Sino-African Foreign Direct Investment in Land: Problems and Prospects

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Abstract

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Chapter 3
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ABSTRACT
This chapter examines the political economy of Sino-African land acquisition with emphasis on land use for agriculture. Set within an institutions framework, it articulated a discourse on the motivation of Chinese cooperation with Africa. On China's role in Africa, the chapter identifies pessimistic views that focus on the potential imperialist character of China in African development as well as optimistic views which posit that African states have a crucial role to play in being architects of their own development, by setting institutions in place to maximize gains from Chinese development cooperation. From an historical perspective, large-scale land acquisition involves dispossession of land capital, legal aspects of property rights - which have gendered perspectives - and information asymmetry, all of which are recognized challenges to foreign investment in Africa. The chapter amplifies the silent reality that other emerging economies such as India and Brazil can influence agrarian transformation of Africa.

Keywords: Africa Progress Panel; African Union, AU; China-Africa; Deborah Brautigam; Dispossession; FDI in land; Food and Agricultural Organization, FAO; Forum on China-Africa Cooperation; Neo-colonialism; Organisation for Economic Cooperation and Development; Political economy; Property rights; Win-win; World Bank

INTRODUCTION
The African population, 60 to 70 per cent of which reside in rural areas, is largely dependent on low-productivity traditional agriculture as a means of livelihood. Consequently, in the growing discourse on Africa's structural transformation, agriculture has been identified as a crucial driver of economic transformation, with potential to increase food supply, rural incomes, exports as well as inputs for industry. Agriculture also has a huge potential to distribute labour to the industrial and adjoining service sectors. In this way agricultural productivity has financed most industrialization experiences in Africa (African Center for Economic Transformation, ACET, 2014). Land holdings for agricultural use thus contribute to economic development. Empirical evidence is replete on the channels through which agricultural productivity reduces poverty, increases income, employment, as well as its rural non-farm multiplier and food prices effects. Nonetheless, levels of technology adoption, initial asset endowment and the extent of market access places a limit on the capability of the poor to contribute to the gains that accrue from growth in agricultural productivity (Schneider & Gugerty, 2011). Thereby, limited access to land can reduce the contribution of smallholder-driven agricultural development to poverty reduction (Cervantes-Godoy & Dewbre, 2010; Schneider & Gugerty, 2011).

On the whole, about 2.5 billion people in developing countries secure their livelihoods by engaging in agriculture; also far reaching is how the agricultural sector links to other sectors of economy (DFID, 2005). Not only is agriculture a source of input for other industries, it generates foreign exchange, value added and has multiplier effects across the economy (Mucavele, 2010). There are examples across Africa of how agriculture contributes to employment, growth and poverty reduction. In Malawi, agriculture accounts for 39 per cent of Gross Domestic Product (GDP), 85 per cent of labour force and 83 per cent of foreign exchange earnings and by 2010 it contributed 33.6 per cent to the Malawian economic growth. Also, in Mozambique agriculture is the main stay of the economy, employing 90 per cent of rural households (80 per cent of total population). 97.4 per cent of rural households in Zambia are engaged in agriculture (amounting to 45 per cent of the population), with most of the farming households being smallholder, subsistence farmers (Mucavele, 2010). Thus, wherever agricultural production is prime, such as in Africa, land is capital.

The strategic nature of land capital dates back to the 18th Century, during which period Physiocrats posited that land was the ultimate source of value, thereby investing heavily to secure it. In the 19th and 20th centuries respectively, labour and capital were perceived to be more important factors of production. Notably, the turn of events in the 21st century has resulted in the renewed pursuit of land as a strategic asset (Adusei, 2010). Land is a vital part of social, economic and political life in most parts of Africa. It is also of historical and ancestral significance to the African people, thus making the management of land rights a central concern of African governments and cooperation agencies (Quan, Tan & Toulmin, 2004). Moreover, the rapid growth of population and expanded markets puts increasing pressure on land resources which before seemed inexhaustible. The limited coverage of formal land institutions and weakened nature of customary land management, results in insecurity of property rights for the grassroots in Africa, a major factor relegating Africa's development (Quan, Tan & Toulmin, 2004). Hence, a scramble for foreign investment in land (especially for agriculture) is with the hope that investment in land would facilitate the diffusion of modern agricultural technology, enhance domestic capacity and skills, invigorate low productive agro-sectors and lead to sustained increases in agricultural output (Adusei, 2010).

Even though there has been a decline in FDI to Africa since 2009, Chinese FDI in Africa has increased from US$1.44 billion in 2009 to US$2.52 billion in 2012 with an annual growth rate of 20.5 per cent (China-Africa Economic and Trade Cooperation, CAETC 2013). With over 2000 Chinese enterprises engaging and growing in several parts of Africa, the share of sector distribution ranges from 1.1 and 2.5 per cent for real estate and agriculture investments respectively, to 20.6 and 15.3 percent respectively for mining and manufacturing interests (CAETC, 2013). While most of the growth in Africa is accounted for by the energy resource boom and gains from extractive activities as well as improvements in services, there is a growing need to direct investment to agriculture, which accounts for 70 to 80 percent of employment on the continent (Africa Progress Panel, 2013). Specific to FDI in African agriculture, Chinese engagements increased by 175 per cent, from US$30 million in 2009 to US$82.47 million in 2012. These engagements include agricultural investments in the use of improved seed varieties, cultivation of grain and cash crops as well as processing of agricultural products (Africa Progress Panel, 2013). The concern for the sustainability of Chinese FDI efforts in Africa is most pertinent to this chapter. In light of the intense debate on Sino-African relations, this chapter questions the growing relationship between China and Africa with special focus on FDI in land. It highlights determinants, challenges and prospects of Chinese FDI in African agriculture, drawing on the pattern and motivation of Sino-African investment flows. In addition, set within an institutions framework, this chapter charts a course for win-win relationships that will prevent manifestations of a form of neo-colonialism by China as some Western experts speculate.

In what follows, a brief historical perspective on the Sino-African relationship and a discussion of various associated empirical issues drawn from existing research is presented. Also, there are highlights of the challenges posed by Sino-African land investments and prospects for the future. Most pungent is the land rush, which is simply an accumulation of land capital taking place on the continent, problems associated with land titling, leases and accessing industrial land for investment purposes. The chapter concludes by highlighting notes for further research in the effort towards making Chinese FDI work for the goal of sustainable agricultural development in Africa.

