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China's "Friendship" projects in Mozambique: cooperation or  
recolonization?

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## Abstract

China's relationship with Mozambique is not recent; dating since before independence in 1960s with political, economic and military support from China. Afterwards the relationship was strengthened, being China one of Mozambique's larger trading partner and among the top 10 countries investing in Mozambique.

The presence of Chinese investment is increasing in most sectors in Mozambique, such as: industry, construction, fishery, agriculture and more recently in mineral resources. This Chinese cooperation/investment is based on the assumption that it is supposed to create economic growth and develop some important sectors in Mozambique, as well as promote local jobs. In the agricultural sector, Chinese cooperation/investment is meant to increase agricultural productivity, technology transfer, rural extension and technical training in order to ensure development and food security to small farmers.

There is a common perception that China is supporting Chinese enterprises to acquire land abroad as part of a national food security strategy. However, Mozambican politicians and elites seem to have been receptive to Chinese investment; and, China is seen as a strategic partner to help Mozambique, therefore, the Mozambican government has attributed great importance to the cooperation with China.

Some may call it Chinese cooperation or investment; Others call it land grabbing; And others recolonization. The main goal of this paper is to analyze the China-Mozambique investment/cooperation and trade, and to assess whether the Chinese relations with Mozambique have been beneficial for the population and to what extent this investments and partnerships are seen as business as usual, or whether we are in the presence of a second "smooth" colonization.

## Keywords

China, Mozambique, cooperation, land grabbing, colonization.

# 1. Introduction

China's relationship with Mozambique is not recent. Dating since before independence in 1960s with political, economic and military support from China (Chichava *et al.*, 2013; Horta, 2007). In 1987 Mozambique began its economic reform, adopting the Structural Adjustment Programme, in order to stabilize the economy (Roque & Alden, 2012; Abbas, 2018). After the reforms, Mozambique continued to be highly dependent on external aid, with Official Development Aid (ODA) still being an important source financing the Government budget.

Mozambique is one of the poorest countries in the world, with 46% of its population living below the poverty line, with this percentage being higher in rural areas (50%) (Ministry of Economy and Finance – MEF, 2016). Agriculture plays a very important role on the economy, being the major source of employment, subsistence and income for about 70% of the population (Abbas, 2015).

After independence, Mozambique was considerably affected by the Civil War, from 1976 to 1992, however its relations with China were maintained. After the war agricultural production increased considerably as the population returned to their lands (Abbas, 2015). In the late 1990, Mozambique intensified its relations with China. Nowadays, China is one of Mozambique's larger trading partner and among the top 10 countries investing in Mozambique (Chichava *et al.*, 2013).

Chinese engagement in agriculture in Mozambique stretches over more than thirty years and began with Chinese foreign aid. Soon after independence in 1975, a rotating group of at least 120 Chinese agricultural experts from the province of Sichuan arrived to assist Mozambique to develop 230 hectares (ha) of the 7,000 ha Moamba state farm, located about 90 km north-west of Maputo, and the Matama farm (3,000 ha) in Niassa Province. In the mid-1980s, the Chinese donated farm machinery and sent a 26-person agricultural team, again from Sichuan, to assist with communal agricultural projects in Maputo's urban 'Green Zone' programme, but were driven out by the civil war. Chinese companies began coming to Africa to invest in agriculture in the mid-1980s. After Mozambique's civil war ended in 1992, the two countries began to explore joint ventures in agriculture, at Mozambique's request.

Bräutigam & Ekman (2012:486-487).

The rush for the acquisition of land in Africa, and in Mozambique in particular, is evident and will be shown later on this paper. Worldwide, China is one of the top land buyers and Mozambique one of the top 10 land sellers.

The Mozambican Government have been receptive to Chinese investment; and, China is seen as a strategic partner to help Mozambique. The presence of Chinese investment is increasing in most sectors in Mozambique, such as: industry, construction, fishery, agriculture and more recently in mineral resources. This Chinese cooperation/investment is based on the assumption of mutual benefit. In the agricultural sector, Chinese cooperation/investment is meant to increase agricultural productivity, technology transfer, rural extension and technical training in order to ensure development and food security to small farmers. The Friendship projects in Mozambique are an example of the Chinese cooperation and/or aid programmes

to Mozambique. According to Bräutigam & Ekman (2012) the term “friendship” refers to projects that were considered politically important, and therefore, a political request by the host Government. However, as Bräutigam & Ekman (2012) mentioned a political task does not exclude business interest.

The main goal of this paper is to analyze the China-Mozambique investment/cooperation and trade, and to assess whether the Chinese relations with Mozambique have been beneficial for the population and to what extent this investments and partnerships are seen as business as usual, or whether we are in the presence of a second “smooth” colonization.

In general, this paper aims to answer two main questions: *Is Mozambique a Chinese food supplier? Are the benefits from the Sino-Mozambican cooperation real?*

The analysis of the mutual beneficial premise focused on three main aspects (that are considered the main goals of Chinese cooperation projects): 1) If the projects have promoted local development, with focus on the wildlife resources, mainly wood and forest; 2) If the projects have created employment; and 3) whether land grabbing has occurred, focusing on the Rice ‘friendship’ project in Gaza.

## 2. Methodology

In an initial phase the research consisted in a literature review, focusing on the relations between China and Africa, and in particular, with Mozambique. The literature review allowed to identify the existing multiple perspectives regarding these relations. It was also collected secondary data.

In order to analyze Chinese relations with Mozambique, it was collected secondary data regarding investments and trade. This data was analyzed through graphs and maps. The data on investments was collected from the Mozambique Promotion Investment Center (CPI) from 2002 to 2017. The data provided by CPI refers to approved investments. Data from LandMatrix (2018) regarding land acquisition abroad, were also analyzed. All data from LandMatrix (2018) referred to concluded and intended deals. Regarding the Sino-Mozambican trade, the data was obtained on trade reports by the National Statistical Institute (INE), for the period 2014 and 2017.

In order to assess whether the Sino-Mozambican partnership has been beneficial for the population, the analysis was based on the literature review, data from INE and CPI and online national newspaper reports regarding Chinese presence in Mozambique. The newspaper analysis was mainly based on the @Verdade online newspaper, because it was one of the online newspapers that could provide a large data set of information, from 2008 to 2018. From 518 available newspaper, 84 were selected as they referred to news regarding Chinese relations with the Mozambican context, it was recorded news regarding the illegal exploitation and export of wood, precious stones and wildlife resources by Chinese companies and individuals; social conflicts, mostly labor conflicts between Mozambican workers and Chinese companies; and, others.

### 3. China's presence in Africa

Many studies have mentioned China's interest in Africa (Bräutigam & Ekman, 2012; Ganho, 2013; Horta, 2007, 2008; Roque & Alden, 2012). Alden (2007) in Ekman (2012), argues that the Chinese involvement in Africa is seen from three perspectives: 1) As an economic competitor; 2) As a colonizer; and, 3) As a development partner.

The second perspective is based on the Chinese interest on African natural resources and land (Ekman, 2012). According to Freeman *et al.* (2008) in Ekman (2012), the extraction of these resources is compared with that of the imperial powers of the 19<sup>th</sup> century, who simply extracted and exported raw materials, without any added value to African countries, thus blocking the development of local economies. In the third perspective, and the most common around Governments discourses, China is seen as a development partner for the African countries, in which the concept of 'mutual benefit' is commonly used, in the sense that the Sino-African relations are beneficial not only for China but also to the African country (Ekman, 2012).

According to Ekman (2012) other arguments used to connect the acquisition of land with a new form of colonization, is based on the fact that the land is being acquired in countries that are already struggling with food insecurity problems; In this regard, withdrawing food from countries with hunger problems is not a win-win situation and is therefore morally questionable.

However, Ekman (2012) considers that this argument does not apply for Mozambique, in the sense that, in her opinion the reason why Mozambique is struggling with food insecurity is because it does not have the means (capital and technology) to fully explore their resources.

Braun & Meinzen-Dick (2009) published an article referring to land grabbing by foreign investors in developing countries, as a way to ensure food supplies in their countries:

(...) countries with large populations and food security concerns such as China, South Korea, and India are seeking opportunities to produce food overseas. These investments are targeted toward developing countries where production costs are much lower and where land and water are more abundant. (...) In addition to acquiring land for food, many countries are seeking land for the production of biofuel crops.

Braun & Meinzen-Dick (2009:1)

Braun & Meinzen-Dick (2009) referred to China as one of the countries that started acquiring land for food production about 10 years ago. As mentioned earlier, many of these investments are seen as beneficial for both parts involved, as it may lead to the creation of new jobs, technology transfer, improvement of rural infrastructures, poverty reduction, etc. However, some authors mentioned that this is not always the case; In fact, most of the times this is not the case (Horta, 2007). Many authors referred that it is difficult to find well-documented evidence and in some cases the reports are contradictory, therefore making it difficult to find what is really happening in the field (Braun & Meinzen-Dick, 2009; Bräutigam & Ekman, 2012; Bräutigam & Xiaoyang, 2009).



