The Sino-Mozambican partnership in the Lower Limpopo valley: A new era in agrarian transformation?

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1. Objectives

- Talk about Chinese-Mozambican cooperation partnership project in the irrigation scheme RBL (Regadio do Baixo Limpopo), located in the lower Limpopo, in Gaza province, Southern Mozambique’ (2008-2014) → rice & corn

- Share analysis of:

  - Impact of project on political economy of food production
  - i.e: Power/Social relationships with/among elites
  - i.e: Social Relationships with/among producers

Objectives: overall dynamics examined


More broadly: H. Bernstein, A. Haroon Akram-Lodhi, C. Kay, and resurgence with ‘land grabs’ (Saturnino Borras, inter alia)
Outline

1. Agrarian transformation in Gaza province: the role of food production and off-farm work
2. The Guebuza years (2004-2014): agriculture and the economy (wider patterns of accumulation)
4. Sino-Mozambican partnership projects I and II
5. Some key findings
6. Conclusions: agrarian transformation, including (dis)continuities past-present settings
1. Role of agriculture in Gaza’s political economy and development trajectory

① South: food production rather than cash crops & in competition with migration labour to South Africa → off-farm work necessary for agriculture

② Ensuing persisting false dualities, including in irrigation schemes:
- family sector (backward “peasants”/”smallholders”, “local populations”) vs. modern commercial farmers. More recently turning “good” small producer into commercial producer
- subsistence/non-monetised circuits vs. capitalist economy

③ Access to land & agriculture-related activities/resources = means of social differentiation & public and private accumulation

④ Myth of the efficient, bountiful large irrigation scheme –Wrong!
2. The role of agriculture in the economy (2004-2014)

Recent policy context:
President Guebuza years, global triple ‘crises’ [fuel-food-finance]

* **Rapid increase of food inflation**: search for South-South solutions [rice gap]
* **Huge rise in FDI**, some land-based, most not: Mozambique top 6 FDI destinations of agricultural investments & number of deals (Cotula 2012)
* **Diminished importance of ODA** $\rightarrow$ less leverage
* **Flurry of interventionist policy activity** and international agreements: capture global trends of the moment
* **2000s: Core of economy** $\rightarrow$ *mineral/energetic*, export, structuring economy as a whole as “extractive” $\rightarrow$ agriculture: marginal in the political economy as a whole but important politically
* **Unaddressed challenges, dilemmas**

Agriculture: how to continue producing cheap food for “famine” (smallholders?) & cash crops (private/commercial sector?)? Ultimate goal WITH/OF agriculture?
### Flurry of policy activity produced in 7 years with structural changes in irrigation

<table>
<thead>
<tr>
<th>Year</th>
<th>Agriculture Strategy/Plan</th>
<th>Irrigation-related Strategy/Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td></td>
<td>Agriculture hydraulics: from national directorate to department in very large directorate (DNSA)</td>
</tr>
<tr>
<td>2007</td>
<td>Mozambican Green Revolution Strategy 2007 (ERVM)</td>
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<tr>
<td>2008</td>
<td>Support Plan for the Intensification and Diversification of Agriculture and Livestock in Mozambique (IDAP)</td>
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<tr>
<td>2009</td>
<td>Biofuels Policy and Strategy</td>
<td></td>
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<tr>
<td>2010</td>
<td>Launching of Comprehensive African Agriculture Development Plan (CAADP)</td>
<td></td>
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<tr>
<td>2011</td>
<td>CAADP Pact signed&lt;sup&gt;a)&lt;/sup&gt;</td>
<td>Review of Public Expenditure for Agriculture (World Bank)</td>
</tr>
<tr>
<td>2011</td>
<td>PARP 2011-2014&lt;sup&gt;b)&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>Agrarian Sector National Investment Plan (PNISA) 2013-2017</td>
<td></td>
</tr>
</tbody>
</table>
From Support Plan for the Intensification and Diversification of Agriculture and Livestock in Mozambique (IDAP, 2008)

Exemplary ambivalence:

- “emphasis on the private sector” as the country’s engine
  [two lines down]
- the “priority focus on small farmers and livestock producers, without neglecting the other groups of producers”

Guebuza: Interventionist, “mechanic” in target setting, uncoordinated strategies, insufficient resources ⇒ Yes, but analysis shouldn’t stop there

AGRICULTURE: lack of success, or failure of analysis?
Important question: What function does agriculture, particularly food production have in terms of the sector’s and the national political economy?
- patronage &
- produce capitalist class ⇒ Accumulation dilemmas (trial & error with crops riding international trends)
4. Sino-Mozambican partnership: Project 1, Ponela blocks in RBL


* Bilateral diplomatic contacts 2002-2006: close rice production gap
* Twinning Agreement signed Hubei-Gaza provinces > Pilot project 2007,2008
* Project upscaled (2011) thr Chinese private partner (Wanbao) with full central backing

- Framed as technological transfer of cultivation methods to “Mozambicans” & “local populations” – beneficiaries?