BACKGROUND

Political Economy of the Sino-African Relationship

The convocation of Chinese and African bureaucrats in year 2000 evolved the adoption of two documents – the Beijing Declaration and a Programme for the China-Africa Cooperation in Economic and Social Development – which earmarked an era of improved Sino-African relationship. Following this, there has been a record of increased Chinese investment in Africa. Chinese development cooperation with Africa employs a diversified strategy with investments led by private-owned as well as state-owned enterprises. The Chinese government provides commercial lending support and priority to foreign investment projects in sectors of particular interest. By and large, China combines its investment pursuits with trade and development assistance on the continent, an approach which has received criticisms from experts that say the Chinese approach to business (that is, a trade/investment-for-aid approach) is not in conformity with the set OECD benchmark rules for international engagement. However, the tie between China and Africa has continued to deepen within the framework of the Forum on China-Africa Cooperation (CAETC 2013). This chapter shares the optimism of Shelton (2001) that given their shared histories, Africa may be a likely and winning partner to China for a desirable economic renaissance in the 21st century.

The political economy underpinnings of the China-Africa relationship receive a great deal of attention in the literature, with most wide criticisms a result of purported threats to Western interests on the continent. As it continues to blend aid with trade and investment, China is buying its way into securing investment deals for its private firms (African Progress Panel, 2013). Nevertheless, it is apparent from the evolution of the Sino-African relationship that the interaction is not new; given the crucial role shared historical burdens (of imperialism, feudalism and bureaucrat-capitalism) and identity played in the construction of China's Africa policy.[i] In essence, China invariably understands Africa's psyche and current struggles for sustained economic growth, social stability and peaceful coexistence. However, there is a dire need for Africa to recognize that the days of the *Non-Aligned Movement* that united Africa and China (in the spirit of Afro-Asian solidarity and a shared history of anti-imperialist struggle) after colonialism are long gone, raising the imperative to stand up against any whiff of colonialism which the relationship may portend (Sanusi, 2013). From an historical perspective of Chinese engagement in Africa, China's policies in rural Africa has moved from 'fraternal socialism to amicable capitalism' in the 1960s, to increased emphasis on mutually beneficial development aid in the 1980s, to the installation in recent years of agro-technical demonstration centres with its public-private model that can guarantee the sustainability of its investments (Brautigam & Tang, 2009).

China's move into Africa can be founded on four major considerations. Firstly, the relationship thrives on the importance of Africa's resource potential to the Chinese economy. Secondly, Africa's growing population is a pointed and potential market for China's consumer products.[ii] Thirdly, the leverage that Africa's openness to cooperation in the areas of minerals prospecting, labour contracting and infrastructure development projects provides. China's projected and changing consumption patterns has laid the imperative for sources of natural resources required for its sustainable growth and industrialization. A fourth consideration is the Chinese recognition of African countries that are veritable targets for profitable long-term investments. Also, given its strong penchant for the promotion of peaceful international relations, guided by its principles of non-interference with internal affairs, as well as support of the African struggle for national independence, sovereignty and territorial integrity, China has endeared itself to the heart of many African governments. China's force remains undeterred by ideological constraints, and it focuses on common trade and investment interests, unlike its Western counterparts (Shelton, 2001).

The Chinese government does not necessarily prioritize desirables with respect to inter-governmental support for democratic reforms and human rights in its commercial cooperation with Africa.[iii] Thus, the challenge in the examination of the China-Africa relationship is the question of: Is Africa moving from the imperialist domination in the past by the West to a more subtle exploitative relationship with China? To this end, greater need will arise for more credible evidence-based studies with distinct methodological severity in order to ascertain the truism about dispossession and exploitation associated with large-scale land acquisitions in recent times (Omondi Odhiambo, 2008; Oya, 2013).

Dimensions of China's Direct Investment in Africa

Over the period 1979-2000, Chinese investment in Africa was highest in the manufacturing industry, accounting for over 46 per cent of the investment on the continent, followed closely by investments to the services sectors (about 40 per cent of all investments to the continent). FDI inflows to the agricultural sector in Africa only accounted for about 4 per cent of all Chinese FDI projects on the continent. Data on China's outward FDI to top host countries and territories by 2005 (in UNCTAD, 2007) buttresses the fact that Africa is merely a fraction of Chinese investment priority. Only three countries, Sudan, Algeria and Zambia were on the list of top 20 host countries for Chinese FDI by investment value. It is clear from Table 1 below that Chinese priorities have been in manufacturing, resource extraction, construction and other services.

Table 1: Sectoral distribution of China's FDI inflows to Africa, 1979-2000

Sector/industry	No. of projects	Investment value (Million US$)	% of projects
Agriculture	22	48	4.4
Resource extraction	44	188	8.8
Manufacturing	230	315	46.1
Machinery	20	16	4.0
Home appliances	36	25	7.2
Light industry	82	87	16.4
Textiles	58	102	11.6
Other	34	86	6.8
Services	200	125	40.1
Others	3	6	0.6
Total	499	681	100

Source: UNCTAD (2007) Asian Foreign Direct Investment in Africa

Between 2003 and 2008, China's outward FDI to Africa had grown exponentially from US$74.8 million to about US$5.49 billion, with investments in about 85 per cent of the 53 African countries, giving credence to its open door policy. With respect to regional concentration, Southern Africa received the most proportion of the Chinese investments, followed far behind by West Africa and North Africa, while Central Africa attracted the least investment over the period (Claassen, Loots, & Bezuidenhout, 2011). Medium growth economies as a group received the highest average Chinese investments, followed by the high growth economies, lastly the low growth economies. Given the diversified nature of Chinese investment, diversified African economies accounted for over 64 per cent of overall Chinese FDI to the continent over the period 2003 through 2008. South Africa, Nigeria, Zambia, Algeria and Sudan were the top five destinations for Chinese FDI, while Niger, Democratic Republic of Congo, Madagascar, Mauritius and Egypt had the sixth through tenth positions respectively (Claassen *et al*., 2011). By the end of 2011, the agricultural sector only accounted for about 2.5 per cent of China's direct investment in Africa, while the extractive industry accounted for over 30 per cent of Chinese direct investment in Africa (Han, 2013).

Noting the sectoral distribution of FDI in Africa, mining, oil and infrastructure are vital determinants of Chinese FDI to Africa. Limited empirical evidence point to the pursuit of agricultural land as a determinant of Chinese FDI. Even though in smaller proportions, there is evidence of Chinese investment in African agriculture, motivated by the rising trend for increased food crop production driven by the recent global food security crisis and a concomitant increase in global food prices (Hallam, 2009). However, the volume of land acquisition for the purpose of agricultural use has not been backed by valid evidence on the ground even though media reports propagate the growing magnitude of such large land deals (Brautigam & Zhang, 2013). In Africa, the main recipients of Chinese agriculture FDI are Sudan, Tanzania and Ethiopia. The main driver of land acquisition based on the Land matrix database, is agricultural production involving the cultivation of food crops, followed closely by biofuels (Landmatrix, 2014).