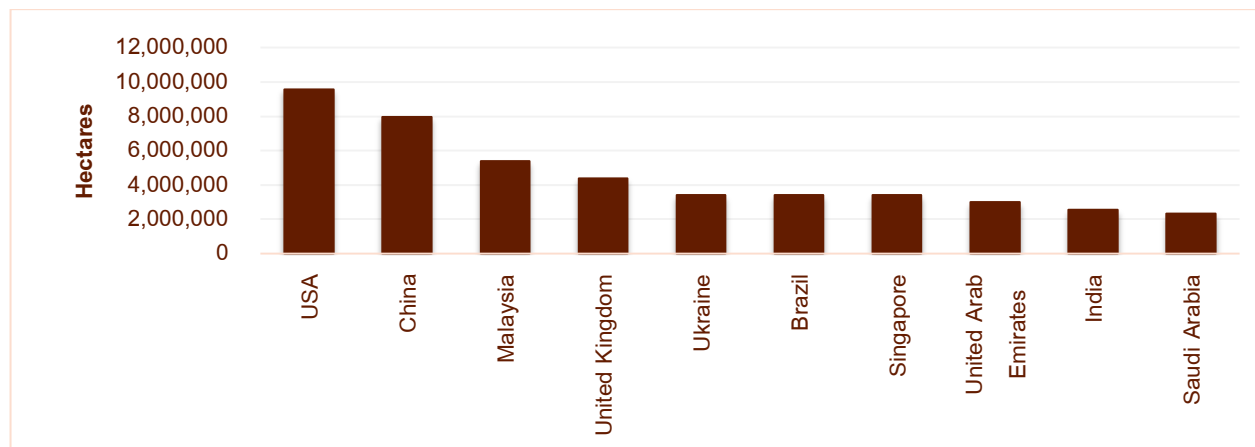
Braun & Meinzen-Dick (2009) referred that some of the problems with these types of investments is that the local communities most of the times do not have any bargaining power in negotiating the agreements, and the consequences are even bigger when the foreign agreement is supported by the national states or local elites.

Smallholders who are being displaced from their land cannot effectively negotiate terms favorable to them when dealing with such powerful national and international actors, nor can they enforce agreements if the foreign investor fails to provide promised jobs or local facilities. Thus, unequal power relations in the land acquisition deals can put the livelihoods of the poor at risk. This inequality in bargaining power is exacerbated when the smallholders whose land is being acquired for foreign investment projects have no formal title to the land, but have been using it under customary tenure arrangements. Since the state often formally owns the land, the poor run the risk of being pushed off the plot in favor of the investor, without consultation or compensation. (...) The benefits to local communities also depend heavily on how investment projects are designed and managed. On one extreme, conversion of land to large-scale farms or plantations operated by foreign labor causes loss of local land rights and generates little employment for local skilled or unskilled labor.

Braun & Meinzen-Dick (2009:2-3)

The following Map shows the top 10 land buyers in the world, being China among one of these countries (see Figure 1).

Figure 1. Top 10 land buyers (2000-2018)<sup>1</sup>



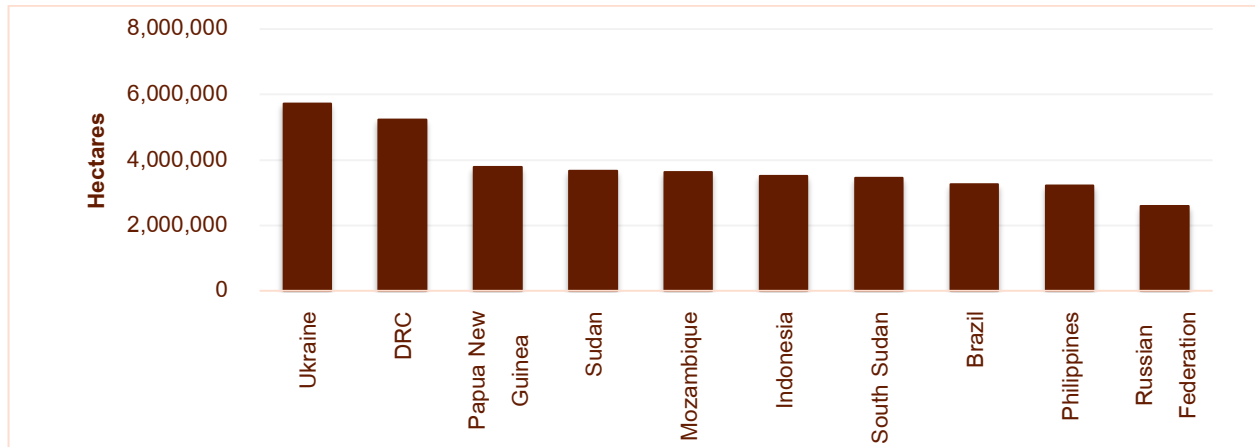
Source: LandMatrix (2018).

As can be seen in the Figure above, China is the second largest buyer of land, having been acquiring almost 8.000.000 ha, which corresponds to about 10% of the world acquired land.

On the other hand, Mozambique is among the top land sellers in the world – see Figure 2.

<sup>1</sup> The data corresponds to concluded and intended deals. Concluded deals refers to those in which there is an oral agreement between the parties or the contract has already been signed. Intended deals are those which are under negotiation or there was an expression of interest.

Figure 2. Top 10 target countries for land acquisition (2000-2018)



Source: LandMatrix (2018).

The figure above shows that five of the Top 10 targeted countries for land are African countries. Mozambique occupies the 6<sup>th</sup> position as the world's most target country for land.

Data from the LandMatrix (2018) allowed to identify in which regions China has acquired land, as can be seen in Table 1.

Table 1. China's land acquisitions by region

Regions	Hectares	#Deals
<b>South America</b>	<b>929,172</b>	<b>7</b>
<b>Africa</b>	<b>698,125</b>	
Western Africa	231,170	15
Eastern Africa	209,501	25
Northern Africa	11,667	2
Central Africa	245,787	5
<b>Caribbean</b>	<b>23,000</b>	<b>2</b>
<b>Asia</b>	<b>2,761,314</b>	
South Asia	0	1
South-East Asia	2,760,405	89
Central Asia	909	3
<b>Eastern Europe</b>	<b>3,279,272</b>	<b>7</b>
<b>Total</b>	<b>7,690,883</b>	<b>156</b>

Source: LandMatrix (2018).

Eastern Europe is the region with the greatest investment in terms of land, compared to other regions. However, most deals are celebrated in South-East Asia and Eastern Africa<sup>2</sup>.

According to Alden & Chichava (2012) China is concentrating their investments in Africa in fundamental sectors of the economy, from energy to mining exploitation. According to these authors China stated that its relations with Africa are based on clear manifestations of historical linkage, political equality, respect for sovereignty, non-intervention and, on economic issues and mutual benefit.

Bräutigam & Xiaoyang (2009:686) referred that “more than 44 African countries have hosted Chinese agricultural aid projects, and the Chinese have developed more than 90 farms through their aid”. These authors explained China’s interest in African agriculture by the pressures on food security and land in China, as well as the fact that many African countries are food importers and therefore, are most willing to accept assistance for the agricultural sector.

According to Bräutigam & Xiaoyang (2009:688) Chinese engagement in agriculture in Africa began as a diplomacy instrument in 1960, through the agricultural aid programme, Operation Vanguard, operated by Taiwan, which “focused on small and medium-scale rice and vegetable demonstration farms combined with technical assistance to smallholders”. After the mid-1980s, agricultural aid from traditional donors decreased substantially, but not from China; Simultaneously, as announced by premier Zhao Ziyang in his 1982–83 trip to Africa, Beijing wanted to make economic relations with Africa more sustainable and mutually beneficial (Bräutigam & Xiaoyang, 2009).

While diplomacy remains a major purpose of aid, significant reforms in the 1990s and 2000s positioned China’s official engagement in Africa to bolster China’s long-standing policy that aid should generate “mutual benefit”. (...) The discussions of the early 1990s led to the idea that productive aid projects had their best chance of sustainability if Chinese partners with a profit motive were firmly involved as owners or leaseholders, not simply offering long-term technical assistance or serving as managers. (...) China’s “mutually-beneficial agricultural co-operation” in Africa would focus in the future on opening up new lands for development, setting up agricultural plantations, fostering breeding technologies, enhancing African food security, and promoting agricultural machinery and agricultural processing. (...) In the new millennium, mutual benefit meant that agricultural engagement in Africa would need to support China’s “going global” strategy (*zou chuqu* 走出去): a set of policies worked out to enable Chinese companies to become global firms. “Going global” meant three things: building global brands from China’s most competitive enterprises; providing higher-value technology and service exports; and increased overseas investment by Chinese companies. As the decade advanced, Chinese observers began to comment that agricultural investment in Africa also had the potential to relocate Chinese farmers

<sup>2</sup> It is important to note that the data provided in Tables are regarding concluded and intended deals; moreover, the data account only for investments regarding forestry, agriculture, industry, renewable energy and conservation. However, it does not account for all the investment effectively made by China, as we will see when analyzing China’s investments in Mozambique. It is also important to highlight that the data also account for investments made in China.

displaced through the dual pressures of WTO trade liberalization and China's rapid urbanization. Some suggested that Africa could also serve as a source of future supply for China's own food security.

Bräutigam & Xiaoyang (2009:692-694).

Therefore, China decided to invest in agricultural technology and seed cultivation by creating agricultural technology demonstration parks (hybrid rice as the central technology), as a way to create opportunities for their own companies (Bräutigam & Xiaoyang, 2009; Durán & Chichava, 2012).

The main activities of the centers were research and technology transfer, rural extension and technical training (Durán & Chichava, 2012). According to Bräutigam & Xiaoyang (2009), the centers had three main requirements: 1) attract interest and demonstrate the new technologies; 2) have a training component for local peasants; and, 3) to be sustainable – and therefore, the Chinese government would fund the construction of those parks and guarantee at least three years of support.

