

Rethinking China's 'land grabs': Chinese land investments in Central Asia

In recent years, China's rapid economic growth has been coupled with a rising demand for natural resources. Great international concern has arisen over China's land acquisitions for agricultural and biofuel production, pejoratively called "land grabbing". Contrarily, when looking at China's land acquisitions in a global context, it is not that much different from land acquisitions by other countries and corporate players. In this sense, there are various parallels and differences between the governance of Chinese "land grabbing" versus a "globalization with Chinese characteristics".

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IT IS AGAINST THE BACKDROP ABOVE, that our research on Chinese land acquisitions is taking place. The research aims to arrive at an analytical framework with which one might better understand the processes of Chinese worldwide land acquisitions.

China going global

For one thing, the significant rise in China's global activities in agriculture with particular reference to its alleged "land grabbing" should not be seen as separate from the country's global expansion in other sectors. Instead of "land grabbing" we prefer to use the more neutral term "land acquisition". The activities may intertwine, for interests and preferences often align with governmental priorities. Chinese companies are involved in infrastructure projects, mining and oil extraction around the world, while smaller-scale private Chinese enterprises increasingly engage in overseas investment and production activities too. The particular pace of Chinese investments in the last decade follows the state's "going global" strategy, deemed crucial for national development by the central authorities.

Over the past decades China's sustained economic growth has put a rising pressure on the country's domestic natural resources. The oft cited numbers portraying the country's dire situation are that China boasts 21% of the world's population, while the country possesses only 8.5% of the world's available arable land, and 6.5% of the world's water reserves. To complicate matters, China lost 8.2 million hectares of arable land between 1997 and 2010, due to urbanization and environmental degradation (UNOHCHR 2010).

The pressure on the country's land and water resources is unquestionable. It is manifested in the different strategies that the authorities undertake to increase domestic food production. For the government, affordable food prices are perceived as being crucial to maintain social stability and guaranteed supplies are of utmost importance. To fuel its economic development, China increasingly projects its domestic shortages to other countries and regions abroad. The stimulus for this development has become even more pressing since the country's growing middle class pursues more luxurious life styles and consumption patterns. An increase in a range of particular food products, such as coffee, cacao, wine, but also animal feed, are more efficiently produced overseas, and thus imply new grounds for Chinese investments. In the past five years, the country has become a major player in the global land market. New unexpected agreements have emerged under which the Chinese government seeks to acquire large tracts of land and to access overseas resources.

"Land grabbing" or land acquisition?

Global land acquisitions are high on the socio-political agenda today. The recent developments have resulted in numerous research initiatives and reports in the last five years, with fierce debates about the impacts of the investments on local livelihoods and the environment. A frequently mentioned issue by critics is that the socio-political processes through which the land use changes are implemented are undemocratic and a testimony of "bad land governance".

There are several issues at stake here. For one thing, what "land grabbing" denotes is downright ill-defined. The term implies the theft of property and ownership. However, the recent land acquisitions regularly contain formally arranged

lease or concessionary rights, ranging from 30 to 99 years. Due to shortages in food and fuel, rapidly emerging economies have begun to outsource agricultural production by leasing or buying rural land in developing and developed countries. Assessing whether these land acquisitions are entirely negative for poor and socially vulnerable groups, or whether they might also bring positive effects for local communities, is the aim of our research.

The available information about Chinese land acquisitions is strongly determined by civic and non-governmental politics. For instance, an alarmist report by the NGO Grain in 2008 has identified approximately 30 agricultural-related land investments by Chinese investors up to 2008. Grain concluded that considering the total number of 100 identified international land deals by various investors worldwide, China could be labelled a major investor.

Securitisation of food availability?

Safeguarding domestic food supplies is presumed to be one of the core motives underlying China's foreign land investments, therewith infringing upon food security of vulnerable livelihoods in recipient countries. Chinese investments are, amongst others, found in countries that receive aid from the UN World Food Program, whilst lack of verifiable data makes that it is often difficult to identify if produce is exported back home. One of China's now emerging agribusinesses has announced to pledge large-scale investments all over the world, in which it is supported by its provincial government. The company's expansion is clearly given in by domestic demands.

The very fact that these large investments concur with China's aid projects in Africa makes that different appearances and ideas about "China's drives" intermingle. Clear is though that China's neo-colonial image dominates over an altruistic portrayal. This came to the fore plainly last July (2011), when a German governmental official assaulted China for having caused the current famine in the Horn of Africa (Szent-Ivany, 2011). Chinese officials have strongly contested this assault, and emphasised that Chinese teams working in Africa simply seek to enhance food security on the continent. The recently established agricultural training centres operated by Chinese teams are considered to support African countries in their securitisation of food supplies and interestingly, these recent projects mirror China's development aid projects in Africa in the early 1960s. How China's expansion affects land availability and food security of local communities is an essential point for further field research.