Based on data from Chinese Ministry of Commerce (MOFCOM), Brautigam & Zhang (2009) compared the myths propagated by media reports and unfounded opinion articles of China's involvement in agriculture for the purpose of food security with empirical realities. The data, as shown in Table 2, includes the total number of Chinese firms across various sectors in all African countries, out of which firms involved in grain or cash crop production as well as animal husbandry, were highlighted. The distribution of Chinese firms in the farming sector for the production of grains, livestock and cash crops show the low level of involvement in agriculture compared to investment presence in other sectors of African countries.

Table 2: MOFCOM-approved Chinese farming investment proposals, Africa

Country	No. of Chinese companies Total	No. of Chinese companies Farming sector	Grain crop (corn, rice, cassava etc	Cash crop (sisal, sugar, rubber, etc)	Livestock (chickens, eggs, etc)
Angola	102	2	2	1	1
Benin	26	1	..	1	..
Cameroon	36	3	2	..	3
CAR*	7	1	1	1	..
Congo, DR	89	3	3	3	..
Egypt	109	1	..	..	1
Eq Guinea	20	1	1	1	..
Ethiopia	130	2	1	2	1
Gabon	26	2	2	2	2
Ghana	115	2	1	2	..
Kenya	91	3	2	3	1
Liberia	24	2	2	2	2
Madagascar	26	2	1	1	..
Malawi	6	1	..	1	..
Mali	37	4	1	4	..
Mauritius	45	1	..	1	..
Mozambique	58	6	3	4	1
Nigeria	270	6	4	4	4
Rep Congo	36	2	2	2	2
Sierra Leone	29	1	..	1	..
South Africa	175	4	2	3	3
Sudan	83	6	4	6	2
Tanzania	112	5	1	5	1
Togo	30	1	..	1	..
Uganda	57	1	1	1	1
Zambia	158	16	16	10	16
Zimbabwe	81	7	4	7	3
Totals	2372	86	56	69	44

* Central African Republic
Source: Brautigam & Zhang (2013) based on data from Ministry of Commerce (MOFCOM), People's Republic of China, Beijing, 2013

Thus, Chinese FDI in Africa's agricultural sector are insignificant when compared to investments in other sectors -mining, manufacturing, communications and trade (Amanor, 2014). Most Chinese FDI in Africa has been in form of equity joint ventures (UNCTAD & UNDP, 2007). One study shows how Chinese firms engage in joint ventures in the fish industries of Mozambique, Namibia and Gabon and how they hire farmland in Tanzania, Zambia and Zimbabwe (see Claassen *et al*., 2011). Moreover, Chinese FDI in agriculture does not play a significant role in all African economies. Scoping studies carried out by Kapilinsky & Morris (2009) on the significance of Chinese FDI in sectors of twenty sub-Saharan African highlight the: significance of Chinese investment in the economies of Ghana, Madagascar and Zambia; moderate significance in Kenya, Mali and Uganda; and relative insignificance in Cameroon and Tanzania. This is indicative that, even though Chinese involvement is principal in Africa's cotton production sector, only in Zambia does it play an important role in the sector.

DETERMINANTS OF AFRICAN LAND RUSH

In the immediate post-independence periods for most African and Latin American countries, governments permitted the appropriation of land to multinational corporations for the production of cash crops and food crops without setting up due regulatory mechanisms. The absence of such regulatory frameworks[iv] resulted in a lot of adverse conditions for local small-holder farm communities who previously engaged the use of such land (Chaponniere, Gabas & Qi, 2010). Nevertheless, land acquisitions since the turn of the century have been purportedly motivated by objectives of food security and scale economies. Foreign investment in farmland in developing countries, at different stages - initiation, ongoing and concluded, was about 15 million and 20 million ha of farm land (Chaponniere *et al*., 2010). With the spate of land deals in African countries such as Madagascar, Ghana, Ethiopia, Mali and South Sudan, acquisitions in Africa is expected to be on the rise with additional consideration for water resources as a crucial focus of investments (Cotula, Vermeulen, Leonard & Keeley, 2009; Chaponniere *et al*., 2010; Woodhouse, 2012).

Increased FDI in land is driven by myriad of factors including the 2007/2008 food crisis, leading to emerging studies on the subject of large-scale land acquisitions. FDI in land refers to a lasting investment interest by a foreign entity[v] in the acquisition of land use rights and/or land ownership. The investment interest acquired in land use rights covers a definite time period which may be extended depending on investor interest and land availability after the lease period (Görgen *et al*., 2009). Even though, FDI in land is mostly driven by private individuals from rich countries with little arable land and water resources, investors from industrialized and emerging countries with large populations and rapid economic growth, like China and India (Görgen *et al*., 2009) also purportedly have massive interests. Specifically, China, backed by her policy of 'going global', has continued her quest for world resources, stepped up efforts to acquire foreign companies, grown in geopolitical and financial clout, and continues to send shock waves throughout the global business world as its manufacturing sector and knowledge economy booms (Fishman, 2006). This is not without recourse to other transnational corporations expanding their contribution to global value chains by seeking major investments in cross-border land acquisitions. Thus, global land rush describes the quickening since 2008 in transfer of land from use in smallholder and pastoral sectors to large-scale agricultural land cultivators and/or speculators (Alden Wily, 2012).

The acquisition of land is definitely not a new phenomenon, however the form and motivation for large-scale land acquisition has been evolving. Since the turn at the food crisis in 2007/2008, the International Food Policy Research Institute (IFPRI), International Institute for Environment and Development (IIED), United Nations mandated Food and Agricultural Organization (FAO) and International Fund for Agricultural Development (IFAD), International Institute for Sustainable Development (IISD) have made attempts at gathering data and instituting database of global land acquisition deals, and determining for what purposes such land acquisitions are engaged (Cotula *et al*., 2009; Chaponniere *et al*., 2010). Given the relatively nascent nature of studies on the land grabbing and mostly unreliable data sources on land deals, more important are on-the-ground country case studies to provide direction on the true state of foreign investment in African land (Brautigam & Tang, 2009).

The quantum leaps in large-scale land acquisition as available data indicates, caused a steer in the United Nations on the concern for a new form of colonialism, turning over communal land to massive commercial use (Vidal, 2009). The commercial pressure on land and new global dash for land are the increasing demand for fuels, fibre, animal feed and food. There are speculations on agricultural land as a result; for instance, the rise in European demand for biofuels to mitigate climate change and environmental concerns from the use of fossil fuels is also a deciding factor (Anseeuw, 2013). Empirical studies examine the determinants of China's move into Africa. Biggeri & Sanfilippo (2009) empirically analysed the determinants of Sino-African relationship, using a panel data set for 43 African countries. The findings of the study indicate that the increased Chinese move into Africa is driven by the strategic interaction among outward foreign direct investment, trade and aid. The pull factors, contributing to this relationship are the recipient countries' endowment of natural resources and market potential. Sauer and Leite (2012) also carried out a study on agrarian structure, foreign direct investment in land and the consequences on land prices in an emerging country context.