Table 2. Agricultural Technology Demonstration Centers in Africa, 2006–2009

Country	Implementing province/organization	Status
Mozambique	Hubei/Lianfeng Overseas Agricultural Development Co.	Signed contract in 2008
Sudan	Shangdong/Academy of Agricultural Science	Field trip in 2007
Tanzania	Chongqing/Agricultural Tech Co.	Field trip in 2007
Ethiopia	Guangxi/Bagui Agricultural Tech Co	Signed contract in 2008
Cameroon	Shaanxi/Nongken Agricultural Co.	Signed contract in 2008
Togo	Jiangxi/Huachang Infrastructure Construction Co.	Construction started in 2008
Zambia	Jilin/Agricultural University	Field trip in 2008
Liberia	Hunan/Yuan Longping High-Tech Co.	Signed contract in 2008
Benin	China National Agricultural Development Corporation	Signed contract in 2008
South Africa	China National Agricultural Development Corporation	Signed contract in 2008
Uganda	Sichuan/Huaqiao Fenghuang Group (Fisheries)	Signed contract in 2008
Rwanda	Fujian/Agriculture and Forestry University	Construction started in 2009
Congo (Brazzaville)	Academy of Tropical Agricultural Tech.	Signed contract in 2008
Zimbabwe	Research Institute of China Agricultural Mechanization	Signed contract in 2008

Source: Bräutigam & Xiaoyang (2009); Durán & Chichava (2012).

## 4. Chinese relations with Mozambique

As mentioned earlier, the relation between China and Mozambique dates from 1960 when China offered diplomatic and limited military support to *Frente de Libertação de Moçambique* – FRELIMO, the liberation movement, and the Party in power since the independence of Mozambique in 1975 (Chichava *et al.*, 2013; Horta, 2007; Roque & Alden, 2012). After independence, Mozambique maintained its relations with China (Roque & Alden, 2012).

The contemporary relation between China and Mozambique intensified in 1997-1998 when the Exim Bank from China offered incentives to Chinese companies to invest and start a business in Mozambique (Ekman, 2012; Roque & Alden, 2012); the construction sector was one of the targeted sectors. Starting from this moment the cooperation between these two countries was continuously diverse and intense. Chichava (2012) refers that the signing of a n Agreement on Trade and Promotion and Reciprocal Protection of Investment and the creation of a Joint Comission for the Economy and Trade marked the relaunch of the Mozambique-China cooperation after the China-Africa Cooperation Forum (FOCAC). The cooperation focused on the health (through the provision of medical teams and antimalarial drugs) and, education and training sectors (Roque & Alden, 2012). Since 2004, China and Mozambique have signed multiple cooperation agreements; In 2007 the cooperation was strengthened, when President Hu Jintao, promised additional support to Mozambique through credits and cooperation in agriculture, technology, education, health, infrastructure, security and defense and natural resources sectors (Chichava, 2012; Roque & Alden, 2012). Roque & Alden (2012) also referred that it was also in this period that the Chinese financial involvement in Mozambique expanded.

In 2009 and 2011, China built an Agricultural Technology Transfer and Demonstration Center in Boane, Maputo, managed by the Hubei LianFeng Mozambique Co. Lda., focusing on the dissemination of techniques and technology for rice plantation and other crops to the local farmers.

Durán & Chichava (2012) explained how the process of implanting an Agro-technology transfer center worked in Mozambique. They referred that one of the conditions for implanting the center was for the Mozambican Government to give the land where the project was to be executed and allow tax exemption on imports of equipment and materials; another condition was that the conception and construction of the center would be made by the Chinese (including irrigation structures, supply of machinery and equipment, and Chinese experts to coordinate the project).

Durán & Chichava (2012) highlighted the fact that the implantation of the center was not a gift to Mozambique, instead, in exchange for the establishment of this center, Chinese companies were obtaining privileges in the concession of land for carrying agricultural activities, giving the examples of the Lianhe Africa Agriculture Development Co., Lda. and the Moçambique Lianfeng Desenvolvimento de Agricultura Co., Lda., that is developing agriculture in Gaza province. According to Armando Ussivane, the Chairman of the Board of Directors of the Lower Limpopo irrigation system, in @Verdade, 10<sup>th</sup> February 2012, it was celebrated a contract between the Hubey Lianfeng and a local rice producers association for the land preparation and multiform assistance, including harvesting and commercialization of rice in Pomela, an agricultural region, where the Chinese farmers were based.

Emeka Chiakwelu, at the time, Director of the Afripol – African Center for Economic and Policy Strategy, in an interview to the newspaper @Verdade, 18<sup>th</sup> December 2009, also considered that the Chinese agricultural investment is neither for charity nor selfless, as it would allow China to satisfy its domestic demand of food through the import of some products. On the other hand, she considers that it will also contribute to increase the Mozambican's income and ensure the inflow of foreign exchange in the country.

### **Mozambique as China's food supplier: myth or reality?**

China was establishing agreements as a way to link aid and other forms of economic engagement for the so called "mutual benefit"; Therefore, the China's new Export Import Bank used foreign aid funds to subsidize loans for joint-ventures, Chinese-built infrastructure projects and others; In addition, the Chinese Bank created a preferential buyer's credits in order to enable governments to finance imports of Chinese goods and services at very competitive rates (Bräutigam & Xiaoyang, 2009).

In 2006, the China Development Bank and the Chinese Ministry of Agriculture announced an agreement to work together to encourage projects using land and water resources overseas. Separately, China Export Import Bank promised to offer full support, including project development, finance and marketing assistance, for agricultural projects in Africa.

Bräutigam & Xiaoyang (2009:694-695)

Some reports emerged in the late 2000s, about an agreement between China and Mozambique to export thousands of Chinese farmers to Mozambique; as well as, modernize Mozambique's rice sector and build agricultural technology centers (Bräutigam & Ekman, 2012; Bräutigam & Xiaoyang, 2009; Bräutigam & Zhang, 2013; Horta, 2007; Roque & Alden, 2012). Horta (2008) highlighted the Chinese interest in the Zambezi Valley in mid-2006 to establish large farms and cattle ranches. The global idea, presented by Horta (2008), was that Chinese interest in helping Mozambique increase rice production was to export rice to the Chinese market.

(...) many believe that Chinese companies will not simply invest in a search for profit but will act primarily to advance Beijing's national security goals. Chinese foreign investment in land evokes fears of loss of national control, hence the parallels that are frequently drawn with neo-colonialism.

Bräutigam & Ekman (2012:483-484).

As Ekman (2012) refers, the debate regarding China's food security is not recent, since China is well known for its lack of land and overpopulation, and therefore it is a net importer of food.

Therefore, the Chinese engagement in African agriculture and natural and mineral resources, is seen as a global land grab and as a new kind of colonialism. Bräutigam & Ekman (2012) and Ekman (2012) claimed to not have found any evidence to support these claims. Instead they found that the Mozambican government and the private sector were engaged with Chinese actors in order to achieve some agricultural goals.

Roque & Alden (2012:25) considered that both China and the Mozambican Government agreed that rice production in large scale in Mozambique would be mutual beneficial, in terms of helping China to cope with their food insecurity problems and in terms of Mozambique's ability to make better use of this underdeveloped source of wealth.

Another argument is that China's efforts to increase Mozambique's rice production will not necessarily lead to supplying the Chinese market, since Mozambique has deficits in the rice supply; meaning that any increase in rice production would almost certainly be absorbed by the Mozambican market (Bräutigam, 2012; Bräutigam & Xiaoyang, 2009; Ekman, 2012). This argument is opposite to the one presented by Horta (2008), which is hardly criticized by Sigrid Ekman and, mainly by Deborah Bräutigam in their papers.

Bräutigam & Xiaoyang (2009) also mentioned that Chinese officials denied these rumors, confirming that they encouraged agricultural investment, however denying that it was to support their food security strategy. For Bräutigam & Xiaoyang (2009) the actual picture of the involvement of China in Africa is very different from the pictures prevalent in the media, in Africa and around the world.

On the Chinese side, engagement in rural Africa has been presented primarily as the acts of a socialist brother or a capitalist friend (depending on the era). The outside world sees much more threat, as symbolized by a growing number of news, articles and blogs focused on the "land grab" theme. At the same time, very little research has been done on this issue, and there are as many myths as realities in stories about China's current engagement in rural Africa.

Bräutigam & Xiaoyang (2009:705)

Nevertheless, Bräutigam & Xiaoyang (2009:706) mentioned that these investments might be sensitive, in the sense that it may create "competition between Chinese and African growers in African markets, cash crops as competition with subsistence crops, and the likelihood that large-scale production could push people off their own land, using them as seasonal workers". Ekman (2012) also mentioned attempts of China to "rent" land in Mozambique, that she mentions that were not materialized, due to the opposition of the Mozambican government.

## 5. The Sino-Mozambican relations: data analysis

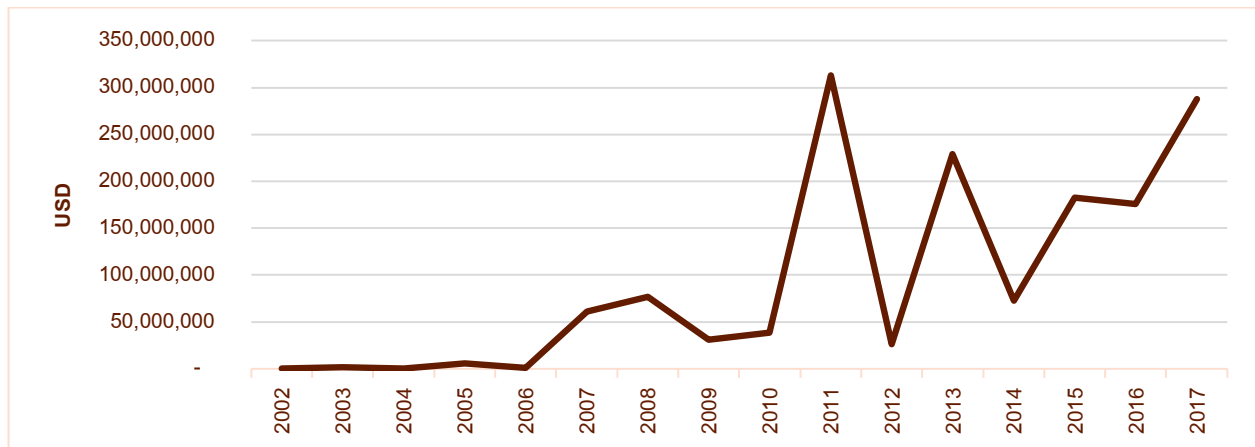
### Chinese investment in Mozambique

According to Roque & Alden (2012), the cooperation between China and Mozambique in the 2000s has focused on infrastructure, agriculture and natural resources. As mentioned, the Sino-Mozambican cooperation has always been seen by the Mozambican Government as beneficial, which fits in the Chinese policy of mutual beneficial projects.

