

China's Nutrition Activities in Africa

Lessons for developing countries

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Key messages

- > After years of economic growth, food security has become an area of great concern for China.
- > As an essential part of its Go Global strategy, China plans to further expand its overseas economic engagement.
- > China's current policy in Africa is driven by its desire to secure access to adequate levels of natural resources and nutrition.
- > China has developed a "kind of a modern barter system" whereby developing countries pay for infrastructure through the long-term supply of natural resources.
- > If Sino-African co-operation is to benefit Africa, local leaders must think in the long term, while Chinese officials must learn from mistakes made in managing the agriculture of their own country.

The strategic drivers of Sino-African co-operation

The recent growth of Sino-African development co-operation has not been at front of mind for many western politicians and economic leaders. One reason for the sparse attention the topic has received could be the lack of available information and reliable analyses. However, Chinese trade with Africa now outstrips the USA's trade with the continent.¹

China's current policy is driven by its desire to secure access to adequate levels of natural resources and nutrition. Driven by increasing pollution and population growth – both of which put pressure on Chinese food production – China's foreign policy therefore has a strong focus on Africa's natural and agricultural resources.

“China's policy is driven by its desire to secure access to adequate levels of natural resources and nutrition”

Since 1980, China's population has grown from 987 million to more than 1.3 billion.² Potential options for achieving the desired levels of resource security could include the long-term leasing of agricultural land in some sub-Saharan countries, expansion of the Chinese agricultural industry into Africa, and a deepening of the long-standing technical co-operation between China and Africa with a view to increasing the productivity of Africa's agriculture.³ It is widely recognized that China's engagement in Africa has consequences not only for the African countries and their populations but also for the international utilization of natural resources.

China's agriculture

Driven by its goal to rapidly expand its food production, China's agricultural policy originally had little regard for the negative environmental consequences of its increased productivity. However, burgeoning ecological problems and decreasing arable acreage⁴ have obliged China's leaders to give greater attention to reducing environmental damage and finding new sources to feed its growing population. In the past five years, China has introduced various measures to increase the sustainability of its agricultural activities.²

China's agriculture sector has been very successful at producing food in recent decades. It has produced food for 22% of the global population on just 7% of the world's arable land. However, this impressive increase has had its price. Since the mid-2000s, agriculture has surpassed industry as the largest polluter of the Chinese water system. The calculated costs of the relevant environmental impact are some \$32–67 billion (US), and are equivalent to 3–7% of China's agricultural GDP.²

The environmental costs are only one result of this increased agricultural output. Another is the negative impact on human health.⁵ For more than 30 years, most of the environmental bur-

den in China has related to the intensive usage of fertilizers in the production of cereals, vegetables and fruit. The overuse of chemical fertilizers and manure is the dominant cause of eutrophication, soil acidification and high greenhouse gas emissions in the country. Another negative impact on China's ecosystem is the heightened levels of intensive livestock production, which increase air and water pollution.

China's Go Global strategy

As an essential part of its Go Global strategy, China plans to further expand its overseas economic engagement. In 2014, during his visit to the Ethiopian capital Addis Ababa, Li Keqiang, the current Premier of the State Council of the People's Republic of China, sent a clear signal that China will further invest in the development of Africa. Li emphasized Africa's role as an equal partner of China and announced plans to double China's trade volume with Africa from \$200 billion to \$400 billion by 2020. Since Li has been in office, China has signed more than 70 bilateral barter-system-based co-operation contracts (infrastructure against resources) with African countries.⁶

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China's economic activities in Africa

To reach its goal of sustainably meeting the needs of its economy and population, China has developed a “kind of a modern barter system” whereby developing countries pay for infrastructure through the long-term supply of natural resources. Often these contracts are linked to the use of Chinese companies and workers. China therefore provides not only infrastructure and goods to Africa but also a large number of its own citizens. More than one million Chinese have migrated to sub-Saharan Africa, e.g., as farmers, retailers and entrepreneurs.¹

China's activities in pursuit of its strategic goals in Africa are becoming increasingly complex. Apart from direct sales, Chinese companies also benefit from the African Growth and Opportunity Act (AGOA), which permits the customs-free re-export of goods to the EU and the USA. Furthermore, there is increasing demand on the part of Africa's growing number of consumers for technologically more advanced products. Chinese communication technology offers these consumers better access to the internet and to online shops. In contrast to the resource industry, this sector employs more local people and therefore generates purchasing power in Africa. Another important aspect of China's policy in

Africa is that it covers not only state-driven companies. In 2011, 45% of Chinese direct investments in Africa were made by private-sector companies.⁷ These Chinese investments in Africa are very dynamic and have a broad impact on Africa's development. By 2010, nearly 2,180 Chinese companies had expanded their operations to Africa, more than 8,000 projects were in progress, and the trade between China and Africa was 16 times as high as in 2000.⁸

China's agricultural engagement in Africa

After years of economic growth, food security has become an area of great concern for China. China's leaders are therefore increasingly focusing on Africa's rural sector. This strategic investment in Africa's underutilized arable land is viewed by some NGOs as “land grabbing” because it could limit smallholder farmers' access to land and threaten the national food security of African countries.⁹ Agriculture in Africa has great potential¹⁰ because, according to FAO, only 14% of Africa's total arable land is cultivated, and African agriculture “suffers from low productivity, chronic underinvestment and difficulties in accessing potential foreign export markets.”³ These factors offer huge opportunities for Chinese agriculture, aquaculture and food companies to lift their low margins,¹⁰ meet China's growing demand in China for safe food, and avoid the environmental problems that exist in China.

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In trying to achieve food security for China, Beijing does not rely on existing African infrastructure, skills and know-how, instead transferring the necessary equipment, agricultural (bio-) technology and expertise from China to Africa. More than 100 Chinese senior agricultural technicians were sent to 33 African countries between 2007 and 2009 to work with local groups on improving the performance of the agricultural sector. China's activities in Africa's rural sector are often viewed critically by African community organizations, which have already expressed their concerns about China's lack of consideration for the social and environmental impact of these activities and the size of the land acquisitions being made.¹¹

Outlook

Since the end of the Cold War, competition for economic and political influence in Africa has grown dramatically, and the African market is opening up. The approach to aid-giving for Africa var-

ies greatly between China and the USA. Whereas China deploys 70% of its investment on infrastructure, 70% of US aid funds focus on health.¹²

China has successfully entered the African agricultural sector. Its market-driven approach to solving its food security problem seems to be taking increasing hold in the African countries within which it operates.³ Hence, if local leaders act in the public interest, the increasing competition between western countries and China for cultivating long-term relations with Africa is “in itself not negative to the interests of the African people.”⁸ However, if local leaders lack long-term orientation, and if Chinese officials fail to learn from the mistakes they have made in managing the agriculture of their own country, this growing Sino-African development co-operation could have “disastrous environmental consequences” for Africa.³

China therefore offers many important lessons for developing countries on other continents besides Africa.¹¹

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