World Development Vol. 81, pp. 13–23, 2016
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www.elsevier.com/locate/worlddev
http://dx.doi.org/10.1016/j.worlddev.2015.11.021

South–South Cooperation, Agribusiness, and African Agricultural Development: Brazil and China in Ghana and Mozambique

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Summary. — The rise of new powers in development has generated much debate on the extent to which South–South Cooperation (SSC) constitutes a new paradigm of development more relevant to African needs or a disguise for a new form of imperialism. This paper critically examines the rise of Chinese and Brazilian technical and economic cooperation in African agriculture with two cases drawn from Ghana and Mozambique. Using a historical framework, policy documents, case studies, and an analysis of the political economy of agrarian development, we trace the role of agricultural development in the relations of China and Brazil in Africa, and the extents to which recent developments in agribusiness and structural neoliberal reforms of African economies have influenced Brazilian and Chinese contemporary engagements with African agriculture. We examine the extent to which the different policy frameworks, political interests in agriculture, and institutional frameworks influence and impede the outcomes of Chinese and Brazilian development intents. We find that China and Brazil have different histories of experience within African agriculture, which influences the nature of their technical and development cooperation. Although they have distinct agrarian structures, the development of agribusiness and commercial seed, input and machinery sectors in China and Brazil influence engagements within Africa. These are often variants of the same interests that underlie the programs of northern donors, and frequently the two rising powers engage in trilateral arrangements with other donors and international agencies, particularly in the case of Brazil.

Key words — Agriculture, Development, China, Brazil, Mozambique, Ghana

1. INTRODUCTION

In recent years China, Brazil, India, and other so-called "rising powers" are playing new roles in development cooperation in Africa. They have challenged the dominant narratives of mainstream, northern development aid, and economic expertise. They depict the Organisation for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) framework as imposing conditionalities based on unequal international relations and the legacies of colonialism. They contrast their approach as South–South Cooperation (SSC), rooted in third world solidarity, horizontal exchange, mutual respect, and complementarity (Alden, Morphet, & Vieira, 2010; Golub, 2013). Detractors characterize SSC as a new form of imperialism promoting a scramble for resources on the African continent to meet the needs of the rapidly expanding industries and consumer markets of rising powers (see Carmody, 2011 for a comprehensive discussion of debates around this theme). Others argue that these new forms of development cooperation undermine governance reforms, transparency, and sustainable development (see Alden, 2007, chap. 4). However, there is also a recognition that these new forms of development cooperation can both facilitate and complement other sources of aid and trilateral initiatives are becoming common (Abdenur & da Fonseca, 2013). Thus, development cooperation is becoming increasingly multilateral and multipolar.

This paper examines the extent to which the concept of SSC is creating more scope and space for African development initiatives, and whether it is resulting in new paradigms of development that favor the poor, or is resulting in a further deepening of capitalist accumulation and competition on the African continent.

2. FRAMING SSC IN AFRICA

The rapid rise of new southern powers is reflected in global statistics on trade and flows of foreign direct investment. The share of developing countries' participation in foreign direct investment has grown from 6% in 1980 to 31% in 2012. Trade between developing countries has rapidly expanded from 8% of global trade in 1980 to 27% in 2010 (Chaturvedi, 2014, p. 54). This has been further compounded by the 2008 world crisis, and the introduction of austerity measures in developed economies. In 2012 official development assistance (ODA) from OECD-DAC countries fell by 6% (Abdenur & da Fonseca, 2013; McEwan & Mawdsley, 2012). In contrast, investments and financial flows from rising powers continued to expand—although the recent deepening of economic recession has curtailed this. Rising powers are clearly reshaping the landscape of development cooperation, but the longer-term outcomes remain uncertain.

SSC needs to be analyzed within a framework of changing patterns of aid and investment, and changing capitalist relations. Increasingly, northern development cooperation is driven by private sector interests and alignments between the private and public sectors, and policy is influenced by commitments to capital accumulation and growth, which are

* This paper was researched and written under the 'China and Brazil in African Agriculture' project (http://www.future-agricutures.org/research/cbaa), and supported by the UK Economic and Social Research Council (grant: ES/J013420/1) under the Rising Powers and Interdependent Futures programme. The authors are grateful for suggestions and comments from Ian Scoones. The views expressed in this paper are those of the authors alone.

displacing poverty alleviation programs (Kragelund, 2015; Mawdsley, 2015). This finds manifestation in strategies for agricultural development that promote commercial agriculture, and notions of "pro-poor markets" that seek to integrate small farmers into input markets (Mawdsley, 2015).

Other analysts have argued that the rise of SSC is creating spaces for new critical engagements in which African states have more choices and ability to influence development policies and negotiate more favorable outcomes (Cheru, Modi, & Naidu, 2014). However, the role of the state in the framework of SSC is not necessarily greater than in the Post-Washington Consensus where it features in correcting market and institutional imperfections (Fine & Van Waeyenberge, 2013). The framework of SSC is critical of conditionalities, but not of market liberalization. For example, the New Structural Economics variant of SSC (Lin & Wang, 2015) is based upon concepts of comparative advantage, export-oriented production, and state promotion of industrial policies that reflect market opportunities. Economic failures in developing countries are seen as resulting from not recognizing appropriate comparative advantages in markets (Lin & Wang, 2015).