However, the importance of database, tools and study techniques in evidence-based research reports are crucial to policy implementation on land issues. Oya (2013) is one of such studies that have examined the methodological issues related to the land grab literature as well as databases in recent times. It emphasizes a methodological approach to the large-scale land acquisition deals with respect to the use and reliability of data sources, given the unreliability of some reported data (See also White, Borras, Hall, Scoones, & Wolford, 2012). Major methodological gaps can be identified with respect to the accuracy and reliability of data on large-scale land deals and the vastly untested assumptions that underlay most of the studies in the rapid-growing field research on land grabs (Oya, 2013). While some authors posit that Chinese large-scale investment in agriculture, is mostly with the purpose to export back to their country (Olsson, 2012). Other country based cases of Chinese engagement indicate that most agricultural ventures primarily serve the local market (See Cotula *et al*., 2009; Chatelard, 2014; *inter alia*). Thus, indicating the need for methodological straits in studies of Chinese FDI in land.

Several studies investigate determinants of FDI in Africa, most of which find all or some of market size, past level of FDI, corruption, domestic credit, oil share in exports, domestic investment, religious tension, and risk as significant (See Asiedu, 2002; Claassen, 2011; Ibrahim, Elhiraika, Hamdok & Kedir, 2011). While some firms seek natural resources (including agricultural land and minerals) and cost-cutting resources, others seek strategic assets (such as technology and skills) necessary for enhanced productivity (Gelb, 2010). For instance, Chinese FDI in Ghana is mostly market seeking, targeting the Ghanaian domestic market and West Africa. Over the years, Ghana has been an attractive location given its relative political stability, level of infrastructure development and relatively lower custom duties and clearing taxes. A fraction of Chinese FDI in Ghana is resource seeking in the agricultural sector. According to Tsikata, Fenny, & Aryeetey (2010), eight Chinese companies were established in the Ghanaian agricultural sector (poultry, fishing, fish and vegetable farming) over the period 1994-2007, worth about US$5 million. The recent discovery of oil in Ghana and some other African countries is expected to increase Chinese oil prospecting moves on the continent. With most of Chinese FDI in Ghana being greenfield investment (with the majority being wholly foreign-owned), foreign investment presence promotes the creation of new and augmented production capacity in the country (Tsikata, Fenny & Aryeetey, 2010).

Other triggers of increased foreign investment in agricultural land acquisition in Sub-Saharan Africa include: the volatility in the financial capital markets; insecurities of energy supplies and factors that account for global environmental governance (Woodhouse, 2012). A well deserved focus on the supply side of land deals takes into consideration the risks and potentials of such deals; all of which can be set from an historical perspective to understand the political economy dynamics of natural resource control in recipient countries and the challenges for investment in African agriculture. Thus, the reality of the land rush is eminent in the potential detrimental effects to poor land-dependent households and their land use property rights as well as the future it portends for conflict and class transformation (Alden Wily, 2012).

Chinese agricultural expansion can be attributed to their commitment to increasing commercial leverage, improving political relations and stabilizing local food and energy supplies in the face of changing consumption patterns (Buckley, 2013 as cited in Rosengren, 2014). As such, many studies on China-Africa cooperation focus on the dominant sectors with relative neglect of the contributive aspects of agriculture, which is a main employment stay on the continent. Other emerging studies are optimistic that the second wave of Chinese investments in Africa will be in agriculture and services sector. However, in addressing the future of agrarian investments in Africa, investment constraints such as high risks, low infrastructural development, structural uncertainties, problems in land market and ambiguities in property laws will need to be addressed (Sun, 2011; Asanzi, 2012).

Against conventional wisdom, there is no evidence that private firms depend on imported labour from China. Contrariwise, rising costs of production in China is influencing the choice of Chinese outward FDI to Africa. Moreover, since Africa's young population are faced with limited economic opportunities, Africa has become a toast to Chinese firms seeking relatively cheap labour, access to low-cost land and cheap raw materials. The example of a textile weaving factory with operations in Ethiopia with prior yarn import-dependence on China presents a succinct case of the role cost plays in the land rush (see Shen, 2013). As reported in Shen (2013: 24), after over 6 years of operation in Ethiopia, a textile factory owner encouraged his Chinese supplier to co-locate in Ethiopia, where high quality and low price cotton could be grown. The decision of the Chinese supplier to co-locate with his customer created a win-win scenario for both investors, which involved a large-scale land acquisition (such that "...the buyer and supplier jointly purchased a parcel of industrial land big enough to build new factories for both weaving and spinning").

In an empirical study on Nigeria, Osabuohien (2014) found that characteristics of target communities[vi] play a key role in determining large-scale agricultural land acquisitions. Specifically, size of the community (area), its population and population density, volume of rainfall and the educational level of community leaders were found significant in determining the variations in large-scale agricultural land acquisition across rural communities in Nigeria. However, the local institutions in the communities do not have a significant influence on the possibility of large-scale land acquisitions, since the State is empowered by the Nigerian Land Use Act as a custodian of large-scale land allocation rights. This is contrary to the Ghanaian case, where local chiefs and social institutions play a vital role in the process of large-scale land acquisitions. Boamah (2014) highlights the role of customary tenure regimes whose allocations are controlled by Ghanaian chiefs, trustees of land for community members, as empowered by the Ghanaian constitution. The role of local social institutions and political actions in land deals is evident in Boamah's case studies of large-scale land allocations for two biofuel investment projects in Ghana, with attendant implications for access to land by indigenes and migrants in the project areas.

Moreover, for different countries, the question of who owns the land is very important is determining the relationship with private investors, domestic or foreign. In Ethiopia, the land is owned by the government and the people, rather than private individuals or organizations. This makes land allocation easy and with investment conditions that are favourable to the development of agriculture in Ethiopia as well as beneficial to the investors. Since the land is constitutionally owned by the Ethiopian government and the people, federal and regional governments play a crucial role in managing land investment processes in Ethiopia. Although Ethiopia has a very favourable climate and government regulations for agricultural investment, it has not attracted many high quality foreign agricultural investments. The high costs and difficulty in developing land in Ethiopia, owing to the poor state of infrastructure,[vii] security issues, exploitation of investment licenses amongst other things, discourages quality agricultural investments (FAO, 2012).