As Nielsen (2012) explains, Chinese companies have been winning almost all public contests for the construction of infrastructures, due to their competitive prices; which explains the ease with which Chinese companies operate and expand in Mozambique. However, the quality of the materials and the infrastructure in itself is considered very poor (Nielsen, 2012).

The following figure shows Chinese total investment between 2002 and 2017 in Mozambique, based on data from the Mozambique Promotion Investment Center (CPI). Note that the data provided by the CPI is regarding approved investment.

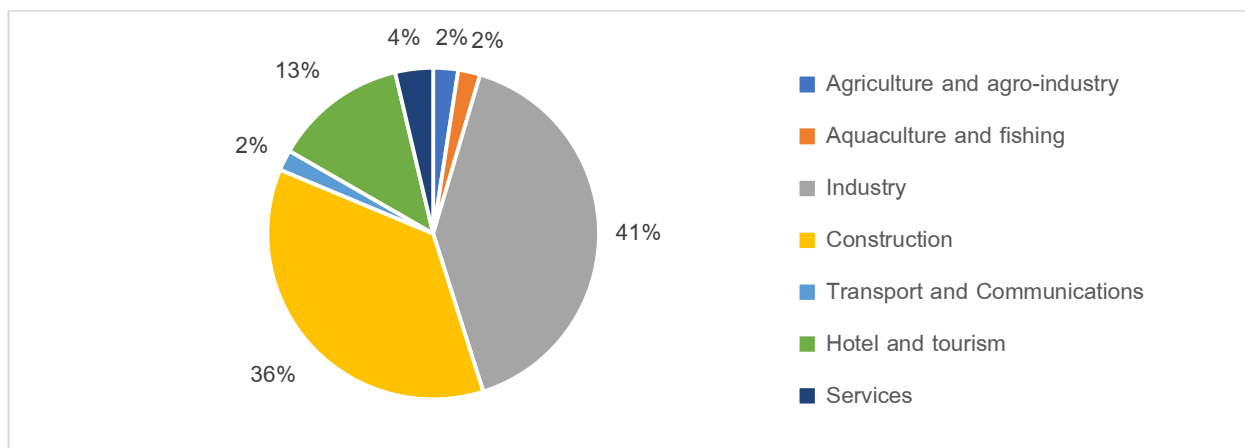
Figure 3. Chinese total investment in Mozambique, USD (2002-2017)



Source: CPI.

As can be seen in the figure above, Chinese investment has shown an increasing trend over the last 15 years analyzed – Chichava (2012) confirms and argues that China is seen as one of Mozambique's strategic partners. According to Roque & Alden (2012) in 2008, China became the second largest investor in Mozambique (after South Africa). Based on the CPI data, in 2011 the Chinese investment reached its peak, with 80% of that investment being absorbed by only one project, the FFH – HENAN GUOJI IMOBILIARIA, whose main activity was the development and real estate management, comprising, in a first phase, the construction of 5,000 houses in the Intaca Neighborhood, Matola Municipality, Maputo Province and subsequent expansion, in a second phase to other regions of the country. The same was verified in 2013, in which almost 80% of the total Chinese investment was directed to the development of the Conference Center Joaquim Chissano in Maputo City (the capital city) – Hotel and tourism sector.

Figure 4. Percentual distribution of the Chinese investment by sectors (2002-2017)<sup>3</sup>



Source: CPI.

<sup>3</sup> The denomination and division of the sectors identified in this figure corresponds to the original denomination from CPI.

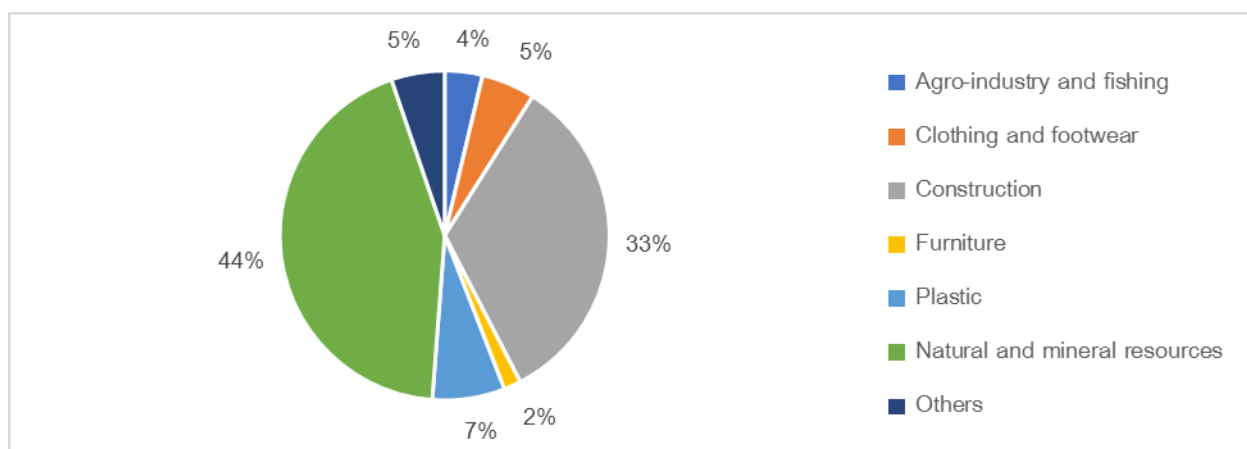


Overall, in terms of investment volume, the Chinese investment is mostly concentrated in the industry and construction sectors, which account for almost ¾ of total Chinese investment; followed by the hotel and tourism sectors (13%), services (4%) and the other three sectors (agriculture and agro-industry; aquaculture and fishing; and, transport and communications) with 2% each.

In Mozambique, it is evident the Chinese investment on the construction sector. According to Roque & Alden (2012), China has been financing multiple public infrastructure projects in Mozambique since 1999. From 2001 to 2004 concessional credits were granted to the construction of multiple public infrastructures, such as: Joaquim Chissano Conference Center, Ministry of Foreign Affairs Building, construction of low-cost housing in Zimpeto; The National Stadium was also built by the Chinese; all of these infrastructure projects were concentrated in Maputo (Roque & Alden, 2012). The Chinese presence is also highlighted in: 1) the reconstruction of national roads<sup>4</sup>; 2) expansion of major ports; 3) rehabilitation of urban water supply systems; and, 4) smaller projects such as office buildings, cheap housing and rural infrastructure (Horta, 20 07; Roque & Alden, 2012). In some cases, these projects are financed through concessional credit; However, in other cases the credits are not fully concessional, as part of the credit may be expanded in commercial terms – as it is the case of the most recent Chinese deals on the construction of the Circular road in Maputo and the bridge that connects Maputo and Katembe (Roque & Alden, 2012).

A superficial analysis of these data may hide the importance of other sectors regarding the Chinese investment. If we analyze the investment directed to the industry sector, we may have a clear reading on the focus of the Chinese investment – see Figure 5.

Figure 5. Percentual distribution of the Chinese investment in the industry sector (2002-2017)



Note: Others includes paper, glass, electronic materials, recycling and others.

Source: CPI.

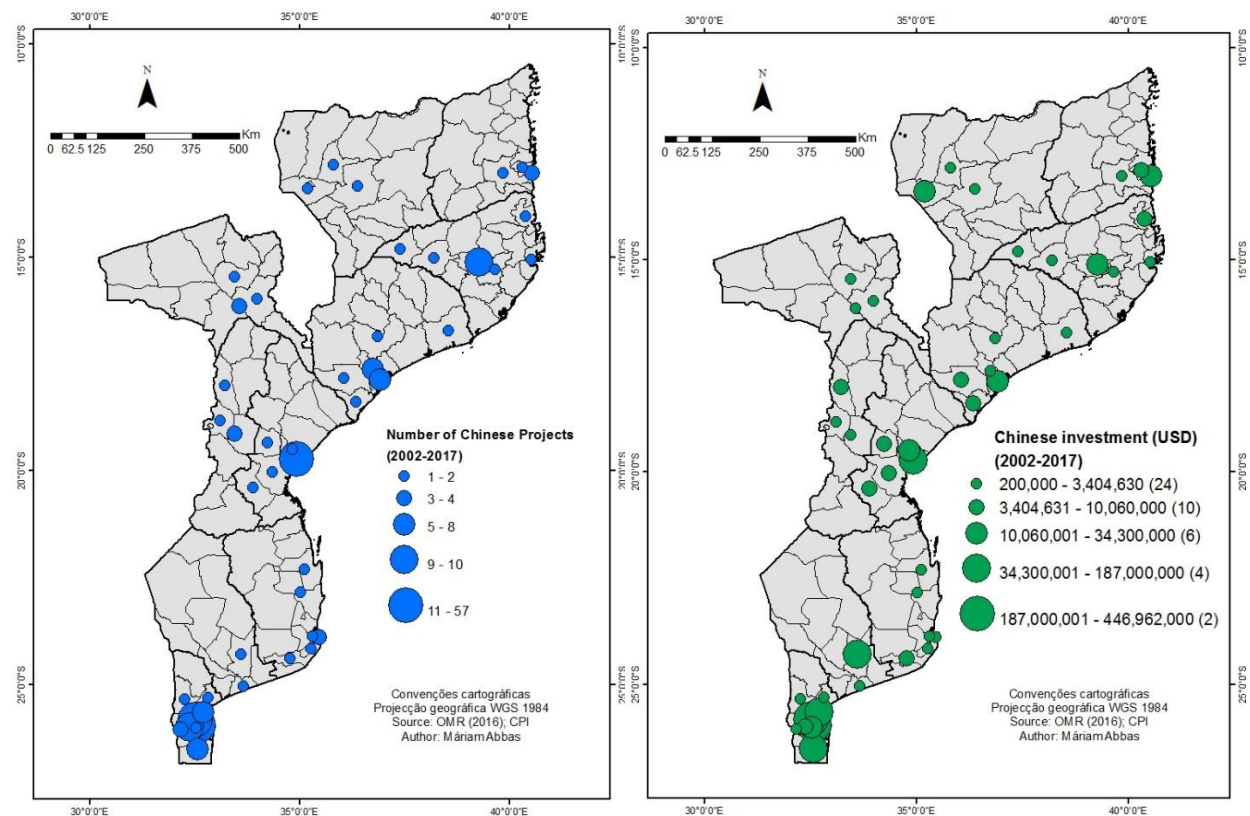
<sup>4</sup> According to Roque & Alden (2012), Chinese contractors are responsible for about 1/3 of roads construction in Mozambique.

