechanised farms is a historically-rooted tendency in Mozambique and not simply a new global trend. At the same time, the smallholder model that prevailed in MDSAR days corresponds more to a donors' vision, not being fully owned by Mozambican elites either before or after structural reform. But it is no less a part of a neoliberal agenda.

China is increasingly regarded as an alternative to Western sources of finance for development in Africa and Mozambique, willing to fund sectors at the request of governments, such as agriculture, which was neglected in the past 30 years by donors. How China is doing it, associating aid and business is not so different from what Western donors have done through private sector development. Land deals are the reflection of how development finance and global finance are really part of the same system (Bracking, 2009), whether donors are China or the West. However, this paper suggests the need for empirically-based analysis of the real social and political dynamics in the host country, and contrasting them with official policies. As the case examined here shows, Mozambican policy and politics have been fundamental to determining how foreign assistance and FDI are used, as well as their impacts and outcomes.

Annex

Location of Xai-Xai municipality and district within Gaza province and in relation to other districts in the province



Source: Xai-Xai Municipal Council.

References

1. Alden, C. (2007) *China in Africa*, Zed Books, London.
2. ARPONE (2011). 'Contrato de Assistência Técnica e Compra e Venda entre ARPONE e Empresa Hubei Lianfeng', Xai-Xai.
3. Anseeuw, W. et al. (2012) *Transnational Land Deals for Agriculture in the Global South*. Analytical report based on the Land Matrix Database, CDE/CIRAD/GIGA, Bern/Montpellier/Hamburg.
4. Bill & Melinda Gates Foundation (2012). 'Agricultural Development Grant Overview' [online]. Available: <http://www.gatesfoundation.org/agriculturaldevelopment/Documents/agricultural-development-grant-overview.pdf> [Accessed: 5 July 2012].
5. Blas, J. (2008) 'UN warns of food 'neo-colonialism'', *Financial Times* [online] Available: <http://www.ft.com/cms/s/0/3d3ede92-6e02-11dd-b5df-0000779fd18c.html#axzz2HECqUg3z> [Accessed: 2 May 2010].
6. Borras, S. Jr. and Franco, J. (2010a) *Towards a Broader View of the Politics of Global Land Grab: Rethinking Land Issues, Reframing Resistance*. Working Paper Series No. 001. Initiatives in Critical Agrarian Studies, The Hague, International Institute of Social Studies (ISS).
7. Borras, S. Jr. and Franco, J. (2010b) 'From Threat to Opportunity? Problems with the Idea of a 'Code of Conduct' for Land-Grabbing.' *Yale Human Rights and Development Law Journal*. 13, 507-523.
8. Borras, S. Jr. et al. (2011) 'Towards a Better Understanding of Global Land Grabbing: an editorial introduction', *Journal of Peasant Studies*, 38(2): 209-216.
9. Bracking, S. (2009) *Money and Power: great predators in the political economy of development*, Pluto Press, London.
10. Braütigam, D. and Tang, X. (2009) 'China's agricultural engagement in Africa', *China Quarterly*, 199, 686-706.
11. Braütigam, D. (2011) *China in Africa: what can Western donors learn?*, Report prepared for Norfund [online]. Available: http://www.norfund.no/getfile.php/Dokumenter/Studier%20for%20Norfund/Norfund_China_in_Africa.pdf [Accessed: 5 July 2012].
12. Braütigam, D. and Ekman, S. (2012) 'Rumours and Realities of Chinese Agricultural Engagement in Mozambique', briefing, *African Affairs*, 111(444): 483-492.
13. Brito et al., (2009) *Profile of the Limpopo Basin in Mozambique*, WaterNet Working Paper 11, CGIAR Challenge Program on Water and Food.
14. Buckley, L. (2011) 'Eating Bitter to Taste Sweet: An ethnographic sketch of a Chinese agriculture project in Senegal', paper presented at International Conference on Global Land Grabbing, IDS, 6-8 April 2011 [online]. Available: http://www.future-agricultures.org/index.php?option=com_docman&task=search_result&Itemid=971 [Accessed: 11 January 2013].
15. Chichava, S. (2010) 'China in Mozambique's Agriculture Sector: implications and challenges', IESE, Maputo.
16. Chichava, S. (2012) 'Investimento Directo Estrangeiro e o Combate à Pobreza em Moçambique. Uma leitura a partir do investimento chinês na agricultura', in *Desafios para Moçambique 2012*, IESE, Maputo, 411-426.
17. Chichava, S. (unpublished) 'Xai-Xai Chinese Rice Farm and Mozambican Internal Political Dynamics: a complex relation'.
18. Cotula, L. et al. (2009) *Land Grab or Development Opportunity? Agricultural investment and international land deals in Africa*, FAO, IIED and IFAD. Available: <http://pubs.iied.org/12561IIED.html> [Accessed on 10 February 2010].