Furthermore, in an empirical investigation of the determinants of Chinese FDI in Africa, Claassen (2011) found that China invests less in countries which are close to fully utilizing their agricultural potential. Chinese firms choose to invest in countries with underutilized agricultural land, which create ample opportunities for agricultural expansion. The study further indicates that food and energy security are significant determinants for Chinese investment in Africa. Nevertheless, the possession of arable land is not enough to attract Chinese investment in land for agriculture use. For example, even though Guinea boasts of over 6 million hectares of arable land and a favourable climate for agriculture, there are several factors that limit Chinese FDI flow to the country. Kokouma & Xu (2013) found factors such as landlockedness, weak governance structure, official corruption, lack of policy transparency, weak infrastructure as well as the high cost of doing business owing to landlockedness to be responsible for minimal attraction of Chinese FDI. Also, Senegal's performance in FDI, compared to other sub-Saharan African countries, is poor owing to structural bottlenecks which affect its competitiveness. Senegal's vulnerabilities include: its high illiteracy rates, poor basic infrastructure, unreliable power supply, unfriendly tax system, land insecurity, inflexible labour code, high level corruption and ambiguous competition policies amongst other things (FAO, 2012).

It is thus pertinent to note that Chinese investment in agricultural land does not lace every country of Africa contrary to what media reports portray. The significant interests of other emerging economies as well as considerable domestic private interests in large-scale land acquisitions have not received concomitant media attention. In Ethiopia, for instance, although investments by Indian firms account for a number of land acquisitions, most land acquisitions are by domestic investors and the Ethiopian State for the cultivation of industrial crops (Keeley, Seide, Eid, & Kidewa, 2014). Albeit agriculture is the mainstay of the Ethiopian economy, contributing half of the GDP, and over three quarter of both employment and exports, thus the government places large-scale land investment for plantation agriculture as a vital factor in its development strategy.

Chinese presence in the North African countries of Algeria, Egypt, Libya, Morocco and Tunisia is most pronounced in energy, infrastructure, development and retail trade. It is however pertinent to note that North African countries, especially Egypt, in welcoming Chinese partnerships push more for investments with potential for technology transfer. To this end, China in addition to direct investment in land for agriculture use, among other things, has provided technological assistance and support to Egyptian agriculture for decades (Alden & Aggad-Clerx, 2012). This encourages the *inflow* of technology-based investments into other sectors of the economy including efforts to improve energy security in the country.

CHALLENGES OF SINO-AFRICAN LAND ACQUISITIONS

Accumulation of Dispossession

There are myriad views of China's investments in Africa, all of which can be grouped into two. First is the category of the pessimistic views shared by analysts that examine the role of China as a neo-colonialist concerned with resource scrambling and securing the structure of its economy against the economy of developing Africa (Chen, 2013). This stance alludes to the large-scale acquisition of land and oil deals on the continent and the underlying influence they wield. Further, research that hold these view criticize China for its approach of combining aid with trade, using diplomatic tools to gain access to the continent. Indeed, China, rides on the weak institutions in individual countries, for the exercise of exploitative tendencies. Holders of these view are mostly scholars most of Western orientation laden with Sino-phobic tendencies.

However, to take this pessimistic approach in emphasizing the imperialistic tendencies posed by foreign direct investment in Africa is to ignore the role and actions of the African states and their governing authorities in facilitating such large-scale land acquisitions without given concession to the social security of the local land owners and poor farmers. Concomitant to this, it is inaccurate to speak of the effects of large-scale land acquisitions as illegal 'land grabs' or a precursor of neo-colonialist tendencies (Cheru & Mordi, 2013). This is because country governments, and in some cases local social institutions (Schoneveld, German & Nutakor, 2010; Boamah, 2014), play an active role in facilitating those long term large-scale land leases towards domestic investment promotion.

Thus, there are social, environmental and governance aspects of FDI in agribusiness, which trigger questions in the specific areas of land use and of land rights (Newton, 2012). Moreover, in contemporary debates on land in Africa, the issue surrounds dispossession in relation to large-scale land acquisition deals. As such there are issues in land acquisition from disputative land deals to un-contentious ones. The contentious nature of most large-scale acquisition is termed the international land capital 'accumulation of dispossession' for the purpose of investment in agricultural production of high-value luxury goods for exports, alternatively biofuels amidst the global energy price uncertainties (Bush, Bujra & Littlejohn, 2011). What about land and food sovereignty? Even though the large-scale enclosure of land, dispossession and limited access to land may raise business productivity and increase revenue to the government to finance development, there are wider implications for social welfare of displaced smallholders (Bush *et al*., 2011). The state will be doing a great disservice to its citizens, creating class conflicts when social protection mechanisms are not in place to shield locales from investor expropriations.

In the light of the above, the World Bank stance that commodification of land in Africa is to allow the market self-regulate efficiently may not be beneficial. Experience in developing country contexts indicates that the market does not have all the answers; this makes the role of the state essential with respect to FDI in land. Thus, the role of the state as a facilitator of dispossession must be adequately recognized and amplified. This perspective brings to fore the social dimensions to the 'production and reproduction in land use' as well as the 'gender and class dynamics' which result from the dispossessions (Bush *et al*., 2011). As in the Mozambican sugar industry case by Burr, Mondlane & Baloi (2007), land deals 'prefaced by colonial dispossession and reaffirmed as the post-colonial nationalization of land' can result in the 'consolidation of many productive economic sectors' (Bush *et al*., 2011).

On the other hand is the set of overly optimistic views of the role of China in Africa, led amongst others by the writings of Deborah Brautigam,[viii] which analyses the potential of China's involvement in promoting increased economic activities and reducing the incidence of poverty on the African continent (Brautigam, 2009). Emphasizing the Chinese policy of non-interference, driven by its notion of 'going global' as a matter of deliberate policy; this view dwells more on the institutional frameworks that need to be set in motion for FDI in land for agricultural use to deliver on its promises. Given the drive of foreign land acquisition such as agricultural production for increased food supply and the scramble for African metal, mineral and marine resources, Borras, Fig, & Suárez (2011) noted that this scramble for the continent's resources has increased the optimism about how Africa will exploit this development capital to accelerate its growth and development (Polack, Cotula, Blackmore, & Guttal, 2013). Thus, land deals need not lead to the deterrent of the African economy from maximizing their development experience.

In the line of providing direction on institutions, the World Bank has developed a code of conduct to guide land deals to ensure they conform to tenets of equity and sustainability, rule of law without harms to food security. Nevertheless, the existence of such international code of conduct does not preclude developing countries and SSA countries in particular, from setting country-specific conditionalities based on their specific national development priorities and interests. World Bank principles of responsible agriculture investments can serve to curb corruption in land deals, as well as disruption, displacement and dispossession among poor community lands holders (Borras *et al*., 2011; De Shutter, 2011; White *et al*., 2012). The prevalence of settler colonialism in southern Africa, characterised by the "large-scale dispossession, the confinement of the indigenous rural population to densely-settled 'native reserves', massive state support for the development of a white settler farming class and discrimination against small-scale black farmers in the reserves" is instructive (Cousins & Scoones, 2010: 32). It resulted in a highly dualistic farming sector in Southern Africa with a large-scale capitalist segment, characteristic dominance of production for both domestic and international markets, coexisting with a largely peasant agrarian sector laden with meagre infrastructure and deprived access to markets.