Several studies have mentioned China's economic interest in many African countries. There are a lot of theories on why China is investing in Africa<sup>5</sup>, especially Sub-Saharan Africa. It is argued that China is searching for natural and mineral resources, such as oil, gas, precious metals and mining, in order to diversify its energy resource import's pool (Esposito, Tse & Al-Sayed, 2014).

This is also particularly true for Mozambique, in which almost 45% of the total investment to the industry sector is directed to the exploitation of natural and mineral resources in Mozambique, including forests/wood, heavy sands, precious metals, and others. The construction sector also absorbs a considerably amount of the total industry investment (33%).

The following maps show the spatial distribution of the total Chinese investment. Most of the Chinese projects are concentrated in Maputo Province, both in terms of number of projects and also volume of investment. Most of these projects are related to the construction, industry<sup>6</sup> and transport and communication sectors. However, it is important to note that in some cases, the head offices of these companies/projects are located in Maputo Province, and therefore are registered there; however, it does not mean that the companies operate only in that province. According to Roque & Alden (2012) more than 30 Chinese construction firms have their representations in Maputo.

Map 2. Spatial distribution of Chinese investment in Mozambique



<sup>5</sup> Some were already mentioned in the previous section.

<sup>6</sup> Remember to consider the data from Figure 5.

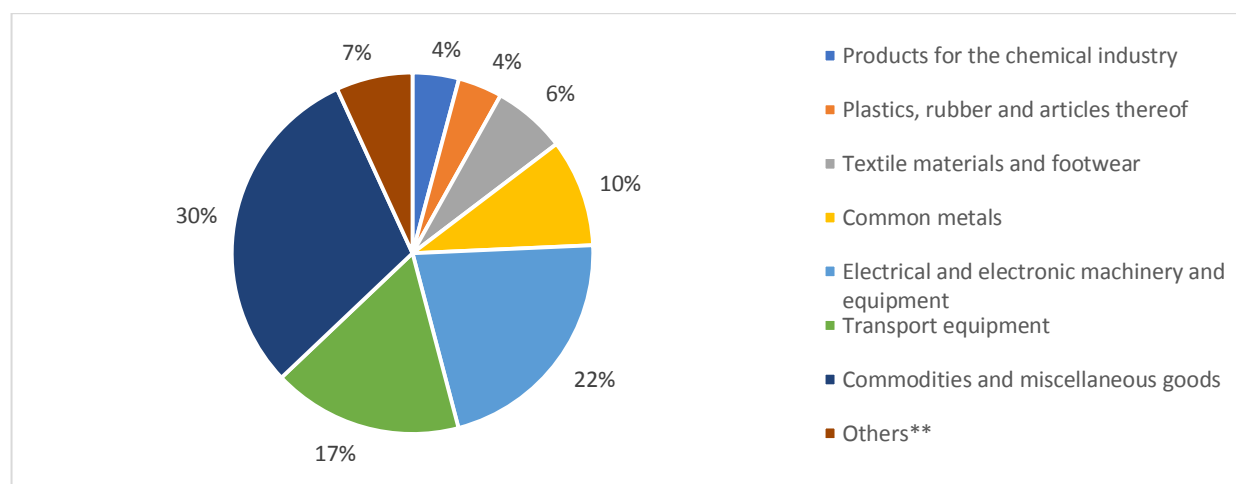
Chinese projects are distributed all over the country, that is, they have invested in all provinces of the country.

### Imports and exports from China

According to Esposito, Tse & Al-Sayed (2014), oil, gas, metals and minerals constitute three-quarters of African-exports to China; while, Chinese imports to Africa are more diverse, composed mostly by manufactured goods. The picture for Mozambique is not that different.

According to Roque & Alden (2012), in the first decade of the 2000s, imports from China have been mainly composed by machinery and electronic equipment, while Mozambican exports to China has focused mainly in wood<sup>7</sup>. The picture today has not changed much; however, it is important to highlight the “recent” Chinese interest on Mozambican mineral resources as well (see Figures 6 and 7).

Figure 6. Mozambique's imports from China (2014-2017)



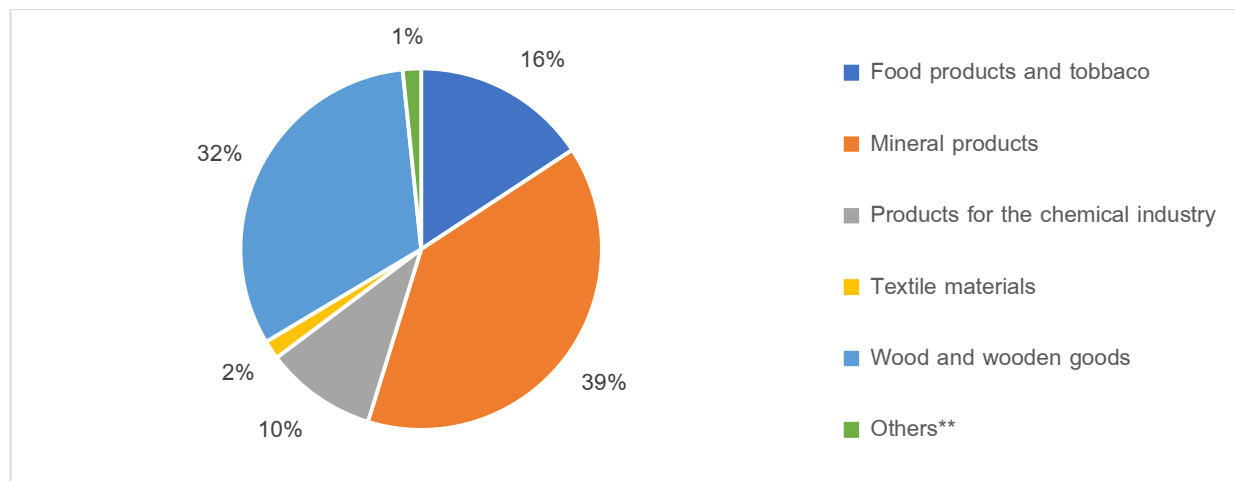
Source: INE (2015a, 2016a, 2017a, 2018).

About 30% of Mozambique's imports from China are commodities and miscellaneous goods, including seats and furniture for medicine and other furniture. Import of electrical and electronic machinery and equipment corresponds to 22% of total imports from China; transport equipment represents 17% of total imports, with particular highlight to fishing boats, tractors, vehicles for the transportation of goods and others; and 10% are imports of common metals, mainly iron and steel products

<sup>7</sup> Horta (2007) considers that China's trade with Mozambique is modest when compared to other African countries such as Angola and Sudan; However, the author points out two aspects that he considers important: "First is the fact that two-way trade tripled in only two years, making it one of the fastest growth rates experienced by any single nation's trade with China. The second particularity lies in the fact that unlike China's trade with its major partners in the continent such as Nigeria, Angola and Sudan, its rising trade with Mozambique is not centered on raw material imports to the PRC, such as oil and natural gas. China's trade with Mozambique is dominated by imports of agricultural products, fisheries, forest products and investment in the service sector. In turn, Mozambique imports cheap manufactured goods and machinery from the PRC" (Horta, 2007:1).

for the construction sector. Textile materials and footwear represent about 6% of imports; plastics and rubber and products for the chemical industry cover 4% of imports, each.

Figure 7. Mozambique's exports to China (2014-2017)



Note: Others\*\* includes precious stones and metals, common metals, electrical and electronic equipment, and others.

Source: INE (2015b, 2016b, 2017b, 2018).

The main exports to China are dominated by only four categories of goods. Almost 40% of exports correspond to mineral products – of which 91% corresponds to ores. About 32% represents exports of wood and wooden goods – of which 97% represent exports of unprocessed and swan wood.

The remaining percentage is distributed as follow: 16% of food products and tobacco – with particular focus on crustaceans<sup>8</sup> and oil seeds and fruits; 10% of products for the chemical industries – with activated charcoal and natural and mineral materials representing 94% of total chemical products exports; 2% of textile materials – composed mainly by cotton; and, others (1%).

## 6. DISCUSSION

In this section, it will be analyzed whether the rumors about China's relation with Mozambique are true or not, based on the data presented in the previous section. It will also be analyzed whether this relationship has been beneficial for Mozambique, and for the communities in particular.