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**Project I (2010-)**

Ponela irrigation block

About 40 medium-scale local “emergent” commercial local farmers [5 ha])

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**Project 2 (2013-):**

1 ha in Demonstration Area (then go elsewhere)

About 68 small-scale producers with potential for becoming commercial producers
4. Sino-Mozambican partnership: limited “technology transfer” in project 1

Local group selected [5 ha each]

- some education – machinery – disposable capital [many state employees & Party officials]
- few with experience of agriculture

Shared arrangements: central state agency facilitation & Chinese inputs/tech

Very limited success:
- Price tag attached to Chinese technology/services
- Late availability of funds on Mozambican side
- Little demonstration of methods
- Language barrier
- Competition for resources with Chinese project
- Inability to pay back credit with low yields

Unintended recipients? / Unstated goals?
Late fund disbursement (Maputo, donors?)
Uneven soil
Imprecise plot delimitation
Insufficient machines for maintenance
Water distribution problems in Ponela
No funds for keeping birds out initially
Insufficient machines for cultivating and harvesting
Insufficient extension officers
No marketing plan
Competition from Asian rice

Shared responsibility in lack of success?

WAAD
Handpicking "good" producers with good plot
Insufficient machines & staff, limited time
High fees
Communication issues:
Limited method demonstration & language barrier
Some conflict and prejudices against "Mozambican farmers"
Fear of competition?
'Niche' market

ARPONE Producers
Experience with different rice cultivation methods
No experience with rice
Prejudices against "the Chinese"
Poor watering cooperation amongst producers
Absence from the fields and/or unreliable field manager
No place to dry rice
Misuse of funds
Not selling husked rice to WAAD
### Key data for Ponela (production-related outcomes)

<table>
<thead>
<tr>
<th>Agricultural campaign</th>
<th>2011-12</th>
<th>2012-13</th>
<th>2013-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of producers financed</td>
<td>41</td>
<td>11</td>
<td>6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2013-14 Producers in Ponela*</th>
<th>Area (ha)</th>
<th>Production (t)</th>
<th>Yields (t)</th>
<th>Costs* (MZN)</th>
<th>Revenue (MZN)</th>
<th>Balance (MZN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>5</td>
<td>14,726.00</td>
<td>2,945.2</td>
<td>63,500</td>
<td>83,760</td>
<td>20,260</td>
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<tr>
<td>2</td>
<td>5</td>
<td>18,479.00</td>
<td>3,695.8</td>
<td>63,500</td>
<td>121,290</td>
<td>57,790</td>
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<tr>
<td>3</td>
<td>3</td>
<td>8,770.00</td>
<td>2,923.3</td>
<td>56,400</td>
<td>31,300</td>
<td>-25,100</td>
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<tr>
<td>4</td>
<td>4</td>
<td>13,788.00</td>
<td>3,447.0</td>
<td>61,600</td>
<td>76,280</td>
<td>14,680</td>
</tr>
<tr>
<td>5</td>
<td>4.5</td>
<td>8,235.00</td>
<td>1,830.0</td>
<td>70,500</td>
<td>11,850</td>
<td>-58,650</td>
</tr>
<tr>
<td>6</td>
<td>4.5</td>
<td>12,563.00</td>
<td>2.8</td>
<td>70,500</td>
<td>55,130</td>
<td>-15,370</td>
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<tr>
<td>7</td>
<td>5</td>
<td>12,899.00</td>
<td>2,791.8</td>
<td>63,500</td>
<td>91,460</td>
<td>27,960</td>
</tr>
<tr>
<td>8</td>
<td>7</td>
<td>18,036.00</td>
<td>2.6</td>
<td>88,900</td>
<td>536,560</td>
<td>447,660</td>
</tr>
<tr>
<td>8</td>
<td>38</td>
<td>107,496.00</td>
<td>2,204.8</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Only 6 financed by GAPI (finance institution co-owned by state of Mozambique)*
Scaling up to 20,000 ha: Planned expansion of Regadio do Baixo Limpopo (2012)

Colonial designs reminiscent of “Do Chibuto ao Mar”? (de Sousa Monteiro 1955)

4. Project 2: scaling up tech transfer?

* 2013 social responsibility (?) or “public-private-POPULATION partnership”:

- Large demonstration area (machamba-escola) for tech transfer
- State-intermediation: credit, extension officers previously taught methods
- Land reallocation (Chimbonhanine, Magula blocks, partly rehabilitated by Wanbao)

* Outcomes? Poor to reasonable (same as in colonial times)

<table>
<thead>
<tr>
<th>Producers</th>
<th>Area (ha)</th>
<th>Production</th>
<th>Yields (t/ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>68</td>
<td>77,428</td>
<td>267,143</td>
<td>3.442</td>
</tr>
</tbody>
</table>

- Late cultivation (credit late disbursement → wrong time to sow)
3. Sino-Mozambican partnership: becoming modern ➔ commercial agric

- **Process:** selection of “able” producers, with potential to become commercial scale with help of Chinese methods ➔ social differentiation
  - **Key features:** experience, motivation and hard work, “enjoying it”, but also full dedication to that form of work and larger areas

vimos quem na verdade gosta de produzir isto aqui e então chamávamos, olha caro você faz arroz já há bastante ano então eu quero te convencer a vir assistir uma tecnologia que vai te melhorar a produção de arroz [...] para transformar machamba como um meio de conseguir ter dinheiro [...] outros produtores foram selecionados, outros para ver se são vendedores então sentem a perder tempo ir ficar na machamba do que ir no mercado (interview, extension officer, 6/6/2014)

- Ignoring need for multiple livelihoods to sustain agriculture as an activity
- Ignoring lack of experience in small group selected to showcase entrepreneurship

- **What is agriculture:** [I]t’s not for cultivating 1/2 ha, or 1/4 ha that we can say we’re doing agriculture (...) “ser capaz”, or have the “capacity” in many dimensions (the knowledge, labour, other inputs) to make it profitable. Otherwise, you need to leave agriculture to those who are “capable” (high official in office of District authority, Xai-Xai, 2012).

**versus**

Comparison with “miracle workers” in 4 Chinese state farms (600 ha + 700 ha), doing bulk of production, with subsidies to farm workers’ families
6. Some key findings

* **Expropriation of communal land rights** in eminent domain move in scale reminiscent of colonial and post-independence times

* **Partnership: Mozambican state side** (formation of sovereignty powers):
  - allowed state centralisation & greater administrative control over land, not less (contrary to fears of Chinese sovereignty infringement)
  - greater say to Mozambican central state at different levels than Western model but hampered by insufficient funds

* **Project 1**: privileges seemingly to local elites YET not real beneficiaries given outputs/outcomes

* **Project 2**: ?? 2014 early for outputs & Showcasing few “successful” commercial entrepreneurs?

* **General failure to achieve declared government goals** (poverty & food insecurity) > rice for niche market
6. Conclusions (I):

A new era in agrarian transformation?

Nuanced, mixed answer: scale, pace, contexts

* Geographical scale, time span: lower Limpopo irrigation schemes
  → massive expansion similar to ambitions of colonial and Socialist eras, some similar obstacles
  → more accelerated pace of change than in recent times

* Schemes as historical scenes of social stratification: land/water rights appropriation/reallocation, patronage
  - elite classes reorganisation, historically specific: marginalise previously important local elites to extent possible (politically viable), centralise access to Chinese investment
  - social reorganisation of labour: wider proletarianisation w/ land concentration.
  - new categories of producers? “peasant” and local medium producer vs. emerging “able” producer who embraces modern, Chinese methods.

➢ Question remains: which producers persist/change and what goals do they fulfill?
6. Conclusions (II): questions for discussion and further research

- **State-to-state: new hybrid (public-private) cooperation in funding & management**
  - **Unsustainable dependence** for irrigated agriculture or unspoken trade-offs (e.g., timber, liquefied gas, share of rice project)?
  - **capitalist class/state development** for China or/and Mozambique?
  - **Wider political economy of agriculture in Mozambique:** chronic late disbursement → importance of agriculture? → patronage vs. accumulation thr mega-projects like this partnership?
  - **State powers:** relational, constantly reshaped, contingent on international-national dynamics and local contexts/trajectories
Selected bibliography


Banco de Moçambique (2005) Relatório Anual, N° 14, Maputo: Banco de Moçambique.


DPA-Hebei Lianfeng (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: Direcção Provincial de Gaza (DPA) & Direcção Provincial da Agricultura de Gaza e a Direcção Provincial de Administração das Farmas Estatais de Hubei (Hubei Lianfeng Moçambique Co, Lda).


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* Resolução n.º 70/2008 2008, de 30 de Dezembro, aprova os procedimentos para apresentação e apreciação de propostas de investimento envolvendo extensão de terra superior a 10 000 hectares. Maputo.