19. Cotula, L. (2012) 'The International Political Economy of the Global Land Rush: a critical appraisal of trends, scale, geography and drivers', *Journal of Peasant Studies*, 39(3-4): 649-680.
20. Daniel, S. with Mittal, A. (2009) *The Great Land Grab. Rush for World's Farmland Threatens Food Security for the Poor* [online]. Available: media.oaklandinstitute.org/great-land-grab-rush-world's-farmland-threatens-food-security-poor [Accessed: 1 July 2010].
21. de Fraiture, C., Giordano, M., and Liao, Y. (2008) 'Biofuels and implications for agricultural water use: blue impacts of green energy', *Water Policy*, 10 (Supplement 1): 67–81.
22. Diário de Moçambique (2012). 'Moçambique: Governo defende transferência de tecnologias no Baixo Limpopo,' 15.12.2012 [online]. Available: <http://farmlandgrab.org/post/print/21441> [Accessed: 31 January 2012].
23. Direcção Provincial de Gaza (DPA) (2008). *Acordo de Gemelagem Específica para a Área da Agricultura entre a Direcção Provincial da Agricultura de Gaza e a Direcção Provincial de Administração das Farmas Estatais de Hubei (Hubei Lianfeng Moçambique Co, Lda)*, Xai-Xai, Mozambique.
24. Direcção Provincial de Agricultura de Gaza (DPA) (2010). *Informe do Estágio de Cooperação entre Moçambique e República Popular da China em Gaza*, Xai-Xai.
25. Durán, J. and Chichava, S. (2012) 'Centro de Investigação e Transferências de Tecnologias Agrárias de Umbeluzi. A história de um "presente" chinês a Moçambique', in *A Mamba e o Dragão: Relações Moçambique-China em Perspectiva*, Chichava, S. and Chris Alden, eds., IESE and SAIIA, Maputo and Johannesburg, 125-141.
26. Ekman, S. (2012) 'Mito e Realidade: o envolvimento chinês no sector agrícola em Moçambique', in *A Mamba e o Dragão: Relações Moçambique-China em Perspectiva*, Chichava, S. and Chris Alden, eds., IESE and SAIIA, Maputo and Johannesburg 99-124.
27. Embassy of Namibia (2012). 'Bright future for Sino-African relations' [online]. Available: <http://na.chineseembassy.org/eng/xwdt/t999965.htm> [Accessed: 20 March 2013].
28. FOCAC (2006). 'Declaration of the Beijing Summit of the Forum on China-Africa Cooperation' [online]. Available: <http://www.chinese-embassy.org.za/eng/zfgx/zfhzlt/t281761.htm> [Accessed: 17 July 2012].
29. Freeman, D., Holslag, J. and Weil, S. (2008) *China's Foreign Farming Policy: Can Land Provide Security?*, BICCS Asia Paper, 3(8).
30. Government of Gaza Province (GdPG) (2010). *Estatutos da Associação dos Agricultores e Regantes do Bloco de Ponela para o Desenvolvimento Agro-Pecuário e Mecanização Agrícola de Xai-Xai (ARPONE)*, Xai-Xai, Mozambique.
31. Government of Mozambique (GoM) (1991). *Lei de Águas*, Law 16/91 of 3 April 1991, in *Colectânea de Legislação sobre a Terra*, 2009, 3rd ed., Serra, C. (ed.), Ministério da Justiça, Maputo, Mozambique, 319-335.
32. Government of Mozambique (GoM) (1998). *Regulamento da Lei de Terras*, Decree 66/98 of 8 December 1998, in *Colectânea de Legislação sobre a Terra*, 2009, 3rd ed, Serra, C., ed., Ministério da Justiça, Maputo, Mozambique, 89-99.
33. Government of Mozambique (GoM) (2010). 'Estatutos do Regadio do Baixo Limpopo, E.P.', Decree 5/2010 of March 23 2010, *Boletim da República*, 5th Supplement, Series I – Number 11, 23 March 2010, Mozambique.
34. GTZ (2009). *Foreign Direct Investment (FDI) in Land in Developing Countries*, Eschborn.
35. GRAIN (2008). *Seized! The 2008 Land Grab for Food and Financial Security*, GRAIN Briefing, [Online] Available: www.grain.org/briefings_files/landgrab-2008-en-annex.pdf [Accessed 17 February 2010].
36. Green Super Rice (2012). 'Green Super Rice for the Resources-Poor of Africa and Asia' [online]. Available: <http://thegsr.org/> [Accessed: 1 March 2012].
37. Hall, R. (2011) 'Land grabbing in Southern Africa: the many faces of the investor rush', *Review of African Political Economy*, 38(128): 193-214.