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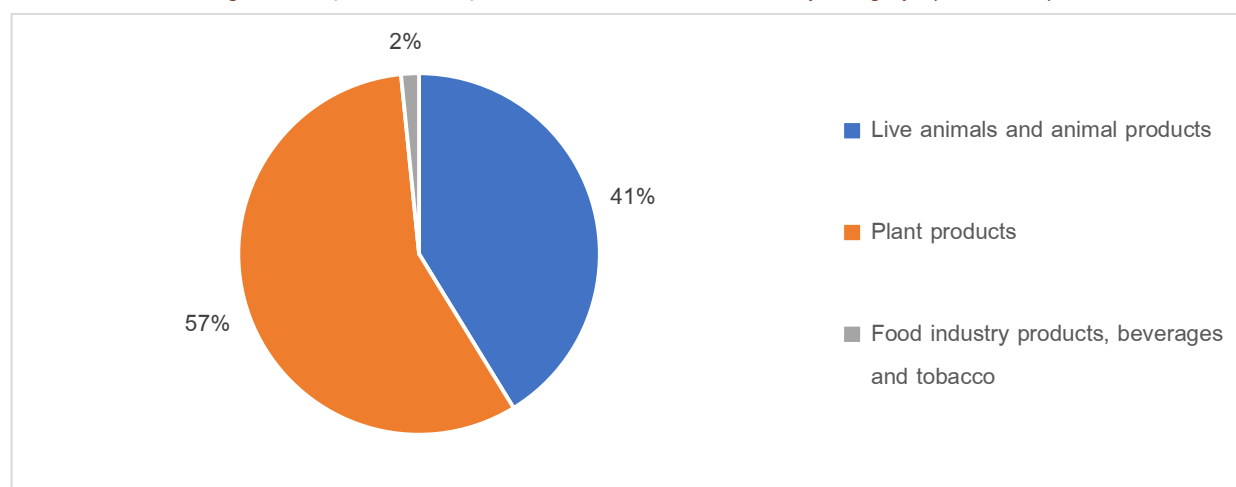
<sup>8</sup> According to Roque & Alden (2012), there are reports that the Chinese are involved in illegal fishing, specifically in large-scale poaching of shrimps and lobster and other fish species.

### Mozambique as China's food supplier

As referred previously there is a common perception that China is supporting Chinese enterprises to acquire land abroad as part of a national food security strategy; being claimed that the Chinese are promoting an increase in rice production in order to export to the Chinese market (Bräutigam, 2012, 2015; Ekman, 2012; Horta, 2007, 2008).

As shown in Figure 7, food products and tobacco account for about 16% of total exports to China. The following Figure shows what are the categories of food products exported to China.

Figure 8. Exports of food products and tobacco to China, by category<sup>9</sup> (2014-2017)



Source: INE (2015b, 2016b, 2017b, 2018).

Between 2014 and 2017, total Mozambican exports of food products to China were composed by three categories: 1) live animals and animal products, plant products and food industry products, beverages and tobacco. The latest accounted for only 2% of total food products exports, and was composed basically by tobacco which represented 72% of total exports in this category.

Plant products is the major category, representing 57% of food products exports between 2014 and 2017, being distributed as follow: oil seeds and oleaginous fruits (87%), edible vegetables, roots and tubers (6%), fruits (4%), and others. The second largest category of exports are live animals and animal products, being almost entirely dominated by only one product, the crustaceans, accounting for 99% of animal products exports.

Therefore, according to INE's data, there is no evidence of rice being exported to China, in the period analyzed; some plant and animal products are being exported as referred before, but the evidence is not sufficient to confirm the hypothesis that China wants to make Mozambique its food supplier. Nevertheless, we should not neglect the fact that some of the agricultural projects in which the Chinese invested are still in a startup phase and therefore are not producing yet<sup>10</sup>.

<sup>9</sup> The categories illustrated corresponds to the original denomination from the INE reports.

<sup>10</sup> LandMatrix (2018) data.

## Are the benefits from the Sino-Mozambican cooperation and partnership real?

- **Local development: the forest and timber exploitation**

As mentioned before, China is seen by some key actors<sup>11</sup> as a development partner for Mozambique. China adopted the concept of “mutual benefit” in their cooperation policies as a way to make their investment/aid beneficial for them and for the recipient country. As explained earlier, the idea was that Chinese aid and cooperation projects would focus on agricultural areas that could bring benefits not only for African countries, but also for China. Therefore, they implemented the idea that the agricultural cooperation projects should have Chinese partners with a profit motive, as a way to make the projects sustainable and beneficial; On the African side, the benefits would come from the transfer of technologies, increased production, enhancement of food security, promotion of agricultural machinery and processing, creation of jobs, etc. (Bräutigam & Xiaoyang, 2009). The benefits for the Chinese are clear, as they are allowed to explore and penetrate in the Mozambican market with some ease. The same happens in the forest sector; testimonies of Mozambicans working in this sector referred that the Government privileges the Chinese in the granting of licenses for timber exploitation (in @Verdade, Edition N° 200 of 24<sup>th</sup> August 2012, p. 13).

China's interest in African natural resources, as mentioned earlier is not recent; however, it is questionable China's intention in helping to promote economic growth and development in those countries; posing concerns about the economic development of the countries as well as the environmental and social sustainability of their natural resources (Esposito, Tse & Al-Sayed, 2014).

China's relationship with Africa has often been described as "colonial", in which most of the benefits are far from mutual and often accrued to China. FDI, if allocated properly, is a method of financing domestic investments especially for countries that have inadequate capital. It also promotes advanced technology and management that indirectly stimulate growth in an economy. But whether China's recent investment activities have had a positive impact on the selected East African countries is perhaps debatable. (...) In some cases, China has seemingly created a dependency for the African countries, without providing real structural help to show integration in the local communities.

Esposito, Tse & Al-Sayed (2014).

An example of what is referred by Esposito, Tse & Al-Sayed (2014) is the export of wood, being one of the most important Mozambican exports to China. According to many authors China has played a significant role in the extraction of wood in Mozambique, being the sector dominated by Chinese companies and most of the wood is exported to China where it is processed and transformed (Bunkenborg, 2012; Environmental Investigation Agency – EIA, 2013; Roque & Alden, 2012; Serra *et al.*, 2015). Recalling from Figure 7 wood and wooded goods account for 32% of total exports to China, and from these 97% are unprocessed and sawn wood (73% of sawn wood and 24% of wood in rough). China has become the larger

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<sup>11</sup> Mainly Government members.

buyer of Mozambican wood and, Mozambique is in the top 5 African wood exporters to China, without accounting for the illegal export of wood to China.

There is a significant illegal export of unprocessed wood to China (Bunkenborg, 2012; Roque & Alden, 2012). According to Bunkenborg (2012), the establishment of extraction quotas and the ban on the export of unprocessed timber were intended to make forestry a sustainable industry, as well as, contribute to increase the number of jobs in timber processing; however, that has not been the case, in fact, according to this author, local communities have not been compensated for the extracted wood, and since they have low bargaining power, they are easily convinced to prescind of some of their rights. There are multiple reports regarding the illegal extraction and export of wood by Chinese companies (see Table 3); therefore, the timber extraction by these companies are worsening rural poverty, benefiting mostly the local elites, who most of the times are part of the deal, and the Chinese investors (Bunkenborg, 2012; Nielsen, 2012).

In an interview to @Verdade Newspaper, the *régulo* Tupurutho of a small community in the Eráti district, in Nampula Province referred that in his area there are forest resources in abundance, however the community does not benefit from it, being the timber merchants the only ones that benefit. Due to lack of employment and in search for survival, the population offer labor, he refers (Paulino, 2014). The *régulo* also mentioned that the compensation given to them due to exploitation of the forest resources of those communities does not reflect the amount of timber that has been extracted (Paulino, 2014).

Another testimony of a local forest manager of Cabo Delgado, in the 3<sup>rd</sup> Wood Forest Operators meeting with the Minister of Land, Environment and Rural Development, Celso Correia, referred that the relations with China, at least, in the timber sector, are toxic for the local communities; Another local forest manager of the Zambézia Province, also referred to the Chinese as a cancer, affirming that they do not buy wood from the wood operators, instead they encourage poaching and illegal exploitation (Caldeira, 2017). To these claims according to Caldeira (2017) the Minister respond that he acknowledges the struggle and agreed that some local operators are being harmed, nevertheless defending that the relations with China are important for the country, and therefore Mozambique should continue the partnership with the trustworthy and serious Chinese.