Filling the void

Yet, in fact we know very little about the range of Chinese investors involved, the motives behind their investments, and importantly the actual impact of Chinese land acquisitions at the grassroots. In particular, China's upcoming presence in Africa in the last decade has received considerable attention. Is China a neo-colonial power in the making? Chinese companies and their activities are most often portrayed in a rampant sense as an aggressive resource extractor. For this purpose, our research started with a comprehensive inventory of Chinese land-based investments worldwide over the period 1990-2011. In a next step, in-depth fieldwork will be undertaken, for which we will focus on Central Asia – a strategically important region with vital geo-political implications because of its natural resources, and its geographical location hemmed in between Asia and Europe.

Our research zooms in on the governance dynamics at the local level in Central Asia, and focuses on the following questions: How do Chinese land acquisitions impact local (ethnic) communities? What stakeholders are involved, and how do their vested interests determine their actions? What are the regulatory, legal and informal institutions that govern the land acquisitions on the ground? And how are customary rights systems affected by the Chinese land acquisitions?

Central Asia

One of the Central Asian countries targeted by Chinese investors is Tajikistan. The country is currently a typical economy-in-transition caught in the flux from a centrally planned to a market economy. In this sense, it is in certain ways similar to, yet, still lagging far behind the People's Republic of China.

In the Tajik context, two important land deals have caught the international media's attention. Very recently, the authorities of the Xinjiang Uyghur Autonomous Region in West China have

acquired a land concession of 2 thousand hectares, while not long before that, the Chinese (central) government concluded a deal with the Tajik government for the acquisition of 110 thousand hectares, which subsumes around 1.0% of Tajikistan's total land area. According to the Tajik government, the Chinese investments' accompanying advanced agricultural technology and know-how is crucial for the country's development. However, controversy has arisen over both concessions (Pannier, 2011).

Importantly Tajikistan is not outstanding in its potential for productive agriculture. The current limited food security is a case in point. Agriculture in Tajikistan relies heavily on irrigation and the mountainous landscape is not well suited for large-scale highly productive agricultural production. One could speculate that the Chinese investment is triggered by the crucial natural resources that the Central Asian state have to offer, as the Chinese government is increasingly active to foster trade and bilateral relationships with the Central Asian states. This is also given in by the importance to develop the bordering Xinjiang Uygur Autonomous Region. The region is an important bridge between Tajikistan and China, and social stability in the region is of utmost importance for the Chinese government. From this description alone, one may understand that there are potentially various motives that underlie Chinese land-based investments.

Concluding remarks

When analyzing China's developing "going global" strategy on the world map, we found a significant rise of land acquisitions that are increasingly located further overseas. Investments in Southeast Asia have consistently occurred over the last decade, while many Chinese investments in African countries have taken place in the last years. Recently China's acquisitions for agricultural land have also been taking place in South America.

At the same time, however, the lacuna in precise data and information about Chinese companies' structure, size and governmental backing constrains a better and detailed overview of the actors involved in Chinese foreign land investments. The diversity of Chinese investments involves multiple Chinese actors which may have distinct interests to operate overseas and expand their endeavours. The contexts in which Chinese actors acquire land, differ widely in socio-economic, political, cultural and environmental conditions, as do the particular resources that Chinese companies aim at and the approach they pursue. This influences the way Chinese companies approach the host society.

While it remains difficult to present a more complete picture than the hitherto speculative publications and anecdotal information, our research project aims to review the Chinese global activities in agriculture in a more comprehensive manner. The lack in data and information about the engagement of Chinese private company overseas limits exact quantification, and a reliable qualification of the Chinese projects. Several studies have been conducted on China's expansion in resource extractive industries and other sectors. Yet, China's global expansion in general is still poorly understood. In this respect, our research does not aim to provide definitive answers or conclusions, but aims to first scrutinize and re-examine the current discourse of what many call China's "land grabs".

This study is embedded in the larger China-GX (China's Global Expansion) research consortium, hosted by the Modern East Asia Research Centre (MEARC, www.mearc.eu). The China-GX research consortium will look at China's Asian expansion in terms of its influence on a wide range of issues: land investments, deforestation, the trade in protected animals and plants, energy and dam building, mineral exploitation, and new modes of knowledge production.

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The authors are currently working on a comprehensive review of Chinese land acquisitions worldwide, entitled "Revisiting China's "Land Grab" Discourse" which is expected for publication in early 2012.

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