38. Hofman, I., Ho, P. (2012) 'China's "Developmental Outsourcing": A critical examination of Chinese "land grabs" discourse', *Journal of Peasant Studies*, 39(1): 1-48.
39. Horta, L. (2008) *The Zambezi Valley: China's first agricultural colony?*, Report, Centre for Strategic and International Studies [online]. Available: <http://csis.org/publication/zambezi-valley-chinas-first-agricultural-colony> [Accessed: 17 February 2010].
40. Henderson, R. (1976) *Two aspects of land settlement policy in Mozambique, 1900-1961*, Collected Seminar Papers, Institute of Commonwealth Studies, 20, 142-150.
41. Lusa (2011). 'BAD: China e Suécia na "corrida à terra" em Moçambique – CoDA', 7.6.2011 [online]. Available: <http://farmlandgrab.org/post/print/18763> [Accessed: 17 July 2012].
42. Macuablogs (2012). 'GAZA - Investidos 250 milhões para exploração do Baixo Limpopo', 19.8.2012 [online]. Available: http://macua.blogs.com/moambique_para_todos/2012/08/gaza-investidos-250-milh%C3%B5es-para-explora%C3%A7%C3%A3o-do-baixo-limpopo.html [Accessed: 16 January 2013].
43. Massingir Dam and Smallholder Agricultural Rehabilitation Project (MDSAR) (2008a). *Project Completion Report*, Ministério das Obras Públicas e Habitação (MOPH), Maputo, Mozambique.
44. Massingir Dam and Smallholder Agricultural Rehabilitation Project (MDSAR) (2008b). *Estudo de Viabilidade Económico-Financeiro e do Desenvolvimento Institucional do Regadio de Xai-Xai*, revised March 2008, Ministério das Obras Públicas e Habitação (MOPH), Maputo, Mozambique.
45. Massingir Dam and Smallholder Agricultural Rehabilitation Project (MDSAR) (2008c). *Relatório de Avaliação dos Agricultores Concorrentes à Ocupação da Área do Regadio do Bloco de Ponela*, Ministério das Obras Públicas e Habitação (MOPH), Xai-Xai, Mozambique.
46. Mehta, L., Veldwisch, G. I., and Franco, J. (2012) 'Introduction to the Special Issue: Water Grabbing? Focus on the (re)appropriation of finite water resources', *Water Alternatives*, 5(2): 193-207.
47. Ministry of Agriculture (MINAG) (2007). *Estratégia da Revolução Verde em Moçambique 2007* [online]. Available: http://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=3&cad=rja&ved=0CEcQFjAC&url=http%3A%2F%2Fwww.fda.gov.mz%2Findex.php%3Foption%3Dcom_docman%26task%3Ddoc_download%26gid%3D6%26Itemid%3D71&ei=lzGSUayQOueK0AW4i4CADw&usg=AFQjCN E5541bYLhwXz9YJYzr1WHJjB S5Q&sig2=gR0HqTP DziVD2li GUVfQ&bvm=bv.46471029,d.d2k [Accessed: 10 March 2012].
48. Ministério da Agricultura (MINAG) (2009). *Procedimentos de Registo e Libertação de Variedades*, Maputo, Mozambique.
49. Ministério da Agricultura (MINAG) (2011). *Plano Estratégico para o Desenvolvimento do Sector Agrário 2011-2020* [online]. Available: http://fsg.afre.msu.edu/mozambique/caadp/PEDSA_FINAL_10Out.pdf Accessed: 10 March 2012].
50. Monteiro, J. and Fonseca, V. (1952) 'Breve Notícia sobre o Resgate e Parcelamento do "Machongo" da Inhamissa', *Moçambique. Documentário Trimestral*, 71, Lourenço Marques, 5-36.
51. Newit, M. (2009) *A History of Mozambique*, Hurst & Company, London.
52. O'Laughlin, B. (1996) 'Through a Divided Glass: Dualism, class and the agrarian question in Mozambique', *Journal of Peasant Studies*, 23:4, 1-39.
53. Peluso, N. and Lund, C. (2011) 'New Frontiers of Land Control: Introduction', *Journal of Peasant Studies*, 38(4): 667-681.
54. Portal do Governo de Moçambique (2011). 'Tornar o baixo Limpopo em pólo de desenvolvimento', 14.4.2011 [online]. Available: <http://www.portaldogoverno.gov.mz/noticias/agricultura/marco-de-2011/tornar-o-baixo-limpopo-em-polo-de-desenvolvimento/> [Accessed: 17 January 2013].
55. Power, M. and Mohan, G. (2010) 'Towards a Geopolitics of China's Engagement with African Development', *Geopolitics*, 15(3): 462-495.