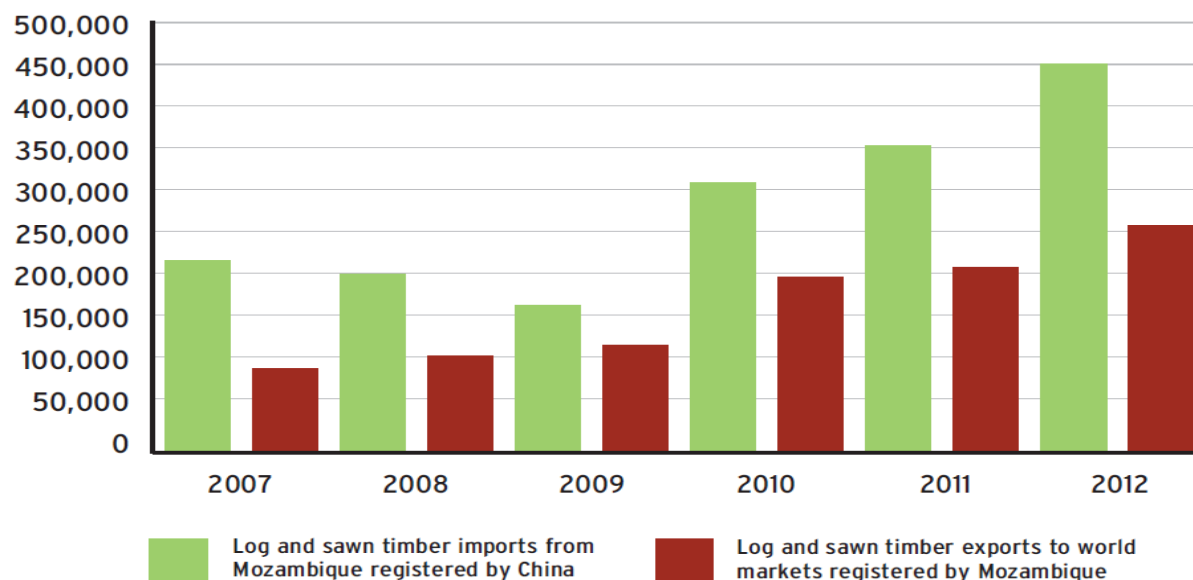
Table 3. Records from @Verdade Newspaper on fraud regarding the wildlife resources by Chinese companies or individuals

REGION	PROVINCE	CONFLICT	NEWSPAPER	DATE
South	Gaza	Rhino poaching in the Limpopo National Park	@Verdade, Ed. 121	4/2/2011
	Maputo	Illegal possession of ivory tips	@Verdade, Ed. 337	15/5/2015
	Maputo	Illegal possession of raw ivory	@Verdade, Ed. 358	9/10/2015
	Maputo	Illegal possession of ivory tips	@Verdade, Ed. 445	9/6/2017
	Maputo	Rhino horn traffic to China	@Verdade, Ed. 466	3/11/2017
	Maputo	Illegal export of ivory tips to Cambodia	@Verdade, Ed. 490	20/4/2018
	Maputo	Illegal export of rhino tips to China	@Verdade, Ed. 490	20/4/2018
	Maputo	Illegal possession of precious stones	@Verdade, Ed. 493	11/5/2018
	Maputo	Illegal possession of rhino horns	@Verdade, Ed. 516	19/10/2018
Center	Zambézia	Excess wood cutting	@Verdade, Ed. 195	20/7/2012
	Sofala	Illegal export of wood to China	@Verdade, Ed. 413	28/10/2016
	Sofala	Illegal timber cutting	@Verdade, Ed. 447	23/6/2017
	Tete	Illegal export of wood to China	@Verdade, Ed. 513	28/9/2018
North	Cabo Delgado	Illegal transport of ivory	@Verdade, Ed. 119	21/1/2011
	Cabo Delgado	Illegal transport of wood in logs	@Verdade, Ed. 119	21/1/2011
	Nampula	Illegal exploitation of timber	@Verdade, Ed. 290	6/6/2014
	Nampula	Transgression of the rules of use of various forest species	@Verdade, Ed. 290	6/6/2014
	Nampula	Illegal possession of gemstones (tourmalines, rubies, etc.)	@Verdade, Ed. 324	13/2/2015
	Nampula	Illegal possession of precious stones	@Verdade, Ed. 346	17/7/2015
	Nampula	Traffic of semi-precious stones	@Verdade, Ed. 414	4/11/2016
	Nampula	Illegal export of wood to China	@Verdade, Ed. 443	26/5/2017
	Nampula	Possession of illegal timber	@Verdade, Ed. 444	2/6/2017
	Nampula	Illegal export of forest resources, contraband and misconduct of various goods	@Verdade, Ed. 448	30/6/2017
	Cabo Delgado	Ivory traffic to China	@Verdade, Ed. 449	7/7/2017
National		Illegal transport of wood in logs	@Verdade, Ed. 216	14/12/2012
		Smuggling and illegal logging	@Verdade, Ed. 224	22/2/2013
		Illegal export of wood to China	@Verdade, Ed. 417	25/11/2016
		Illegal export of ivory to China	@Verdade, Ed. 423	6/1/2017

An EIA report dating from 2013 provides data on illegal logging and timber smuggling by China.



Figure 9. Chinese imports and Mozambican exports of logs and sawn timber in cubic meters for 2007-2012



Source: EIA (2013).

According to this report the registered log and sawn timber imported by China from Mozambique in 2012 was 42% higher than that registered in Mozambique, meaning that 42% of the total log and sawn timber imported by China in that year was illegal (EIA, 2013)<sup>12</sup>. The report also mentions that these operations are being made with the support and help of the political power, specifically, it mentions the name of José Pacheco, the former Agriculture and Food Security Minister and Tomás Mandlate, deputy of the Assembly of the Republic for the Frelimo party.

Even though Mozambique is well known for the “abundance” of natural resources, wood included, there is a concern regarding the sustainability of the continuous extraction of wooden resources. Therefore, there are some aspects that should be taken into consideration when extracting forest products. Besides, the forest is very important regarding food security, as it provides wild fruits, animals, wood, wild plants; being fundamental for the communities.

Another case that is presented by the communities, is the one from the mining companies. An article published in @Verdade, 17<sup>th</sup> July 2015, refers the case of the extraction of heavy sands by a Chinese company Hayiu Mining Company, whose works instead of improve the livelihoods and living conditions of the population of the Sangage community, in Angoche District, Nampula Province, deteriorated it. Testimonies referred that there is no support for agricultural production, lack of potable water, and there are cases of respiratory diseases due to the dust produced by company trucks; they claimed that there were some improvements in infrastructure, namely, electricity; However, according to them it only benefits the company and a small number of locals.

As referred before, it is clear the Chinese interest in the natural and mineral resources of Mozambique. The Government is known as one of the parties that are also extremely interested in the relations with China. However, this openness of our Government has been extremely harmful for the sustainability of our resources as well as for the communities. It is recognized the positive impact that a well-established and monitored partnership with China can bring to the country and

<sup>12</sup> For more information see the EIA (2013) report, it provides real case studies of the illegal export of log and sawn timber in Mozambique.

the population. However, it is important for the Government to be aware of the negative impacts that a soft agreement, that allows the Chinese to penetrate and “reproduce” or expand without any monitoring of their activities can cause in our economy and the impact on the lives of the population.

One example of that is an article published in @Verdade, 7<sup>th</sup> July 2017, Edition 449, p. 11 that mentions an interview by the EIA with a Chinese ivory dealer, referring that it is ease to trade (illegally) ivory in Mozambique, through the Pemba, considering that all of them are already bribed. He also referred that in Tanzania this deal could not be made. From this example it is possible to see that the Government is partly to blame from these deals. In another study by the EIA referred before, it was identified two important Government members that were part of the deal with the Chinese companies in the exploitation of timber.

- **Job creation**

One of the objectives of the Sino-Mozambican cooperation and investment was the creation of jobs for the Mozambican population.

Figure 10. Job creation by Chinese projects, by sectors  
(2014-2017)

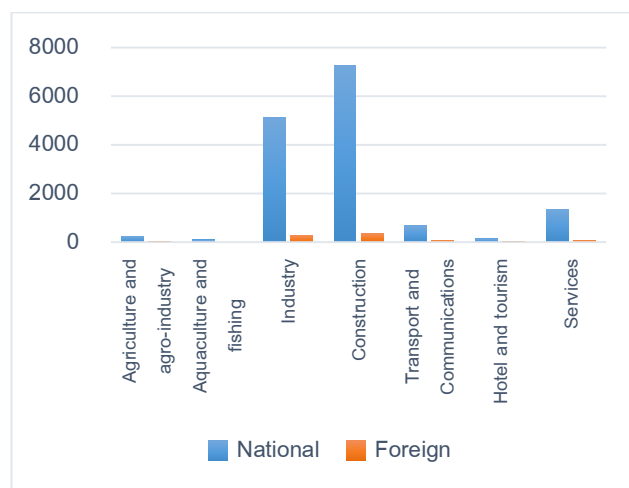
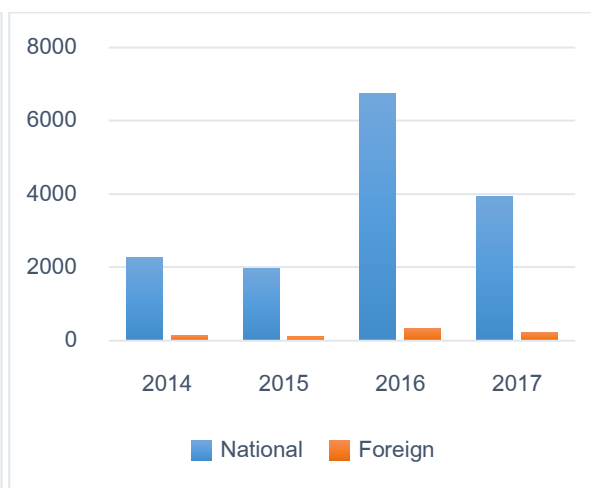


Figure 11. Job creation by Chinese projects



Source: CPI.

According to CPI data, most Chinese projects were intended to employ a significant number of Mozambicans when compared to foreign workers<sup>13</sup>. The sectors that are expected to employ most workers are the industry and construction sectors.

Roque & Alden (2012) referring to Chichava (2008) confirmed and mentioned that 11.214 Mozambicans were formally employed in Chinese firms in 2008. However, there are records of conflicts between Mozambican employees and Chinese companies, due to poor working conditions, lack of contracts and low wages (Durán & Chichava, 2012; Nielsen, 2012; Roque & Alden, 2012). There are also many records of illegal contracting of Chinese workers in most Chinese projects (see Table 4).

<sup>13</sup> Note that since these are CPI data, it refers to approved projects and therefore, the employment data provided does not reflect the real numbers.