Several writers have commented on the increasing accommodation between the development frameworks of northern and rising power partners (Abdenur & da Fonseca, 2013; Fingerman, 2015; Kragelund, 2015; Mawdsley, 2015). McEwan and Mawdsley (2012) argue that trilateral cooperation results in the replication of older patterns of northern hegemony, with DAC countries setting the agenda, and rising powers serving as cheap contractors, while the beneficiaries remain passive. Mawdsley (2015, p. 4) sees increasing alignments between "transnational economic and political elites of all hues" to drive capital accumulation deeper and more unevenly, resulting in new alliances between northern and rising powers, including among transnational companies.

Many small companies from rising powers are also moving into Africa, including Chinese and Indian firms. Shen (2013) argues that as business becomes increasingly competitive in China many industries are forced either to upgrade or relocate. Many of these are not registered with Chinese embassies or Chambers of Commerce and operate outside formal state policy, and must negotiate business relationships in African country states (Shen, 2013). However, these states are not uniform, but have distinct histories, and trajectories of development that influence the outcomes (see Scoones *et al.*, 2016).

This paper critically examines the changing framework of agricultural development within Africa in the context of SSC, and the extent to which rising powers—Brazil and China in particular—are contributing to agricultural transformation and the emergence of agribusiness accumulation within Africa, taking Ghana and Mozambique as cases. It attempts to analyze points of convergence and divergence and the political economy interests that underlie specific interventions and shape the articulation of agrarian development policy and SSC.[1] The paper examines the extent Chinese and Brazilian policy contexts and histories shape the interventions in Africa, and how the structural context of agriculture and agricultural policies in Mozambique and Ghana limit and influence the implementation of agricultural development cooperation and investments. Ghana represents a country with a relatively developed smallholder sector, with well established (although not necessarily successful) state policies to support smallholders and integrate them into agribusiness value chains and input markets. In contrast, the Mozambique state favors investments in large-scale agriculture and services for smallholder farmers remain relatively underdeveloped.

The next section provides a brief sketch of the emergence of SSC and its relative importance as a concept guiding economic relations between China, Brazil and African countries. This is followed by an analysis of the development of agribusiness in China and Brazil and its bearing on the framing of their agricultural cooperation in Africa. The final section examines the agricultural settings, structures, and policies within Ghana and Mozambique, and the extent to which these shape, facilitate, and thwart Brazilian and Chinese agricultural interventions.

3. SSC IN HISTORICAL PERSPECTIVE

SSC was first articulated in the UN in the 1970s as a component part of the New International Economic Order (NIEO). In 1974 the General Assembly of the UN endorsed the establishment of the Special Unit For Technical Corporation among Developing Countries (TCDC) within the UNDP, and in 2004 this was renamed the Special Unit for South–South Cooperation. SSC emerged as a framework for building technical cooperation among developing countries to facilitate self-reliant development. SSC was based on notions of increasing regional integration to ameliorate the shocks of the world crisis of the 1970s, and to counter the increasing dominance of the economies of developing countries by multinational corporations. SSC built upon a framework of third world solidarity that can be traced back to the 1955 Bandung Conference, and the Non-Aligned Movement, in which the main principles informing relations between states were based on peaceful coexistence, non-interference in domestic affairs and mutual interest. It was also influenced by Dependency Theory and the recommendations of the United Nations Economic Commission for Latin America (Bello, 2004; Golub, 2013). The main objectives were to promote economic autonomy; reform of the international system of trade and aid; international mechanisms to correct trade imbalances between North and South; regulation of multinational corporations and the recognition of rights of sovereignty of countries to control national resources and economic activities; and preferential trade and technology exchange arrangements to facilitate economic growth (Golub, 2013). The dialog for a new international order took place in the context of the dominant social democratic reforms of the day, which found expression in the search for a "third way" embodied in the Brandt Report, *North–South: A programme for survival* (Independent Commission on International Development Issues, 1980). These demands were articulated in the Buenos Aires Plan of Action in 1978 and in several regional fora, including the 1981 Lagos Plan of Action of the Organisation of African Unity (OAU, 1981).

The rapid rise of neoliberalism from the 1980s resulted in the contestation of the framework of the NIEO. Those advocating neoliberal solutions argued that the world economic crisis was a product of inappropriate national policies, distortion of the economy by state interference and involvement in production, and poor governance. As more developing countries sought relief from the IMF, structural reforms were imposed upon them as conditionalities. These included opening domestic markets to international capital, divesting state economic enterprises and focusing on export-oriented production of primary commodities rather than import-substitution. This resulted in the retreat of North–South dialog and the NIEO (Arrighi, 2002).

Nevertheless, SSC continued to be articulated by a small number of newly industrializing countries as a principle for countering dependence on Washington and takeovers by northern multinational corporations. During the 1970s and