56. RBL-EP (n.d.). *Lista de Produtores do Ponela, Xai-Xai*.
57. RBL-EP (2012). *Ponto de Situação de Operação do Regadio, Xai-Xai*.
58. Roesch, O. (1988) 'Rural Mozambique since the Frelimo Party Fourth Congress: The Situation in the Baixo Limpopo', *Review of African Political Economy*, 41, 73-91.
59. Roesch, O. (1991) 'Migrant Labour and Forced Rice Production in Southern Mozambique: The Colonial Peasantry of the Lower Limpopo Valley', *Journal of Southern African Studies*, 17(2), 239-270.
60. Ruchun, W. (2009) 'The Research on the Development Strategy for Agricultural Products Processing Industry in Xiangfan City of China', in Proceedings of the 7th International Conference on Innovation and Management, 585-588.
61. Schut, M., Slingerland, M. and Locke, A. (2010) 'Biofuel developments in Mozambique. Update and analysis of policy, potential and reality', *Energy Policy*, 38: 5151-5165.
62. Smaller, C. and Mann, H. (2009) *A Thirst for Distant Lands: Foreign investment in agricultural land and water*, IISD [online.] Available: www.iisd.org/pdf/2009/thirst_for_distant_land.pdf [Accessed: 14 July 2010].
63. Smaller, C., Wei, Q. and Yalan, L. (2012) *Farmland and Water: China invests abroad*, IISD, Winnipeg.
64. Sobrinho, A. (1981) 'A Cheia de Fevereiro 1977 no Rio dos Elefantes e sua Repercussão no Baixo Limpopo (Moçambique)', *Finisterra*, XVI(31): 95-122.
65. The Oakland Institute (2011). *Understanding Land Investment Deals in Africa. Country Report: Mozambique* [Accessed: 10 March 2012].
66. Torres, J. (1967) 'Some Settlement Schemes in the Gaza District of Southern Mozambique', *South African Journal of Economics*, 35(3): 244/255.
67. Vaz, A. (2000) 'Coping with Floods – The Experience of Mozambique', 1st WARFSA/WaterNet Symposium: Sustainable Use of Water Resources, Maputo, 1-2 November 2000.
68. Voice of America (VoA) (2013). 'Moçambique: Cheias causam prejuízos de 13 milhões no Baixo Limpopo' 8.5.2013 [online]. Available: <http://m.voaportugues.com/a/1657040.html> [Accessed: 8 May 2013].
69. von Braum, J. and Meinzen-Dick, R. (2009) "'Land Grabbing" by Foreign Investors in Developing Countries: risks and opportunities', IFPRI Policy Brief 13, [Online] Available: <http://www.ifpri.org/pubs/bp/bp013.asp> [Accessed: 20 July 2010].
70. Woodhouse, P. (2009) 'Technology, Environment and the Productivity Problem in African Agriculture: Comment on the *World Development Report 2008*', *Journal of Agrarian Change*, 9(2): 263–276.
71. Woodhouse, P. (2012) 'New investment, Old Challenges. Land deals and the water constraint in African agriculture', *Journal of Peasant Studies*, 39(3-4), 777-794.
72. World Bank (2003). *Reaching the Rural Poor. A Renewed Strategy for Rural Development*, World Bank, Washington, D.C.
73. World Bank (2006). *Agriculture Investment Sourcebook* [Online]. Available: http://extop-workflow.worldbank.org/extop/e-commerce/catalog/product-detail?product_id=4535921& [Accessed: 17 August 2010].
74. World Bank (2007). *World Development Report 2008: Agriculture for Development*, World Bank, Washington, D.C.
75. World Bank (2009). *Implementing Agriculture for Development*. World Bank Group Agriculture Action Plan: FY2010–2012. World Bank, Washington, D.C.
76. World Bank (2010). *Rising Global Interest in Farmland: Can It Yield Sustainable and Equitable Benefits?* [online]. Available: siteresources.worldbank.org/INTARD/.../ESW_Sept7_final_final.pdf [Accessed: 7 September 2010].
77. Wuyts, M. (1985) 'Money, planning and rural transformation in Mozambique', *Journal of Development Studies*, 22(1): 180-20.