Table 4. Newspaper records of labor conflicts in Chinese companies<sup>14</sup>

REGION	PROVINCE	CONFLICT	CHINESE COMPANY	NEWSPAPER	DATE
South	Inhambane	No overtime payment; Mistreatment; Unfair wages; Arbitrary dismissals	Chinese construct company	@Verdade, Ed. 191	22/06/2012
	Maputo	Suspension of 5 illegal Chinese workers	Building Fidelity, Lda; C.C.M Kingjee Real Estate, Lda.	@Verdade, Ed. 339	29/05/2015
	Maputo	21 workers of Chinese nationality suspended for illegal contracting	ZTE Mozambique, Lda.	@Verdade, Ed. 391	27/05/2016
	Gaza	Suspension of 20 illegal Chinese workers	Wambao Africa Agriculture Development Lda	@Verdade, Ed. 446	16/06/2017
	Maputo	Suspension of 7 illegal Chinese workers	Sino-Hydro Moz Trading	@Verdade, Ed. 477	19/01/2018
Center	Zambézia	Unfair dismissals	Wood Sawmill Company	@Verdade, Ed. 192	29/06/2012
	Sofala	Suspension of 1 illegal Chinese worker	B.G.C Beira Grupo Comercial	@Verdade, Ed. 339	29/05/2015
	Zambézia	Suspension of illegal Chinese workers	Bailing International	@Verdade, Ed. 399	22/07/2016
	Zambézia	Suspension of illegal Chinese workers	Novidade Comercial, Lda; Ana Lina Comercial; Flying Lda.	@Verdade, Ed. 420	16/12/2016
North	Nampula	Suspension of 8 illegal Chinese workers	Synohedro (Construction)	Online Notícias Newspaper	26/09/2013
	Nampula	Suspension of 12 illegal Chinese workers	Sen Yu (Wood processing industry)	Online Notícias Newspaper	26/09/2013
	Nampula	Suspension of 2 illegal Chinese workers	Yidzhouno (Wood processing industry)	Online Notícias Newspaper	26/09/2013
	Nampula	Intimidation, low wages, lack of contracts, beatings.	CR20G	@Verdade, Ed. 298	1/8/2014
	Cabo Delgado	Suspension of 4 illegal Chinese workers	Sawers Cap, Lda	@Verdade, Ed. 339	29/05/2015
	Nampula	Suspension of 1 illegal Chinese worker	Hand Comercial	@Verdade, Ed. 339	29/05/2015

<sup>14</sup> Most of the records presented are from the @Verdade Newspaper, since it was the one that was available on the website for a longer period.

	Nampula	Arbitrary and unjustified dismissals, low wages, lack of work materials, inadequate medical care and medication, threats and overtime work.	Hayiu Mining Company	@Verdade, Ed. 346	17/07/2015
	Cabo Delgado	Suspension of illegal Chinese workers	Raphael Hotel	@Verdade, Ed. 401	5/8/2016
	Nampula	Work overload, lack of employment contracts, lack of documentation for the exercise of the activity in the country.	Chinese construct company	O pais	27/10/2018
National		Physical assaults and verbal abuses, lack of overtime pay, lack of contracts, arbitrary dismissals		@Verdade, Ed. 381	18/03/2016
		Suspension of illegal Chinese workers		@Verdade, Ed. 392	3/6/2016
		Suspension of illegal Chinese workers	Multiple Chinese companies	@Verdade, Ed. 403	19/08/2016

As can be seen, even though the Chinese investment are creating jobs, these come with many irregularities, which in turn may not have the expected benefit that was desired.

- **Land grabbing: the rice friendship project in Gaza**

The debate around 'land-grabbing' has evolved considerably since it burst into media headlines in 2008, from a polarisation of views in favour and against. Opponents of the land deals characterized them as an illegitimate takeover by industrialized and land/water-scarce countries of communal land in developing countries, for the large-scale, mechanized production of biofuel and food crops. The process was also regarded as a form of neocolonialism (Blas, 2008), the imposition of extractive logic by foreign powers producing impoverishment through land dispossession, loss of livelihoods and environmental degradation.

Ganho (2013:1).

According to Madureira (2014) about 2.5 million hectares have been granted since 2001, in Mozambique, leading to the expropriation of small farmers and rural communities of their lands, for which they largely depend to ensure their subsistence and food security.

As seen previously China is the second largest buyer of land abroad, and it has been one of the largest partners of Mozambique. The process of land grabbing in Mozambique has been discussed by civil society, researchers, Government,

etc.; However, it is still a reality not only in Mozambique, but in many developing countries. The case of the Wanbao Africa Agricultural Development Ltd. (WAALD) is one of the many examples that can be found in Mozambique<sup>15</sup>.

The project started in 2012<sup>16</sup>, with the concession of 20 000 hectares on the Limpopo Lower Valley to the WAALD or Wanbao project for 50 years, under the cooperation protocol between the Gaza Province in Mozambique and the Hubei Province in China, focusing on the development and improvement of the irrigation infrastructure, technology transfer to increase agricultural productivity and production (cereals, mainly rice) in order to improve food security in Gaza (Chichava, 2014, 2015; Ganho, 2013; Madureira, 2014; Zunguze, 2016).

The concession of the 20 000 hectares of land led to the expropriation of thousands of small farmers; since the project was being implemented in an area allocated to almost 80 000 people<sup>17</sup> (Madureira, 2014; Zunguze, 2016).

There are reports referring that the project was negotiated with the elites, assuming a top-down structure, without the consultation of the communities (Chichava, 2015; Madureira, 2014; Zunguze, 2016). According to Madureira (2014) for many farmers, the first contact with the Wanbao Project happened upon the expropriation of their lands. They were not notified, nor consulted; they were simply kicked out of their own lands, by Wanbao tractors and backhoe loaders that invaded their plots of land, destroying their crops that were ready to be harvested, causing great losses to the farmers, that did not even receive a compensation for the crops lost (Madureira, 2014; Zunguze, 2016).

The project predicted a distribution of 10% (2 000 hectares) of the granted area to the population; however, the compensation plan had many flaws: 1) it was not negotiated with the farmers; 2) it did not cover all the displaced farmers; 3) the farmers that benefitted with new areas, received small areas than the ones they had before<sup>18</sup>, and with poor conditions for agriculture (Madureira, 2014).

Madureira (2014) sees this compensation strategy as similar to the one implemented by the colonial regime; that is, the expropriation process designed was not meant to impoverish the farmers (even though it did), instead it was meant to reorganize the productive structure based on the “privatization” of land and concentration and accumulation of capital. After independence, a similar process took place in Chokwé, Gaza Province, being called as the second land expropriation cycle, however, led by the Government (Frelimo Party) itself (Abbas, 2018)<sup>19</sup>. Also similar to the colonial regime, the benefits from this strategy were concentrated in a small group of people, namely, the Mozambican wealthy farmers, the Chinese farmers (in Mozambique) and the local elite (Chichava, 2015; Zunguze, 2016). Perhaps, now we are in the presence of a third expropriation or land grab cycle, by the Chinese and the Government.

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<sup>15</sup> The Wanbao project may not be considered a typical land grabbing example, however it presents some relevant aspects for the discussion on this paper.

<sup>16</sup> WAALD replaced the former project implemented by Hubei Lianfeng Mozambique Co Lda. (HLMO Co Lda.), that was established in 2007, having as a main goal agricultural technology transfer from Chinese to Mozambican farmers in order to increase productivity (Chichava, 2015).

<sup>17</sup> According to Zunguze (2016) about 500 farmers were affected (2 500 if we account also for their families).

<sup>18</sup> The argument was that the farmers would benefit from the technology transfer and therefore they would be able to increase their productivity per hectare (Madureira, 2014).

<sup>19</sup> For more information regarding the rural development strategies in Chokwé and how the process of expropriation occurred since the colonial period until today, see Abbas (2018).

## 7. Conclusions

China has become one of the largest partners Mozambique. Many have argued that this relation with China has been beneficial for both countries as it fulfills the objectives for which the partnership was established in the first place.

The arguments in favor and against this partnership are many as were presented in the paper. For the Mozambican Government the partnership between the two countries is essential as it would allow to develop the Mozambican market and the agricultural sector. Another positive aspect was the fact that China is seen as the partner that does not impose conditions on how Mozambique should conduct their policies. Nevertheless, it is important to bear in mind, that some agreements between China and Mozambique do requires ease access or exploitation to Mozambique's natural resources, or grant the Chinese corporations with the construction of public infrastructure.

Others argued that China has been exploring Mozambique resources and intend to make Mozambique its next food supplier as its population increases posing stresses on China land resources and food security. The data analyzed did not provide any evidence to confirm the hypothesis that China wants to make Mozambique its food supplier.

Chinese cooperation was also supposed to promote development, create jobs and improve the livelihoods of the population. As seen, some infrastructures have been created, however, the damages for the community may be greater than the benefits. Some cooperation projects seem to benefit the local elites and wealthy farmers, having a small or none positive effect on the community as a whole. Official data suggests that Chinese projects create jobs for the Mozambican population; However, there are several reports regarding illegal contracting of Chinese workers (which definitely undermine the official data), there are also several reports of abuse, low wages, poor working conditions, lack of contracts, and disrespect to the Labor Law by Chinese companies. That is, even though employment might have been created, the (unfair) conditions in which they are based do not allow workers to improve their living conditions. Nevertheless, the land grabbing is made not only by the Chinese, but with the full support of Government members and elites, benefitting mostly these two actors on behalf of the communities and small farmers.

China can be seen as a predator; that has "invaded" the Mozambican territory and the lands of the communities (land grabbing), usurping their natural resources under the cover of good partner and in the name of development, with Government fully support. What development? For whom? Who benefits from it? Half a dozen of Mozambicans? Nevertheless, China is not the only one to blame. The Government also plays a role on this, if not the biggest role. It was the same with the Portuguese, and it seems like it will not be different with China. A soft and smooth colonization by the Chinese with the help of Mozambican elites, may not be an option to be excluded.

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