

Report on 1st SIANI expert meeting on China's global land-investments (focus on African countries)

The first SIANI expert group meeting on China's global land-investments was held at the Stockholm Environment Institute (SEI) in Stockholm, on 18 October 2011. This report provides a brief summary of the content of discussion and a brief re-cap of the purpose of the expert group. It is primarily intended to "re-fresh" the memory of those that participated, and to give an indication to those that could not participate of what topics were discussed.

Participants

The meeting was attended by:

- 1 Lennart Båge
- 2 Stefan deVylder
- 3 Peter Roberntz WWF
- 4 Maria Stridsman Sida
- 5 Atakilte Beyene SEI
- 6 Jakob Lundberg FAO
- 7 Olivia Taighoff SIANI
- 8 Kerstin Geppert SEI
- 9 Karl Hallding SEI
- 10 Marie Olsson SEI

Absent expert group members:

- 11 Frederic Cho Handelsbanken
- 12 Penny Davies Diakonia
- 13 Johanna Jansson University of Århus
- 14 Marja Wolpher Afrikagrupperna
- 15 Fredrik Ingemarsson KSLA

Recap: Purpose of the expert group

The expert group's purpose is two-fold:

Firstly, it serves as a mean to achieving greater knowledge on Chinese land acquisitions in (selected) African countries by gathering expertise in Sweden for regular discussion meetings. The results of the expert group's work will be presented through written policy briefs and issue papers made available on SIANI's website. In addition to this, one to two public seminars are planned to take place during spring 2012.

At a later stage, the collected knowledge will be synthesised into an application for a research project on China's global land acquisitions. The expert group meetings thus serve the purpose of identifying and narrowing down the scope of such an application. While the writing part of the research proposal will be lead by SEI, all group members are invited to join as partners and collaborators.

Workshop report

The aim of the first workshop was three-fold:

to introduce the broader context of China's engagement in African agriculture and land-investments and the context of the Chinese drivers for investing in land overseas; get to know each other as a group; and decide on the future topics to be covered by the expert group. Presentations were made by Karl (drivers for Chinese investment), Kerstin (food security as an investment driver) and Marie (China's engagement in African agriculture), all leaving plenty of room for discussion.

What are the experts thinking?

In order to get participants into the right "mind-set" a brainstorming exercise on group's perceptions of Chinese land-related engagement in Africa started off the day. Participants were asked four questions:

- What is China's biggest agricultural import from Africa?
- What factors determine China's (agricultural) investments in Africa and elsewhere?
- What is the biggest threat/risk of China's global land investments?
- What is the biggest opportunity of Chinese investments in Africa?

Around half of the participants answered (correctly) that China's biggest agricultural commodity import from Africa is cotton. On the determinants of China's investments, many answered with reference to domestic food security, others noting domestic lack of land rights, diplomatic relations and favourable investment opportunities. On the biggest threat, many answers related to the nature/way of Chinese investments, including a lack of sustainability criteria and disregard for local circumstances, while others pointed to potential conflicts over land and resources. On opportunities, almost all answers referred to the enabling potential of Chinese capital and investments, including infrastructure, knowledge and long-term development funding (see attached document for detailed answers).

What's different about Chinese land-acquisitions?

During discussions related to the first presentation on the broader context of Chinese engagement in Africa, focusing in particular on agriculture and land, participants voiced the view that the nature of Chinese land-acquisitions is not necessarily different from other actors, but rather that it is the Chinese "package presence" that sticks out. A comparison of selected African countries according to governance type (e.g. democratic/authoritarian/semi-authoritarian) was suggested.

What do we mean when we say 'China'?

The necessity to distinguish between the Chinese government, Chinese private companies, and the grey-zone in between was also pointed out. The extent to which private companies are independent toward the Chinese government was also questioned. The group noted that expertise on this particular topic within the room was rather limited, and it was agreed that this would be a good topic to focus discussion around next time.

What drives Chinese land investments abroad?

The afternoon was spent discussing the drivers behind China's outward land investments, with special attention paid to food security. The quest to secure further

fossil energy sources was presented as the most strategic, noting the general trend of an increasing securitisation of resources. On biofuels, it was argued that the increased need for non-fossil energy sources domestically is very clear, but that there is yet little evidence of this happening, which makes it problematic to argue this as a real case.

On food security, it was noted that China is still 95% self-sustained when it comes to food stuffs, but that imports have increased steadily since 2003. Questions were raised on whether the Chinese food security policy of domestic self-sufficiency has failed.

Issues for future discussion

Having spent the first meeting getting to know one another and the broader context, it was decided that future workshops should be delimited to issue-specific topics. Three themes for future focus were identified: the outward investment policy of Chinese companies; the nature of Chinese investment and engagement; and the importance of African/host country agencies. Specific questions related to each theme were also discussed.

The outward investment policy of Chinese companies

1. Chinese **investment policy** and **investment statistics**. Are there reliable statistics on the extent of Chinese land-investments in Africa and elsewhere?
 - a. Renewable versus non-renewable
 - b. Standardised codes of conduct for investments abroad?
2. Incentives for **Chinese companies** to invest in African land. To what extent do incentives differ between different types of companies?
 - a. What defines the behaviour of Chinese companies abroad? If yes, what are the determinants?

The nature of Chinese investments and engagements

3. Is there really **anything different about Chinese land-grabs/engagement** compared to other companies/countries?
 - a. Are Chinese aid projects different from European and other non-Western actors?
 - b. The consequences of the high Chinese “package” presence.
4. The **Chinese learning curve in Africa**. Are there examples of changed behaviour due to lessons learned?
5. **Public versus private**: Is there a difference between the behaviour of Chinese companies and government run aid projects?

The importance of African agency

6. The importance of **African agency** in determining the consequences of land-acquisitions. Different outcomes in different countries given similar type of investment?
 - a. Negotiation strategy of host country
7. Comparative examples from select African countries, e.g.

The process moving forward

The following tentative timeline is suggested:

Time frame	Item	Comment
mid November	An online library will be established containing relevant readings	Recommended readings for upcoming meetings included
end November/ early December	2nd expert group meeting	Focus: -Chinese companies and their investment strategies; and/or -The nature of Chinese investments
December	1 st policy brief on Chinese companies and their investment strategy & nature of Chinese engagement	SEI lead write, expert group comment
February 2012	3rd expert group meeting	Focus: -Looking across/African agency: comparing the outcome of Chinese land-acquisitions in different countries.
March 2012	2 nd policy brief on the (different?) outcome of Chinese land-acquisitions in different countries.	SEI lead write, expert group comment

Once a date for the 2nd workshop has been settled, a draft agenda will be circulated. The results of the 2nd workshop will be presented in the format of a SIANI policy brief.