78. Wuyts, M. (2001) *The Agrarian Question in Mozambique's Transition and Reconstruction*, WIDER Discussion Papers // World Institute for Development Economics (UNUWIDER), 2001/14 [online]. Available: <http://www.wider.unu.edu/stc/repec/pdfs/dp2001/dp2001-14.pdf> [Accessed: 10 January 2013].

LDPI Working Paper Series

A convergence of factors has been driving a revaluation of land by powerful economic and political actors. This is occurring across the world, but especially in the global South. As a result, we see unfolding worldwide a dramatic rise in the extent of cross-border, transnational corporation-driven and, in some cases, foreign government-driven, large-scale land deals. The phrase 'global land grab' has become a catch-all phrase to describe this explosion of (trans)national commercial land transactions revolving around the production and sale of food and biofuels, conservation and mining activities.

The Land Deal Politics Initiative launched in 2010 as an 'engaged research' initiative, taking the side of the rural poor, but based on solid evidence and detailed, field-based research. The LDPI promotes in-depth and systematic enquiry to inform deeper, meaningful and productive debates about the global trends and local manifestations. The LDPI aims for a broad framework encompassing the political economy, political ecology and political sociology of land deals centred on food, biofuels, minerals and conservation. Working within the broad analytical lenses of these three fields, the LDPI uses as a general framework the four key questions in agrarian political economy: (i) who owns what? (ii) who does what? (iii) who gets what? and (iv) what do they do with the surplus wealth created? Two additional key questions highlight political dynamics between groups and social classes: 'what do they do to each other?', and 'how do changes in politics get shaped by dynamic ecologies, and vice versa?' The LDPI network explores a range of big picture questions through detailed in-depth case studies in several sites globally, focusing on the politics of land deals.

'Friendship' Rice, Business, or 'Land-grabbing'? The Hubei-Gaza rice project in Xai-Xai

This paper examines a land deal in a state-run irrigation scheme in Southern Mozambique to develop agriculture through technology transfers, in the context of Sino-Mozambican bilateral relations. The project has developed in two distinct phases since 2006, consisting of a pilot phase and slow expansion until late 2011, and of massive expansion of land use since then. Using an agrarian political economy approach, this study provides an analysis of the actors, processes and outcomes of the Chinese project to date, and particularly of political dynamics at work. This paper engages the land-grabbing debate about the place of China therein, the role of the state versus private investors, and the directions of agrarian change from a historical perspective, while questioning basic assumptions such as the duality smallholders - commercial farmers.



landpolitics@gmail.com

www.iss.nl/ldpi