The Problem of Who Owns the Land

Another problem facing Chinese agriculture investments in Africa is property rights. Within a legal framework, there are issues surrounding land thefts and global large-scale land acquisitions – violation of people's rights and property rights resulting in class conflicts as well as 'class-creating social transformation' (Alden Wily, 2012; Tyler & Dixie, 2013). Sub-Saharan Africa's historical terrain (fuelled by weak links created by its colonial heritage) and contemporary times make it most susceptible to large-scale involuntary land loss. In addition to the weak links, legal manipulations of the domestic property laws facilitate supply during land rushes, against the notion that indigenous/customary tenures confer property rights. In the broad narrative, the surrender of land by local land-dependent households are involuntary or in the alternate case, misinformed. Having laid claim to the property right to land, governments reserve the right to lease land; in which case, the investors are basically accumulating what some other people have been dispossessed of. In most cases, African governments are noted as the principal drivers in large-scale land transfers. (Alden Wily, 2012; Asanzi, 2012)

Given that several land acquisition deals are still at their speculative stages whereby, it becomes difficult to envisage the long term impacts of these deals on local populations and structure of agricultural sector (White *et al*., 2012). Noting that for some investors, land acquisition is not an end in itself. The end will be determined by the purpose for the investment and this could vary the magnitude and impact. Apart from the possibility of agricultural investments, large-scale acquisition could be a form of speculative investment where investors hope to get returns by betting on rising land prices (White *et al*., 2012). However, there are other adjoining questions that arise from large-scale foreign land acquisitions: What influence are the large-scale land acquisition deals having on the agrarian structures in developing Africa? What are the adjoining issues of inclusion and exclusion that surround land deals - the class and gender aspects to land use and property relations?

Some studies have examined gendered perspectives to the ownership of land rights in Africa (inter alia Whitehead & Tsikata, 2003; Mohan & Power, 2008; Doss, Meinzen-Dick, & Bomuhangi, 2013). In a study on rural Uganda, Doss *et al*. (2013) analyse gender issues related to the ownership of land in order to draw implications for large-scale land acquisitions. The study draws a lot on how the rush for agricultural land is impinging on issues bordering on property rights, customary tenure systems and access to land tenures.[ix] Furthermore, in a discourse on the gendered perspective on the contemporary issues around land tenure in Africa, Whitehead & Tsikata (2003) reiterated that recognition of the exercise of gender justice with recourse to land issues can evoke important changes in political and legal practices and cultures. This will entail redistributive land reforms[x] away from regressive land reforms in which case the government grabs land from the poor and give its use to the rich (White *et al*., 2012).

Access to agricultural land-related information for the purpose of foreign land acquisitions is a challenge to investment in sub-Saharan Africa, where most foreign investor companies lease land from the state. As reported by the 2010 Investing Across Borders report, close to 50 percent of African countries surveyed do not permit private ownership of land. Moreover, the time required to lease land from the state varies from 2 months in Mali to 10 months in South Africa. Performance also vary with respect to the availability of land information; it is easier to access land information in countries which have land registries such as Mauritius and Nigeria, and difficult where such public registries do not exist as in Madagascar and Ethiopia. Across SSA the strength of the long term lease rights also varies (World Bank, 2010). On the whole, the challenge to African countries inundated with poor land information systems, regulatory framework and poorly-defined property rights is to ascertain the volume and type of agricultural investments to be considered. Also up for consideration is the effect such investments will have on public goods delivery as well as on the rights and livelihoods of local communities. Given allegations of non-transparency in Chinese-Africa deals, institutions that improve the transparency and accountability of the investors-target government negotiation processes are necessary. This would ensure negative impacts of land investments on local communities are minimized (De Schutter, 2011; Tyler & Dixie, 2013; Dixie, 2014).

CREATING PROSPECTS FOR A WIN-WIN RELATIONSHIP

Given the concerns about the new trends in China's presence in Africa, research analysis must continually propose functional models. Notably, even though China poses to be a partner in development, Africa needs continuous appraisals of the relationship to minimize potential threats to the future of its economy. African countries therefore need to understand the choices for development that China-in-Africa poses, not just within economic frameworks but also within socio-political and global politics. It is the framework of operations that Africa puts in motion that will determine whether China manifests as: an agent of neo-colonialism or as a partner in fostering a desirable economic renaissance of the 21st Century; a contributor to internal conflicts or a propeller of economic growth and development; a pursuer of distorted individual relationships with countries or; a promoter of unified interactive developments with regional cooperation bodies for a unified framework for interaction (Dadzie, 2012; Sanusi, 2013)

Other pertinent issues surround the role of regional cooperation stakeholder institutions, such as the African Union (AU), in the present and future of Chinese engagement on the continent: What are the prospects, for securing a market for goods and services or a longer- term cooperation as partner in the development of Africa? How is the Sino-African linkage promoting the future of African entrepreneurship? In consideration of the Sino-African relationship, it is possible that China will not be wilfully disposed to engaging with Africa on the whole through linkages forged with the AU and civil society organizations (Dadzie, 2012). However, within the AU framework, it is desirable that Africa speaks with one voice with respect to her dealings with China; this should help give the continent some leverage with regard to trade negotiations and investment criteria. If Africa starts to speak in unison on matters of policy relevance in dealings with China, China may lose the leverage it currently exercises given the divergent strengths of institutions in SSA countries.

Another concern should be what the effect of China's rise in Africa on the industrialization drive on the continent? While Africa relies much on manufactured exports from China, the agricultural commodities which are imported from Africa are low value added goods feeding Chinese industries, a form of the basic colonialist structure (Olsson, 2012). Thus, the clamour for structural transformation of the African economy cannot be overemphasized; this will ensure efficiency and that African agricultural commodities can feed its industries leading to the production of manufacturing exports that are competitive in national markets, regional markets, and in perspective, global markets.[xi] Furthermore, the impact of China's agricultural investment on the technological capacity of traditional agriculture is to be emphasized; this would help to improve the contribution of agriculture to the gross domestic output. This is a vital point to note because, in as much as Chinese FDI in Africa is sought after, studies show that little technology transfer is associated with the large-scale and capital intensive investments of China in Zambian industries, for instance. Since technology spill-overs from FDI are not automatic, formal linkage programs can be established between local farm holders and proximate foreign investor firms involved in large-scale agriculture to encourage technology spill-overs. A viable lesson can be drawn from the case of the Mozambican sugar industry in which rehabilitation, through targeted FDI, revived the local industry (Burr *et al*., 2007). The Mozambican industry case indicates that even though international financial institutions and international capital have some influence on economic and industrial policy, the government can be an active player in generating development success stories. This reiterates that African governments must be principal architects of the continent's future.

The role of government in providing safety nets and social protection is essential if FDI in land would deliver on its promise. Evidently, the opening up, for instance, of special economic zones (SEZs) in Africa entails large-scale land acquisitions. Political commitment is imperative to address the ills associated with the opening of SEZs in Africa. Providing compensation and benefits to the adjoining populations could be in form of the adoption of win-win models for all parties – beneficiary investors, citizenry with the national development framework. This is essential as security issues can be posed by displaced holders of small properties, creating an unfavourable investment environment (Gill & Reilly, 2007)**.** African countries can get better investment bargains with guidance from the voluntary guidelines on the responsible governance of tenure of land, fisheries and forestries in the context of national food security (as adopted in May 2012 by the committee on World food security). This also calls for the strengthening of the land tenure security, as investors target countries with weak land tenure security and strong investor protection (De Schutter, 2011; SIANI, 2012). The result of enhanced tenure security will be the creation of mutually beneficial business models that would put the interests of all stakeholders, government, foreign investors, small holder farmers and the public into consideration. Examples of such models involve contract farming, joint venture between foreign investors and farmer cooperatives which also promotes learning by interaction.

Land acquisitions can be used as a tool to promote rural development, improve livelihoods and create employment. Infrastructure development spinoffs such as is characteristic of Chinese investment could be set off in rural areas when land made available for investment is close to rural settings. The reality that most of current agricultural land deals are close to cities may not augur well for the infrastructure development needs of rural areas (SIANI, 2012). Incentives should be created for Chinese investors in order to enhance the possibility of attracting rural development infrastructure projects. FDI in land can also help improve diversification of crops in the domestic economy. The production of high quality fresh fruits from foreign investor farms in Senegal served to expand the consumer choices in the local markets (SIANI, 2012). So as to sustain livelihoods of Africa's young population in FDI projects, production systems that are favourable to the creation of job opportunities should be encouraged. When foreign investment in agriculture employs a good production mix of capital and labour, it creates opportunities for increased crop production and transfer of skills to the local population.[xii]

As an alternative to land acquisitions, agricultural investment and collaborative business models can be adopted. Lessons can be drawn from other emerging economies and developed countries to foster agricultural investment which have ample development opportunity for the local economies of Africa. Such collaborative business models can be formulated within the context of the main forms of Chinese FDI in Africa, equity joint ventures. (UNCTAD & UNDP, 2007; Cotula & Leonard, 2010). An example is the outsourcing business model employed in the China-Africa cotton development initiative (Asanzi, 2012). Africa can also encourage the family farming models along side agribusiness development models to ensure adequate social protection. Evaluation of business models for improved returns to smallholder farmers would be good to check the negative effects and facilitate positive spin-offs from FDI in land in the domestic economy.

In addition to encouraging the proliferation of business models that involve foreign-local partnerships, investment criteria should place emphasis on technical assistance and technology transfer, for example the creation of demonstration centres. This practice can be seen in the Chinese cooperation with Central Africa, where the implementation of agricultural demonstration centres is enhancing the productivity of local smallholders and leading to product and process innovations (Dzaka-Kikouta, Kern, & Gonella, 2013). In the light of this, the Forum on China-Africa Cooperation in collaboration with the United Nations Food and Agricultural Organization can continue to evolve creative approaches to improve domestic capacity (Polack, Cotula, Blackmore, & Guttal, 2013). Noting that agricultural transformation is crucial to the structural transformation of the African economy (Africa Progress Panel, 2014), large-scale international investments can only be contributory if, through the workings of domestic institutions, they engender technology transfer, expanded market access, employment creation, improved food productivity as well as upstream and downstream linkages within the domestic economy. Otherwise, the outcome of foreign land acquisitions will portend a neo-colonialist drive rather than a win-win situation (FAO, 2012).

There is need for integrated data across countries useful for studying trends in FDI related to the acquisition of land for agriculture in Africa. African countries can develop land information systems made accessible, with the use of information communication technologies across the globe. Also, the availability of state-by-state land registries within countries will help increase access and availability of land information to potential inventors. More important is the integration of such information on land across all government departments in order to make information on land easily accessible without the necessity of investors' physical presence in a prospective country. Towards establishing commitment to best practices, Chinese investors as individuals and groups can take a deliberate stance on non-involvement with controversial large-scale land acquisitions which have resettlement imperatives. The Commonwealth Development Corporation (CDC) has over the years practiced this land acquisition motive, only procuring the use of existing moribund estates, privately-owned underutilized land or land that are largely unsettled (Tyler & Dixie, 2013).

Against the background of the above prescriptions, with strengthened regulatory capacity of national, local and social institutions and properly defined property rights, Africa can leverage the boom of FDI in agricultural land for increased productivity and structural transformation.

FUTURE RESEARCH DIRECTIONS

Contrary to widespread views, China is not the major land grabber in Africa and its companies are not mostly producing for export to the Chinese market (Chatelard, 2014). Most of the Chinese agricultural investments in Africa serve the local market and neighbouring countries, basically due to the nature of staple food crops produced. Agricultural exports to China from Africa are cash crops and other commercial crops for industrial processing. While media interest is intense on the Sino-African relationship there are silent realities of other emerging economies and their potential relationship with Africa, especially India. Based on data from the Land Matrix database, the Indian government is the leading single foreign investor in African land. As opposed to the state-led Chinese initiatives, Indian investments are largely private sector led. Thus, further studies will need to focus more attention on other emerging economies and their presence in Africa as well at the implications for regional cooperation and development.

A crucial question to ask is, given Africa's sustained growth in other sectors apart from agriculture, what is the future of agricultural transformation for Africa? Having noted that China is only one of the least players in the African agrarian cooperation with respect to investments, there is the need to evaluate the political economy of other ‘land grabbers’ in their relations with Africa. By their sheer economic strength among countries in the global south, emerging countries’ influence on the African continent will definitely be on the rise. For instance, a recent study by Alemu (2014) examined how Brazil and China are cooperating to help Ethiopia achieve its development ambitions. Furthermore, given Brazil’s biotechnological breakthroughs in agriculture as well as its functional agricultural business models that take cognisance of technology learning, social inclusion and eradication of poverty, it is a development model Africa must study. Examples of development cooperation across the African continent involving Brazil are studies to watch out for, in order to glean insights that can sharpen the African agrarian landscape. Given the rise of South-South cooperation initiatives toward Africa, other imperative research questions are: How does the BRICS development cooperation model excel the traditional western stereotypes Africa is familiar with? ; What is the role of absorptive capacity in technology spill-overs from agricultural investment in Africa? ; To what extent can Africa’s agrarian transformation contribute to pro-poor development and poverty alleviation? ; What are the frameworks for ensuring technology spill-overs from FDI in agriculture in Africa? Going forward, giving the prominence of Indian investments in African land as indicated by the Land Matrix, a study on the problems and prospects of Indo-African FDI in land will be insightful.

Furthermore, current literature emphasises the prevalence of joint venture forms of Chinese investment in African agriculture. Nonetheless, as Chinese consumption patterns raises the prospects for a wave of mergers and acquisition activities with major players which may lead to emerging investments in “grains and oilseeds, farm inputs, animal protein and food processing”, the socio-economic implications and impact evaluation of such business activities are essential (Valoral Advisors, 2013: 6). The contrasting impact of mergers and acquisitions against greenfield investments in African agriculture can also be examined.

Finally, based on an overview of literature, much of the studies on land acquisitions only examine the role of foreign investment in recent land acquisitions. However, the impact of large-scale land acquisition by domestic investors and the Diasporas has received far less attention. With respect to Diasporas’ investment, a hypothesis on the effect of remittances on investments in land may require empirical testing. Moreover, a study on the political economy of private domestic as well as intra-African large-scale land acquisitions will greatly enrich the literature. With respect to the scope of studies, discussion around Africa has been for the most part around land resources, yet there are more accents to be ascribed in empirical literature on possible expropriation and exploitation of Africa’s water resources. In light of this, the Africa Progress Panel report (2014) espouses the essence of harnessing Africa’s agriculture, forestry and water resources for Africa’s development. It is desirable that more studies emerge on the problems and prospects of foreign investment in Africa’s water resources.

CONCLUSION

This chapter has examined the political economy of the Sino-African FDI in land acquisition with emphasis on land use for agriculture. Set within an institutions framework, it articulated a discourse on the motivation of Chinese cooperation with Africa. On China’s role in Africa, the chapter identifies the pessimistic views that focus on the potential imperialist character of China in African development and the optimistic views that recognise that African states have a crucial role to play in being architects of their own development by setting institutions in place to maximize gains from Chinese development cooperation. The motivation for Chinese cooperation with Africa centres on Africa’s resource potential, its sheer numbers for Chinese manufactured exports, potential for maximum investment yields and openness to partnerships for resource exploitation amongst other things. The chapter recognized from an historical perspective that large-scale land acquisition involves dispossession of land capital, legal aspects of property rights which have gendered perspectives and information asymmetry as challenges to foreign investment in Africa. On negotiation rounds with Chinese investors and state, speaking with one voice on the regional economic cooperation platform, which the AU provides, can sweep away the excessive leverage China currently wields – based on the varying strength of institutions in African countries where it has vested interests.

Giving the nascent nature of studies on recent land grabs, we conclude that country case studies and records of foreign land acquisitions and investments are more reliable than media reports on the volume of land acquired for investment or speculative purposes. Also, since most land acquisition deals are at different stages of development, it may not be feasible to totally envisage the effect of the proposed acquisitions on targeted sector outcomes. The state is recognized as a crucial player in dispossessions involved in large-scale land acquisitions. Thus, emphasis in reporting should not just be placed on the demand side (investor) but much more on the supply side (which in most cases in Africa is the country governments). Otherwise stated, if there are rising insecurities of investments in Africa (an aftermath of displacements and dispossession) as a result of foreign land acquisition, governments are to be held accountable, not the investors. We identify that actions by governments towards industrial development and enhanced export performance, such as the creation of special economic zones, also have implications for adjoining farm-dependent communities. More attention need to be paid to the provision of social protection and safety nets for families displaced as a result of large-scale land transfers. More desirable is the adoption of business models that ensure a win-win situation for all stakeholders involved and affected by land acquisitions.

Even though China in Africa poses as a partner in development it is more of a competitor, as its activities may undermine the industrial development of Africa. However, with greater focus on regionalization of interaction with China, Africa can have a better deal with respect to development outcomes and the strengthening of institutions. Furthermore, given the Chinese model of combining trade and investment with aid in cooperation, African countries can leverage this to negotiate rural infrastructural development spinoffs in regions where land use rights are to be acquired.

Going by the Chinese share of investment in African agriculture, China is not a major grabber of land for agricultural land use after all. This chapter recognises the silent reality that other emerging economies such as India and Brazil can impact on the agrarian transformation of Africa. It points to further study potentials on the pattern, motivation and political economy of other emerging economies' investments in Africa's land as well as water resources. It proposes a stance in line with the 2014 Africa Progress Panel report, that avoiding land grab may be a way to make agricultural policy inclusive and successful in the African region. However, much more realistic is to ensure mechanisms exist that protect local rights, local interests, livelihoods and welfare.

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KEY TERMS AND DEFINITIONS

Accumulation of Dispossession: accumulation of reserves of marginalized and under-used agricultural land.

FDI in Land: Foreign direct investment in land for agriculture use.

Global Land Rush: Quickening since 2008 in transfer of land from use in smallholder and pastoral sectors to large-scale agricultural land cultivators and/or speculators.

Institutions: A framework that depicts guidelines and rules through which socio-economic relationship among individuals and economic agents in a particular country is regulated.

Neo-colonialism: Subtle use of economic, political pressures to control resources and influence other countries.

Political economy: Consideration of interrelationships between political and economic influences on an observed relationship.

Property rights: Clearly defined terms on how resources are owned and used.

Sino-Africa: Of Chinese relationship with Africa.

Win-win: Creating a situation where each party involved benefits in some way.

ENDNOTES

[i] For detailed historical overview on the Sino-African relationship, see Alden and Alves, 2008; Mohan and Power, 2008; Woodhouse, 2012)
[ii] This has implication for the deindustrialization of Africa as Colonial Europe did (Rodney, 1972)
[iii] See Omondi Odiambo, 2008 for more on Chinese indifference to the vast war crimes and human rights abuses in Darfur and Sudan
[iv] Such as those for social protection smoothing
[v] Private or public
[vi] with respect to availability of land, current land use patterns and population densities inter alia
[vii] Such as roads, power, telecommunications
[viii] See http://www.chinaafricarealstory.com/p/my-published-research.html; http://deborahbrautigam.com/research/journal-articles-book-chapters/ http://deborahbrautigam.com/blog/ http://deborahbrautigam.com/2014/03/30/chinese-overseas-land-investments-how-active/
[ix] See the evolutionary theory of land rights/ property rights in Doss, Meinzen-Dick and Bomuhangi (2013)
[x] See Cousins and Scoones (2010) for neoclassical economics, new institutional economics, livelihoods, radical political economy and Marxist variants to the subject of the viability of redistributive land reforms
[xi] The rise of China and what it spells for industrialization in SSA (see notes from Kapilinsky, 2008)
[xii] This may have indirect effects on African entrepreneurship development).